This report focuses on an effort by Los Angeles County to transform its welfare-to-work program, Greater Avenues for Independence (GAIN), from one that emphasized basic education to one focused on speedy entry into the work force. Chapter 1 presents an overview of the original program; reasons for a shift to a work-first model and description of the new Jobs-First GAIN program. Chapter 2 describes the program's new philosophy and details how administrators initiated the change. It discusses the administrative restructuring that preceded the shift and the competitive and performance-based contracts GAIN administrators instituted to ensure program service providers supported the work first emphasis. Chapter 3 describes how administrators were able to change the way staff thought about GAIN and presented the Jobs-First message to participants, mainly through a focus on job placements and other outcome measures as key indicators of staff performance and overall program success. Chapter 4 discusses changes to make GAIN services more employment oriented. It describes job services provided by the County Office of Education; ways in which basic education classes became more short-termed and employment-focused; other services; the role of case management; and program costs. Chapter 5 notes some possible next steps, for example, recent efforts to promote the work first message at income maintenance offices and to improve communications between staff at offices and agencies that provide GAIN services. Contains 23 references. (YLB)
ReWORKing Welfare
Technical Assistance for States and Localities

A How-to Guide

Changing to a Work First Strategy

Lessons from Los Angeles County's GAIN Program for Welfare Recipients

Evan Weissman

Manpower Demonstration Research Corporation

MDRC

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Changing to a Work First Strategy

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Evan Weissman

June 1997

Manpower Demonstration Research Corporation

MDRC
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The Author
Preface

This report is being published at a time of major change in our nation's welfare system. The welfare reform legislation adopted in 1996 replaced the 60-year-old AFDC program with block grants to the states. It is too soon to tell how states and localities will respond to its new incentives and restrictions. Will they redesign their total state systems to mirror the time limits and work requirements attached to federal funds? Will they use state resources to support particular groups of low-income people? What will be the balance between support for those on welfare and the working poor? How will this evolve over time?

At this early date, there are more questions than answers. But two changes seem likely. First, there will be growing variation, as states restructure their programs to meet their diverse goals, resources, and circumstances. Second, whatever strategies they adopt, states are going to want to be much more successful than they have in the past in getting people on welfare to take and keep jobs, since this will be critical to delivering on the expectations raised by the new law. In trying to do this, welfare administrators are faced with some factors beyond their control, such as economic conditions, and by others that are not, such as the message, employment-directed services, and incentives provided by the welfare agency.

Some of the greatest challenges will be in inner-city areas of our largest cities, where big bureaucracies, long-term dependency, multiple cultures and languages, and high unemployment will make it difficult both to refocus the welfare system and to move people into jobs. Probably because of these conditions, there is no proven model of a full-scale welfare-to-work program that has made a major difference in a very large urban area.

This is the first in a series of MDRC reports on an effort by Los Angeles County to transform its welfare-to-work program to communicate a new message and move substantial numbers of people from welfare into jobs. It speaks to the first-order question of institutional change: whether the county could transform its GAIN program from one focused on basic education to one emphasizing moving recipients quickly into employment. Administrators in Los Angeles designed the new Jobs-First GAIN program in response to prior rigorous evaluations of the GAIN program in California and other programs around the nation. This report details how Los Angeles implemented its own version of the work first model, and how it is thus in a better position than many other urban areas to meet the employment goals of the new welfare law.

Whether this change to a work first approach in Los Angeles will produce the desired result of moving more welfare recipients into employment will be the focus of future reports in MDRC's evaluation of the program. In any case, this report presents valuable lessons and information for program administrators who wish to shift to a work first model. The story of how Los Angeles was able to refocus its
entire welfare-to-work program on the goal of quick employment should give encouragement—as well as specific lessons—to others who are struggling to meet the challenges of reforming welfare in the nation’s largest cities.

This report was written with several sources of support. First, it was conceived as part of the Los Angeles Jobs-First GAIN Evaluation, which MDRC is conducting under contract with Los Angeles County and with additional support from the Ford Foundation and the California Department of Social Services. Second, staff at the U.S. Department of Health and Human Services (HHS) recognized the potential value of the lessons learned in Los Angeles. The primary funding for the research and writing of this report comes from its inclusion as part of the JOBS Evaluation, which MDRC is conducting for HHS, with additional support from the U.S. Department of Education.

Finally, this report is part of a new initiative at MDRC. As a research organization, we have spent 20 years evaluating state welfare reform projects and have built a unique body of reliable knowledge about the effectiveness of different strategies for moving people from welfare to work. Our Board and staff have decided to try to do more to distill, synthesize, and share the lessons from our studies as well as our extensive field and operational experience, so that states and localities can make more informed choices as they move to reform welfare. To do this, we launched a new technical assistance project, called ReWORKing Welfare, funded by the Charles Stewart Mott Foundation, the Ford Foundation, the James Irvine Foundation, and the George Gund Foundation. The project includes briefings, conferences, tailored technical assistance to states and localities, and a series of monographs on best practices and implementation lessons from the field. This report is being published and disseminated as part of this technical assistance project, with additional distribution through the Welfare Information Network (WIN).

We would like to thank the funders who made this report possible. We hope readers will find it both informative and useful, and we welcome comments and inquiries about both the report and the technical assistance project as a whole.

Judith M. Gueron
President
Executive Summary

In recent years, policymakers and the public alike have put increasing emphasis on moving welfare recipients into employment. By placing time limits on federally funded welfare receipt and creating demanding work requirements, the 1996 federal welfare reform legislation magnified the urgency of states’ efforts to move recipients quickly into jobs. Large urban areas face a dual challenge in implementing successful welfare-to-work programs: First, there is no proven effective model for full-scale welfare-to-work programs in the nation’s largest central cities; second, institutional change in a large welfare department may be much more difficult than in a smaller agency.

This report explores how one of the nation’s largest urban areas—Los Angeles County—made a radical shift in the way it operated the Greater Avenues for Independence (GAIN) program. GAIN is California’s name for the federal Job Opportunities and Basic Skills Training (JOBS) Program, which offered employment and training services for recipients of Aid to Families with Dependent Children (AFDC). In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, funding for JOBS and AFDC was consolidated under the Temporary Assistance for Needy Families (TANF) block grant. Between 1993 and 1995, Los Angeles County shifted its welfare-to-work program from one that emphasized basic education—Adult Basic Education, preparation for the GED (high school equivalency) test, high school diploma courses, and classes in English as a Second Language—to one focused on speedy entry into the workforce. The new program is called Jobs-First GAIN, and it offers lessons to other programs around the nation that are also looking for ways to shift to an emphasis on quick entry into work.

This report was conceived as part of the Los Angeles Jobs-First GAIN Evaluation, which MDRC is conducting under contract with Los Angeles County and with additional support from the Ford Foundation and the California Department of Social Services. The primary funding for the research and writing of the report comes from its inclusion as part of the JOBS Evaluation, which MDRC is conducting for HHS, with additional support from the U.S. Department of Education.1

1The data for this report come primarily from multiple visits to the Los Angeles GAIN program in late 1995 and early 1996, including structured interviews, observation of program activities, and conversations with GAIN participants and program staff. (The scope of the field research is detailed in Appendix A of the report.) Data on the GAIN program as it existed prior to the shift to a work first focus come largely from MDRC’s six-county GAIN evaluation. In addition to Los Angeles, the counties studied were Alameda, Butte, Riverside, San Diego, and Tulare.
The Importance of Los Angeles’s Experience

At a conference several years ago, the chief administrator of a large JOBS program was heard telling the director of Riverside County, California’s, respected welfare department that she admired his accomplishments and would love to shift to a similar employment-focused welfare program model. But, she added, such a change was simply not feasible in a big city like hers, with many conflicting perspectives and interests. Los Angeles County faced such perceived obstacles in 1993 when it began to shift its program.

Prior evaluations have addressed the challenges and lessons of shifting to an employment-focused program, but these studies have mainly been in small- to medium-sized localities. Los Angeles County GAIN represents a special case because of its large scale. Los Angeles County is the most populous in the nation, with over 9 million people spread over 4,000 square miles; the county has about a third of a million welfare cases (almost 900,000 people)—more than any state except for New York. Also, Los Angeles GAIN serves primarily long-term welfare recipients, who may be the most difficult to move into employment. Los Angeles GAIN administrators thus set out to make a major shift in an environment that poses difficult barriers to change, including very large bureaucracies, often poor inner-city labor markets, and many different cultures and languages. These challenges were compounded by the fact that this shift required not only bureaucratic change but also an ideological shift by many people inside and outside the welfare department.

Why Los Angeles Shifted to a Work First Program

The original basic-education-focused model in Los Angeles. Since the late 1980s, Los Angeles County’s GAIN program has been one of the largest welfare-to-work programs in the nation. Since its implementation in 1988, Los Angeles GAIN has been well established, providing program services and enforcing the participation mandate for welfare recipients referred to the program. Consistent with state law, in the early years of its operation Los Angeles GAIN placed a strong emphasis on education—especially basic education—for those welfare recipients who lacked a high school diploma or a GED certificate, or who scored low on a reading and math test. The program placed much less emphasis on post-secondary education, vocational training, or immediate employment.

The California Department of Social Services contracted with the Manpower Demonstration Research Corporation (MDRC) to conduct an evaluation of the GAIN program in six California counties, including Los Angeles, in the late 1980s and early 1990s. On average, the GAIN program was found to have increased the earnings and reduced the welfare receipt of recipients referred to GAIN, as compared to a control group of welfare recipients who were not

2 See, for example, Pavetti and Duke, 1995; Mead, 1995; and Bardach, 1993.
eligible for GAIN services. There was, however, great variation among the counties. Riverside County’s program helped single-parent participants earn nearly 50 percent more than their control group counterparts in the five years following program entry, and reduced AFDC payments by about 15 percent. Los Angeles County’s program had no significant effect on the earnings of single-parent AFDC recipients, and reduced welfare payments by about 5 percent.

Largely in reaction to the GAIN evaluation findings, but also in response to shortcomings of the program noted by GAIN staff and participants, Los Angeles set out in mid-1993 to make a major shift in its program model toward that of Riverside and other successful programs.

**Education and training versus quick job entry.** An important decision that any welfare-to-work program administrator must make is whether to encourage recipients to get education and training or to move them quickly into the labor market. Proponents of an education-focused approach hold that education and training are needed to raise skills so that recipients can become permanently employed in jobs that offer wages and benefits exceeding what they could get from quickly obtained jobs. As opposed to some other education-focused programs, Los Angeles GAIN had a strong emphasis on basic education. Some other education programs focus on post-secondary education or vocational training, and may include direct links between education and the job market. In contrast to education-focused models is the quick job entry model, which is based on the view that even a low-wage job is a positive first step and that job advancement will come from the experience of working. This second approach is often referred to as a “work first” model. Riverside GAIN had this employment philosophy and goal, but also offered a significant amount of basic education—though it focused less on basic education than did any other county’s GAIN program studied in the six-county GAIN evaluation.

While many factors—such as the local labor market, welfare caseload demographics, and the availability of employment and training services outside

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3 For a full description of the research counties, the GAIN evaluation, and three-year findings, see Riccio, Friedlander, and Freedman, 1994. Five-year follow-up on the research sample is presented in Freedman et al., 1996.

4 As part of the evaluation of the JOBS program being conducted by MDRC, these two program models are now being compared “head to head” in three sites, including Riverside County. Early findings indicate that the work first model that was implemented in the three sites led to an increase in the employment and earnings of welfare recipients, relative to members of a control group, in the first two years after their program entry. It also led to a decrease in AFDC payments for those referred to the program compared to those in the control group. The education-focused model, as a result of the up-front time spent in education activities, did not lead to earnings impacts in the first year, but did begin to show earnings gains in the second year after program entry. The education approach led to AFDC reductions in the first two years, though these savings were not as large as those seen in the work first model. Longer-term follow-up will show whether the impacts will increase, and will indicate which program model has the largest impacts over a period of four to five years. See Hamilton et al., forthcoming, and Freedman and Friedlander, 1995.
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of the program—may influence a welfare-to-work program's ability to produce impacts, a program's approach regarding an employment versus an education focus is a major factor in determining its success in achieving its goals. Based on findings from prior studies of welfare-to-work programs, and especially the finding that Riverside's employment-focused program had the largest earnings and AFDC impacts of any previously studied large-scale program, Los Angeles GAIN administrators decided to adopt and adapt the work first model.

The work first program model. There is no definitive model for a work first program; rather, there are a number of best practices that have been identified in the field, and various options or trade-offs that may be made in implementing the program. Work first programs all share the overall philosophy that quick job entry is the best path toward moving from welfare to employment. They also typically share many of the following characteristics: a pervasive message to participants that employment is both the goal and the expectation of the program; job search as the first activity for most or all participants; job development with an active link to the employer community; some short-term education, training, or work experience, followed by or in combination with additional job search; a commitment of adequate resources to serve the full mandatory population; enforcement of the participation mandate; and an outcome-focused and cost-conscious management style.

Was Los Angeles Successful in Shifting to a Work First Model?

Implementation of the work first model in Los Angeles. Despite the barriers to institutional change in a large urban welfare-to-work program, the findings presented here indicate that Los Angeles was largely successful in shifting its program message and services to a work first model. The revised program, called Jobs-First GAIN, and the major changes that have been implemented may be summarized as follows:

- GAIN staff and contracted service providers now stress the importance and value of work—rather than basic education, as in the past—to all GAIN participants, at all points in the program flow.
- Quick job entry is encouraged, even if the job is relatively low-paying and even for participants who do not speak English.
- The most common activities used to be basic education classes. They are now job club (three-week group sessions in which welfare recipients are taught job-hunting techniques and are given the

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For more information on work first programs, see Amy Brown, Work First: How to Implement an Employment-Focused Approach to Welfare Reform (New York: MDRC, 1997), a step-by-step guide to implementing work first programs, drawing on best practices from work first programs around the nation.
use of phones to call potential employers) and individual job search; in both activities, participants are encouraged and helped to find immediate employment. (In fact, Jobs-First GAIN now refers almost all participants to job club as their first activity, whereas Riverside used substantially more basic education during the period of the GAIN evaluation.)

- Job developers are now present in each Los Angeles GAIN office to supplement the job development provided in job club.

- Basic education is still offered, but less often than in the past, and it is more short term and employment focused.

- Program administrators, GAIN staff, and contracted service providers use performance-based contracts and outcome measures, such as the number of job placements, as a primary measure of the program’s success. Prior to the shift, process measures, such as participation rates, were the primary indicators of the program’s achievements.

- Program participation continues to be mandatory for those in GAIN (although Los Angeles does not have the resources to enroll all welfare recipients).

**Effectiveness of the Los Angeles Jobs-First GAIN program.** It is important to note that the fact that Los Angeles County was generally successful in changing its program to give it a pervasive employment focus does not necessarily prove that the new Jobs-First program is, overall, an effective one—that is, that it helps move recipients into work or off welfare when they would not have done so on their own. Other factors beyond implementation practices, especially the economy and the demographics of the welfare recipients being served, may also play a role. And research indicates that large urban welfare-to-work programs have had very limited effectiveness in the past, making Los Angeles’s efforts particularly challenging.

This question will be addressed in future reports from the Jobs-First GAIN evaluation, which uses a random assignment design to estimate the impacts of the Los Angeles Jobs-First GAIN program on welfare recipients’ employment—that is, changes in their earnings and welfare receipt over and above what would have occurred in the absence of the program. While those results are not yet available, operational data from Los Angeles GAIN administrators show that the number of jobs reported for GAIN participants has increased dramatically in the past few years—from 4,000 or 5,000 per year under the old program to over 30,000 per year under the new one. This is encouraging, but not conclusive. Placement gains may reflect improvements in the economy, changes in the types of recipients who are served by GAIN, or simply more thorough reporting and tracking of job placements. In particular, it is not clear from these kinds of data how many program participants would have found
employment without the help of the Jobs-First GAIN program. Future reports from the evaluation that MDRC is conducting will directly address that question.

**Key Lessons from Los Angeles**

The Los Angeles program's experience with its shift to a work first model offers numerous lessons for other counties and cities, particularly large urban areas, that wish to make a similar change. Los Angeles has demonstrated that institutional change within a welfare department is possible in a large urban area, and that a single department or division can effect major change, not only in the programs it administers but also, via a ripple effect, in other agencies and in the community. This experience suggests that while the special challenges faced by urban areas must be considered in program planning, these challenges do not preclude the successful implementation of a work first program model.

Some of the key lessons that may be gleaned from the experience of shifting to a work first program in Los Angeles are summarized below.

**General Lessons**

- To implement a work first program successfully, a large-scale urban program must ensure that all the major partners embrace the work first philosophy and share the same goals and expectations for the program. Los Angeles's ability to make the shift was facilitated by the fact that the program's senior management team was committed to the work first approach, and by the fact that management was able to consolidate administrative functions—such as contracting—and exercise direct control over the thrust and philosophy of the program.

- The shift to a work first program can be made independently of major welfare reform or other changes. Los Angeles County was able to shift to the Jobs-First program from within the GAIN division of its welfare department, and did so prior to the 1996 federal welfare law. All the same, there were limits to what GAIN alone could accomplish. In particular, the changes at GAIN did not directly affect the many welfare recipients in Los Angeles who are not enrolled in the GAIN program. Under the 1996 law, welfare-to-work programs will face increased pressure to assist *all* recipients in finding employment. To do this effectively, Los Angeles GAIN will need to either expand its size drastically or share with the welfare office the responsibility for moving welfare recipients into employment. These are challenges that Los Angeles and many other programs must face in the new environment of welfare reform.
Executive Summary

- Serving the entire welfare caseload may create significant challenges for a welfare-to-work program. Los Angeles GAIN has about 35,000 recipients in the program at any point in time—more than in most states’ programs. However, this is less than a third of the AFDC recipients who would have been mandatory for participation under the JOBS regulations, and less than one of every six adults on aid in the county. If Jobs-First GAIN were to serve the majority of adult welfare recipients and help them find work quickly, major changes would need to be made. First, the program would probably need to serve at least three times as many people, requiring substantially more resources. Equally important, the nature of the program might have to change if Los Angeles were to attempt to reduce the proportion of clients excused or exempted from the program. Serving most or all of the adults on welfare in Los Angeles would require providing services to recipients who may need services beyond what Jobs-First GAIN currently offers.

- Significant investments of staff and resources are required to implement a work first program. Although no new resources were available to Los Angeles GAIN administrators as they made the shift, ongoing funding was sufficient and existing funds were reallocated to ensure that the Jobs-First program could be implemented effectively. For example, GAIN’s financial ability to enter into performance-based contracts with service providers gave program administrators the leverage to motivate these providers to shift to a work first focus.

Changing the Message and Philosophy of the Program

- A focus on outcomes can be an important tool for shifting the message, philosophy, and services in a welfare-to-work program. Placement measures—but not formal placement standards—were used to focus Los Angeles Jobs-First GAIN staff on the primary goal of quick employment. At the same time, by balancing placement measures with other measures of success, Los Angeles GAIN administrators may have avoided some of the unintended consequences—such as focusing on more job-ready recipients—that outcome measures sometimes create. For example, by negotiating performance-based contracts that incorporated fiscal consequences, Los Angeles Jobs-First GAIN motivated service providers to focus their services on the program’s goal of quick employment; but by not allowing service providers to select the recipients they would enroll, GAIN ensured that providers could not limit services to those who were most likely to find employment on their own. Also, by measuring and placing value on job retention,
tors indicated to staff that the program would not be considered a success if the majority of recipients who found work quickly lost their jobs.

- **Program administrators must ensure that staff understand and support the new quick employment goal of the program.** By communicating the new Jobs-First program’s goal and philosophy to staff via memos, an all-staff conference, and other means, Los Angeles GAIN administrators were able to foster a rapid change in the mind set and actions of staff.

- **Participants need to clearly and repeatedly hear the work first message before they can understand and react positively to it.** GAIN staff found that they needed to present the work first message often to ensure that participants understood the new goal of the program. To do so, staff at all agencies providing services needed to communicate well with one another. When they did not—especially when they were located at different offices or worked for different agencies—participants occasionally received mixed messages about the goal of the program and what they were expected to accomplish in the short and long term. This experience shows that all-staff conferences and other meetings between GAIN and provider staff can help staff to improve their communications with one another and, as a result, can clarify and strengthen the message that is presented to participants.

- **When staff are able to ensure that recipients understand and receive benefits and transitional services once they begin working, participants are more likely to accept the work first message.** Staff in Los Angeles often found it difficult to explain California’s “Work Pays” and other welfare rules, which allow people to continue to receive welfare and transitional services when they take low-paying jobs. They also often found it difficult to ensure that working participants received these benefits. When these benefits were well understood and used, both recipients and staff were more likely to be supportive and accepting of the work first message.

- **Changes in the message presented at income maintenance (the welfare office) may strengthen—but are not a precondition for—a work first program.** Los Angeles GAIN administrators did not originally expect or attempt to make concurrent changes at the income maintenance offices. However, they soon realized that changes at income maintenance could help make the Jobs-First GAIN program more effective and might help move welfare recipients who were not in GAIN into employment. For example,
income maintenance staff can strengthen the quick employment message and encourage welfare recipients to find work by telling them about the goal of GAIN, by promoting the benefits and transitional services that are available to many working recipients, and by ensuring that welfare recipients receive all the benefits for which they are eligible. Changes of this sort have begun to occur as GAIN and income maintenance administrators have recently been working together to increase the employment focus at income maintenance offices in Los Angeles.

Changing the Sequence and Content of Services

- **Job club is often the keystone of a work first program.** Los Angeles contracted out for an upbeat, highly motivational job club focused on getting participants into jobs quickly. This three-week job-seeking workshop and other job services are provided by the County Office of Education, which won a competitive bid for the contract. Job club became in many ways the core component of the Jobs-First GAIN program in Los Angeles.

- **Many work first programs retain some education activities.** Los Angeles continues to enroll some participants in education activities, particularly basic education classes at adult schools throughout the county. In response to GAIN's work first emphasis, many of the schools made their classes more short term and employment focused.

- **Organizations that have not traditionally embraced the work first philosophy can shift to support a work first program if the incentives and desire are present.** In their focus on outcomes, Los Angeles GAIN administrators chose to work with providers who they felt could best meet the employment goal of the program. Surprisingly, the education community plays a very large role in the Jobs-First program: Education activities continue to be provided by traditional adult education providers in the community, and these providers shifted their focus in response to GAIN's new goal. In addition, as noted above, the job club and other job services that are central to the program are provided by the County Office of Education.

- **The shift to a work first program does not necessarily require changes in the case managers' role or in the program's participation mandate.** Although Jobs-First GAIN case managers changed the message that they convey to participants, their daily tasks did not change significantly. The typical daily routine for a case manager in Los Angeles GAIN continues to include conduct-
Executive Summary

ing intake interviews, holding other meetings with participants, and monitoring participation in activities. When recipients fail to participate without a good reason, case managers continue to enforce the participation mandate and refer recipients for financial sanction in much the same way as they did prior to the shift. Many case managers in Los Angeles stated that they would prefer to spend more time giving personalized attention to participants and less time doing paperwork, but the share of staff time spent on these types of activities was not affected by the shift to a work first program.

Conclusion

The findings presented in this report show that a fundamental shift to a work first program can be achieved, even in a large urban area and even in a program that works with long-term welfare recipients. The lessons from Los Angeles County can provide guidance to administrators and staff in other states and localities around the nation that are currently contemplating or actually making a similar change in their welfare-to-work programs.
Chapter 1

The Los Angeles GAIN Program in Context

Introduction

This report is the first in a series from the evaluation of Los Angeles County's Jobs-First Greater Avenues for Independence (GAIN) Program, which the Manpower Demonstration Research Corporation (MDRC) is conducting under contract to Los Angeles County. GAIN, which began operations in California in 1986, aims to increase employment and reduce welfare receipt among people receiving welfare. Operating in all 58 California counties, GAIN is one of the largest and most ambitious welfare-to-work programs in the nation. Los Angeles GAIN alone serves about 35,000 welfare recipients at any point in time, and is larger than the welfare-to-work programs of all but a few states.

Until 1996, one of GAIN's most distinctive features had been its statewide emphasis on basic education for welfare recipients who lacked either a high school diploma or basic literacy skills in mathematics, reading, or the English language. Within the GAIN model, however, counties had considerable flexibility in their operation of the GAIN program. Originally, Los Angeles GAIN placed a strong emphasis on basic education—that is, Adult Basic Education, preparation for the GED (high school equivalency) test, high school diploma courses, and classes in English as a Second Language. In mid-1993, the program began a transformation to a model that emphasizes rapid employment as the primary goal. This shift to a work first program, termed Jobs-First GAIN in Los Angeles,¹ is the subject of this report; subsequent reports in the evaluation will present findings on the program's effectiveness.

The Temporary Assistance for Needy Families (TANF) block grant created by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gives states increased responsibility and flexibility, as well as some new constraints, in their administration of their welfare and welfare-to-work programs. TANF replaces with a block grant funding for Aid to Families with Dependent Children (AFDC), emergency assistance, and the Job Opportunities and Basic Skills Training (JOBS) Program, of which GAIN was California's version.

By placing time limits on the availability of federal welfare funds, and requiring states to have large numbers of welfare recipients in work or work-related activities, TANF places increased pressure on state and local welfare programs to move recipients into employment quickly. Having already shifted to a work first welfare-to-work program model, Los Angeles is in a better

¹ In this report, as in Los Angeles itself, the program is often referred to simply as GAIN. The specific meaning of the term—whether the statewide initiative, the original Los Angeles program, or the current Los Angeles program—should be clear in context.
position than many other localities to implement the new welfare law. Thus, the experience in Los Angeles offers lessons to other programs around the nation that are looking for ways to shift to an emphasis on quick entry into work.  

The Structure of This Report

This chapter presents an overview of the original GAIN program in Los Angeles; the reasons administrators decided to shift to a work first model; and a brief description of the new Jobs-First GAIN program in Los Angeles. Also, the demographics of Los Angeles County are compared with those of other large urban areas across the nation in order to convey a sense of the environment in which Jobs-First GAIN was implemented.

Chapter 2 presents the new philosophy of the Los Angeles GAIN program, and details how administrators initiated the change in the program so that the message presented to recipients—and the services they received—would mesh with the new work first philosophy. In particular, this chapter discusses the administrative restructuring that preceded the shift, and the competitive and performance-based contracts that GAIN administrators instituted to ensure that program service providers supported the work first emphasis.

Chapter 3 describes how GAIN administrators were able to change the way that staff thought about the GAIN program and—in turn—the way that staff presented the Jobs-First message to participants in the program. In part, this change was achieved by a focus on job placements and other outcome measures as key indicators of staff performance and the program’s overall success. Also important in the shift in the mind set of staff and participants was the fact that California changed its welfare rules in 1993 to make it more likely that recipients who went to work in low-paying jobs would be able to combine work and welfare and to receive (in most cases) increased income from the combination of earnings and welfare benefits.

The changes to make GAIN program services more employment oriented are discussed in Chapter 4. This chapter describes the job services that are provided by the County Office of Education; the ways in which basic education classes have become more short term and employment focused; and other Jobs-First GAIN program services. The chapter also discusses the role of case management and the costs of running the Jobs-First GAIN program in Los Angeles.

The final chapter, Chapter 5, notes some of the possible next steps for Los Angeles GAIN as it continues to evolve. For example, this chapter discusses recent efforts to promote the work first message at income maintenance offices in Los Angeles and to improve communications between staff at the various offices and agencies that provide GAIN services.

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2 Throughout this report, the terms "Los Angeles," "Los Angeles County," and "the county" are used to describe the entire County of Los Angeles, including the City of Los Angeles, which is home to over one-third of the county’s population.
Overview of the GAIN Program in Los Angeles, 1988–1992

Who is served in GAIN. Since 1989, most AFDC recipients whose youngest child is age three or older have been considered mandatory for the program. However, state regulations required that counties target services primarily toward long-term recipients. Because Los Angeles lacked the resources to serve the entire mandatory population, its GAIN caseload consisted of long-term welfare recipients—most of whom had been receiving aid for at least three years continuously. As a result, the average GAIN participant could be classified as “very hard to serve.” For example, in 1989 and 1990, approximately 80 percent of GAIN single-parent registrants in Los Angeles were determined to be in need of basic education, and about a third of single parents (and over 80 percent of the heads of two-parent households) lacked proficiency in English. Only 17 percent of the single parents in GAIN had worked within the past two years. For comparison, in each of the other GAIN evaluation counties, registrants were more likely to have been employed recently (ranging from 24 to 59 percent for single parents), more likely to speak English, and less likely to be in need of basic education.¹

The focus on long-term recipients shifted in spring 1996, when Los Angeles began to serve a limited number of short-term recipients and recent applicants along with long-term recipients. The period of field research for this report was too close in time to this change for its effect on program practices to be observed. Later reports in this study will include these recipients.

The original Los Angeles GAIN model. Consistent with state law, in the early years of its operation Los Angeles GAIN placed a strong emphasis on basic education for welfare recipients. As shown in Figure 1, under the original model recipients were first referred to GAIN by the county welfare department’s income maintenance (AFDC) office, where initial or continuing eligibility for welfare was determined. Recipients were referred to a separate GAIN office for orientation and appraisal. At this point, the opportunities and obligations of the program were explained and participants’ basic skills in reading and mathematics were tested. In addition, each case was reviewed to determine a number of things (such as background characteristics and the need for support services), but particularly to assess whether a participant was “in need of basic education” or “not in need of basic education.” This determination was one of GAIN’s most distinctive features and an important part of one of its primary goals—to provide mandatory, up-front basic education to a population of welfare recipients who lacked a high school diploma or basic skills in reading, math, or the English language.

Within this framework, enrollees were given services suited to their circumstances as assessed by the GAIN staff. Thus, the sequence of services was intended to vary according to the educational needs of participants. Those who lacked a high school diploma or a GED certificate, who were deemed not

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Figure 1
Simplified Depiction of the GAIN Program Model and Primary Service Providers, 1988–1992

Registration at Income Maintenance Office (Automated)

Orientation at GAIN Office (County Office of Education)

Deferral

Appraisal at GAIN Office (Private-sector Case Managers)

Self-Initiated Education or Training

Yes

Determined to Need Basic Education?

No

Basic Education (Los Angeles Unified School District, Los Angeles Community College District, County Office of Education)

Job Services

Assessment

Work Experience or On-the-Job Training

Vocational Training (Job Training Partnership Act Agencies, Community Colleges, and Adult Schools)

Other Activities

Note: Registrants can leave the GAIN program at any point because of employment or deregistration from GAIN for other reasons. The primary providers of the most commonly used services are indicated in parentheses.
proficient in English, or who had low reading and mathematics test scores were determined to be “in need of basic education.” Registrants in this group were generally assigned to classes such as Adult Basic Education, GED preparation, and English as a Second Language. They also had the option of participating in job search either while attending classes or after fulfilling the basic education requirements, and a few clients opted to participate in job services before basic education. Registrants who had a high school diploma or a GED certificate and passed the initial reading and math skills tests were determined to be “not in need of basic education.” Most of these individuals were referred to a job service activity first, attending workshops to acquire job-seeking and interviewing skills. Job services also included access to telephone banks and employment counseling.

Another important aspect of the original GAIN program model in Los Angeles was the way in which it was managed. Typically, welfare departments are directly responsible for handling such functions as registration and overall case management. However, Los Angeles’s GAIN program operated under a number of contracts with agencies and organizations outside the welfare department. Figure 1 indicates in parentheses the providers of many of the GAIN services; as indicated in the flow chart, Los Angeles contracted with a private-sector firm to conduct case management. Vocational assessment and training, educational programs, and employment counseling were operated and guided to a great degree by outside providers such as the Los Angeles Unified School District (LAUSD), the Los Angeles Community College District (LACCD), the County Office of Education (COE), and Job Training Partnership Act (JTPA) agencies. In addition, child care resource and referral agencies helped registrants find child care.4

The ways in which counties implement their welfare-to-work programs can greatly influence the way a participant experiences the program—and thus the way she or he behaves. One of the important decisions that Los Angeles GAIN program administrators made was to emphasize the goal of gaining more education and training over that of finding immediate employment. In surveys conducted in 1989 and 1992, fewer than half of the Los Angeles GAIN staff reported that they placed a high emphasis on quick employment. The focus on basic education in the early Los Angeles GAIN model can be seen in its participation patterns. Of the welfare recipients who were determined to be in need of basic education, nearly half participated in ABE, GED, or ESL classes; fewer than 10 percent participated in job search activities; and fewer than 5 percent participated in other activities, such as vocational training or work experience. Of those who were determined not to need basic education, about 25 percent participated in job search activities, and over 20 percent participated in vocational training or post-secondary education.5 Recipients who were already in

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5For more data from the participation analysis and staff attitudes surveys, see Riccio and Friedlander, 1992; and Riccio, Friedlander, and Freedman, 1994.
some type of activity—often an educational or vocational training program—when they entered GAIN were allowed to continue in that activity as a self-initiated program (SIP) if it met the state criteria.

It is important to note that not everyone who attended the orientation and appraisal was referred to a GAIN activity on the first day. A substantial portion of recipients who came into GAIN were granted temporary or permanent deferrals or exemptions because it was determined that they met state or federal criteria. Common reasons for granting deferrals included medically verified illness and “severe family crisis.” In addition, until recently recipients who were employed part time were deferred.

Case management strategies. Another implementation strategy for GAIN administrators to consider was how much personalized attention participants would receive. The role that case managers played in recipients’ lives could vary in many ways: in the extent to which they tried to learn about a recipient’s personal life, how much they accommodated to an individual’s particular needs and circumstances, and how much they attempted to advise, persuade, or counsel participants.

A GAIN survey conducted prior to the shift found that staff in Los Angeles placed less emphasis on personalized attention than did staff in the other five California counties studied and had the highest registrant-to-case-manager caseload ratio (with caseloads in the range of 100 to 150). However, it was also noted that, on the whole, the level of attention might exceed that of many other welfare-to-work programs. (See the section on case managers’ roles in Chapter 4 for a more detailed discussion of the level of personalized attention in Los Angeles GAIN.)

GAIN administrators also had to decide how to respond to participants’ noncompliance with program requirements. Regardless of a recipient’s basic education needs, participation in GAIN was expected until the individual found employment, left welfare, or was exempted or deferred. When a recipient was referred to GAIN and then ceased to attend activities on a regular basis, several steps were usually taken to secure compliance, such as sending notices or initiating a conciliation process. If all those procedures failed, a financial “sanction” (i.e., a reduction or termination of the monthly welfare grant) was imposed. Los Angeles sent formal conciliation notices to about a third of its single-parent registrants, although only 5 percent of them were actually sanctioned.6

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The Los Angeles GAIN Program in Context

The Impetus for the Move to an Employment Focus

When they were first implementing GAIN in Los Angeles, administrators made basic education a predominant feature of the program. They believed in the value of education, and they were setting out to do what they felt the state legislature had intended when it enacted the GAIN legislation. As a high-level program administrator noted, “Typically, welfare administrators—at least here—are used to just marching lockstep to state regulations; and that is their job.” Los Angeles administrators read the legislation as saying that “an investment in human capital will eventually help these people get better jobs.” Generally agreeing with this concept, like most other counties in California, Los Angeles implemented a program with a strong focus on basic education.

It did not take long, though, for frustrations to arise out of the education-focused model. Staff and administrators alike felt that what many welfare recipients wanted was employment, and that GAIN was largely failing to help them obtain jobs. Many recipients had done poorly in school in the past and did not want to return to school. Others readily agreed to attend basic education activities through GAIN, but never completed their activities. There was a growing sense that while basic education might be useful for some participants, many were not benefiting from the activity. As a supervisor, who had been a GAIN case manager when the program was first implemented, put it: “I ate, drank and slept [the belief in] ‘education so they can get a better job.’ But they weren’t getting an education, and they certainly weren’t getting jobs.”

“People weren’t getting jobs,” echoed a GAIN administrator, “but we had nothing to compare it to; nothing to measure change by. We were running the program by faith and an idea, without any evidence whether that was working or not.” This frustration was felt by GAIN participants as well. A survey conducted in 1991 found that participants were generally satisfied with their experiences in GAIN, but “were overwhelmingly pessimistic about the contributions of the [program] components to their chances of getting a job.”

Another survey found that 60 percent of respondents thought GAIN would improve their chances of getting or keeping a job when they entered the program, but two to three years later fewer than 40 percent felt that GAIN had actually improved their chances of finding employment.

In 1992, MDRC published its first findings on the impacts of the GAIN program in six California counties, confirming that Los Angeles GAIN had had no measured effect on the average earnings of AFDC single-parent recipients.

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3Quotations from staff and participants in the GAIN program appear throughout this report. Unless otherwise indicated, all such quotations are from field research conducted in 1995 and 1996 by the author of this report. See Appendix A for a description of the field research.


enrolled in the program. In the same report, Riverside County's GAIN program was shown to have the largest impacts of any welfare-employment program evaluated using a rigorous, random assignment research design. As indicated in Table 1, Riverside's GAIN program increased the earnings of single parents on AFDC by 59 percent in the first year, whereas participants in the Los Angeles program experienced no change. And while Los Angeles was successful in lowering AFDC payments by about 5 percent for this group, the Riverside program had an impact of over twice that magnitude. Additional follow-up on this sample of AFDC recipients, who entered the GAIN evaluation between March 1988 and June 1990, has shown that these trends generally continued into the fifth year after program entry. Further analysis also showed that in comparing the program's benefits to its costs, Riverside was beneficial for recipients and for the government, which received a return of $2.84 for every dollar invested in GAIN (see Table 2).

The magnitude of the program's effectiveness in Riverside, and the fact that impacts continued to be large in the second and subsequent years of the study, inspired administrators in Los Angeles (and other areas around the nation) to look at what made Riverside's program stand out from the others. A prominent factor in Riverside was the strong emphasis on employment throughout the program, even for participants who were deemed "in need of education" at the initial appraisal. Recipients who had low reading and math test scores or who lacked a high school diploma (or GED certificate), or both, were more likely to be in job club in Riverside than in any other county, and were less likely to participate in education.

Even more striking was the message conveyed by the Riverside GAIN program: There was a pervasive focus on the value of work for welfare recipients, and this message was presented by staff at all levels of the program. The work first message...
### Table 1

**GAIN's Five-Year Impacts on Earnings and AFDC Payments for AFDC Single-Parent Registrants Randomly Assigned Between 1988 and 1990**

<table>
<thead>
<tr>
<th>County</th>
<th>GAIN Program Group</th>
<th>Control Group</th>
<th>Difference (Impact)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>$1,304</td>
<td>$1,308</td>
<td>$-4</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Years 1-5</td>
<td>9,467</td>
<td>8,872</td>
<td>596</td>
<td>6.7</td>
</tr>
<tr>
<td>Riverside</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>2,470</td>
<td>1,550</td>
<td>920 ***</td>
<td>59.3</td>
</tr>
<tr>
<td>Years 1-5</td>
<td>16,974</td>
<td>11,936</td>
<td>5,038 ***</td>
<td>42.2</td>
</tr>
<tr>
<td>Six-county average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>1,908</td>
<td>1,642</td>
<td>266 ***</td>
<td>16.2</td>
</tr>
<tr>
<td>Years 1-5</td>
<td>15,067</td>
<td>12,215</td>
<td>2,853 ***</td>
<td>23.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>County</th>
<th>GAIN Program Group</th>
<th>Control Group</th>
<th>Difference (Impact)</th>
<th>Percentage Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>$6,874</td>
<td>$7,202</td>
<td>$-328 ***</td>
<td>-4.5%</td>
</tr>
<tr>
<td>Years 1-5</td>
<td>24,305</td>
<td>25,688</td>
<td>-1,383 ***</td>
<td>-5.4</td>
</tr>
<tr>
<td>Riverside</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>4,962</td>
<td>5,658</td>
<td>-695 ***</td>
<td>-12.3</td>
</tr>
<tr>
<td>Years 1-5</td>
<td>15,674</td>
<td>18,379</td>
<td>-2,705 ***</td>
<td>-14.7</td>
</tr>
<tr>
<td>Six-county average</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year 1</td>
<td>5,963</td>
<td>6,235</td>
<td>-272 ***</td>
<td>-4.4</td>
</tr>
<tr>
<td>Years 1-5</td>
<td>20,140</td>
<td>21,636</td>
<td>-1,496 ***</td>
<td>-6.9</td>
</tr>
</tbody>
</table>


Notes: The sample for this table consists of individuals who were randomly assigned in Los Angeles County between July 1989 and March 1990, and in Riverside County between August 1988 and March 1990.

Dollar averages include zero values for sample members not employed or not receiving welfare. Estimates are regression-adjusted using ordinary least squares, controlling for pre-random assignment characteristics of sample members. Rounding may cause slight discrepancies in calculating sums and differences. For all measures, "year 1" refers to follow-up quarters 2-5, and "years 1-5" refers to quarters 2-21. Because quarter 1 (the calendar quarter in which random assignment occurred) may contain some earnings and AFDC payments from the period prior to random assignment, it is excluded from the summary measures of follow-up.

A two-tailed t-test was applied to differences between experimental and control groups. Statistical significance levels are indicated as *** = 1 percent; ** = 5 percent; * = 10 percent. Three asterisks mean that outcome differences were considered statistically significant if there were no more than a 1 percent probability that the measured differences could have been produced by chance and not as a result of the program. Two asterisks indicate a probability of no more than 5 percent, and one asterisk indicates a probability of no more than 10 percent that the measured differences could have been produced by chance.

*In addition to Los Angeles and Riverside, the counties studied were Alameda, Butte, San Diego, and Tulare. In the six-county averages, the results for each county are weighted equally.*
Table 2
GAIN’s Costs and Benefit-Cost Results for AFDC Single Parents
Randomly Assigned Between 1988 and 1990

A. Total GAIN Cost: Expenditures by the Welfare Department and Other Agencies

<table>
<thead>
<tr>
<th>County</th>
<th>Welfare Department GAIN Cost</th>
<th>Other Agencies’ Costs for Serving GAIN</th>
<th>Total GAIN Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$4,023</td>
<td>$1,961</td>
<td>$5,984</td>
</tr>
<tr>
<td>Riverside</td>
<td>2,073</td>
<td>890</td>
<td>2,963</td>
</tr>
<tr>
<td>All counties</td>
<td>2,899</td>
<td>1,515</td>
<td>4,415</td>
</tr>
</tbody>
</table>

B. Net Cost Per Program Group Member

<table>
<thead>
<tr>
<th>County</th>
<th>Five-Year Average Net Cost (Total Per Program Group Member)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$6,402</td>
</tr>
<tr>
<td>Riverside</td>
<td>3,469</td>
</tr>
<tr>
<td>All counties</td>
<td>4,895</td>
</tr>
</tbody>
</table>

C. Estimated Net Gain or Loss (Net Present Value) Per Program Group Member
Within Five Years After Orientation, by Accounting Perspective

<table>
<thead>
<tr>
<th>County</th>
<th>Program Group</th>
<th>Government Budget</th>
<th>Return to Government Budget Per Net Dollar Invested</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Angeles</td>
<td>$1,561</td>
<td>$3,442</td>
<td>$0.41 per $1</td>
</tr>
<tr>
<td>Riverside</td>
<td>1,900</td>
<td>2,936</td>
<td>2.84 per $1</td>
</tr>
<tr>
<td>All counties</td>
<td>923</td>
<td>833</td>
<td>0.76 per $1</td>
</tr>
</tbody>
</table>


Notes:
1. The other four counties were Alameda, Butte, San Diego, and Tulare.
2. In the all-county averages, the results for each county are weighted equally.
3. Total GAIN cost plus cost of post-GAIN activities.

was also clearly stated not just to participants in job search activities, but to all recipients the moment they walked into the GAIN office. The employment focus continued even for those who went into basic education activities. In short, all clients in Riverside GAIN were repeatedly told that quick employment was the goal of the program and that any job is a good job, regardless of the level of pay.

While many factors—such as the local labor market, welfare caseload demographics, and the availability of employment and training services outside the
program—may influence a welfare-to-work program’s ability to produce impacts, a program’s approach regarding an employment or education focus is a major factor in determining its success in achieving its goals. So with the work first approach as a model, and with a newfound sense of the flexibility with which GAIN could be implemented, Los Angeles set out in mid-1993 to dramatically change its GAIN program.

It is important to note that successful implementation of the work first model cannot guarantee that Los Angeles GAIN is, overall, effective—that is, that it helps move recipients off welfare and into work when they would not have done so on their own. Other factors beyond implementation practices, especially the economy and the demographics of the welfare recipients being served, may also play a role. And research indicates that large-scale welfare-to-work programs in major urban areas have had very limited effectiveness in the past, making Los Angeles’s efforts particularly challenging.14

The GAIN Program in Los Angeles Today

Beginning in mid-1993, Los Angeles began shifting its general model to the new “Jobs-First” GAIN program. The following is a description of the typical sequence of services now followed in Jobs-First GAIN, as depicted in Figure 2. While there are some differences in the local administration of the Los Angeles GAIN program among the five GAIN regions that serve welfare recipients across the county, services in all five regions follow the same general model. The remainder of this report details how the change was achieved as well as other dimensions of the program shift, such as changes in the message presented to clients, changes in the content of the services provided, and differences among the GAIN regions.

Initial referrals. One of the most concrete changes in the program as it has switched to an employment focus has been the dramatic increase in the proportion of GAIN participants referred to a three-week job club as their first activity. During the appraisal process—in which case managers make the first activity referral—recipients who are able to participate in a GAIN-referred activity are almost always referred to job club regardless of their educational level. In contrast, in Riverside during the GAIN evaluation, 50 percent of clients who had no diploma or tested below a certain level on the basic skills test went into basic education, and only 30 percent went into job search, as their first activity. This level of job club activity was the highest in the six GAIN evaluation counties, but significantly lower than the current use of job club as an up-front activity in Los Angeles Jobs-First GAIN.

Longitudinal data showing the current flow of participants through Los Angeles GAIN are not yet available. However, staff estimate that while well over half of the entire GAIN caseload used to be referred to basic education as their first activity, now

Figure 2
Simplified Depiction of the Current Jobs-First GAIN Program Model and Primary Service Providers

Registration at Income Maintenance Office (Automated)

Orientation at GAIN Office (County Office of Education)

Deferral

Appraisal at GAIN Office (GAIN Case Managers)

Self-Initiated Education or Training

Job Services (County Office of Education)

Assessment

Job Services (County Office of Education)

Basic Education (Los Angeles Unified School District, Los Angeles Community College District, County Office of Education)

Work Experience or On-the-Job Training

Vocational Training (Job Training Partnership Act Agencies, Community Colleges, and Adult Schools)

Other Activities

Note: Registrants can leave the GAIN program at any point because of employment or deregistration from GAIN for other reasons. The primary providers of the most commonly used services are indicated in parentheses.
less than 10 percent ever end up in basic education. Also, while the general regulations and procedures for approving self-initiated programs have not changed substantially since GAIN shifted to a work first approach, case managers often encourage participants in self-initiated programs (SIPs) to seek part-time employment or prepare them for the fact that when they complete their activity and enter GAIN, they will probably be assigned to job club with the goal of finding employment quickly.

As was the case prior to the shift in emphasis, funding limitations allow Los Angeles GAIN to serve only a fraction of the eligible or mandatory welfare recipients. About 35,000 recipients are typically in Los Angeles GAIN at a point in time—less than a third of those who would have been mandatory for participation under the JOBS regulations, and less than one of every six adults on aid in the county. And according to state regulations, GAIN still defers or exempts from participation a substantial proportion of recipients because it is determined that they have barriers to participation or employment.

**Subsequent referrals.** While the majority of participants in any employment and training program are likely to participate in only the first activity, a substantial portion typically go on to subsequent activities. Participants who do not find a job in the three-week job club in Los Angeles are now usually referred to a formal assessment. (In contrast, during the GAIN evaluation, participants in Riverside often continued in job club beyond the initial three-week activity if they had not yet found employment.) Following the assessment in Los Angeles GAIN, staff report that they are now much less likely to refer welfare recipients to education or classroom training, especially if it would be expected to last more than six months. Instead, recipients who do not find employment and then go through assessment are usually referred back to job services for additional job search assistance, or occasionally to basic education. Recipients who go into basic education are routinely referred back to job club as soon as they complete that short-term activity (usually lasting no longer than six months).

Occasionally, clients are also referred to vocational training, unpaid work experience (known as Pre-employment Preparation [PREP] or Alternative Work Experience [AWEX] in California), or—very rarely—on-the-job training. GAIN data show that fewer than 1 or 2 percent of registrants are typically participating in each of these activities in any given month.

**New state regulations.** California Assembly Bill 1371, which became law in late 1995, requires counties to switch their GAIN programs to a work first model in much the way that Los Angeles already has. Among other changes, AB 1371 (as it is still frequently called in California) requires more up-front referrals to job club and allows counties to target a limited number of short-term recipients for services. In general, the Los Angeles program was already operating close to this new state program model, and

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15Referral numbers are based on anecdotal estimates from staff. GAIN-supplied data indicate that at a given point in time, about 5 percent of the GAIN caseload are active in basic education activities. Future reports in this study of the Jobs-First GAIN program in Los Angeles will present a more detailed analysis of participation patterns.

16See, for example, Freedman and Riccio, 1991.
Jobs-First GAIN may thus offer an early view of the results of the state's new approach.

As of this writing, it appears that California's welfare reform plans are likely to include the continuation of GAIN or a similar welfare-to-work program, and that counties will continue to be required or strongly encouraged to run work first models such as the Jobs-First GAIN program in Los Angeles.

**Demographic and Welfare Data**

Comparing the demographic characteristics of Los Angeles County and nine other large U.S. urban areas can offer a sense of the conditions under which Los Angeles County operates in its mission to move its citizens from welfare to work. Los Angeles is the largest county in the United States, with a population of about 9 million. By comparison, the next largest county—Cook (Chicago) in Illinois—has about half that many people. Just over half the population of Los Angeles County is white, and the county has higher proportions of Latino (38 percent) and Asian (11 percent) residents than most other major urban areas. Nearly half the population of Los Angeles speaks a language other than English at home; about two-thirds of those people are Spanish-speaking. (These and other demographic data are summarized in Appendix B.)

The unemployment rate in Los Angeles rose from 5.8 percent in 1990 to 9.8 percent in 1993, and dropped to 7.9 percent in 1995.¹ As indicated in Appendix B, over 11 percent of the families in Los Angeles have incomes below the poverty level, and just over 21 percent of the children are in poverty; these poverty rates are in the mid-range for the nation's large counties. To a greater extent than in many other U.S. urban areas, the poor in Los Angeles are spread across the county; there are pockets of poverty not only in the city of Los Angeles but also in many of the suburbs and in each of the regions served by the GAIN program. Similarly, the minority population is widely dispersed.

Cash assistance grant levels in California are among the highest in the country (see Appendix C). Nationally, AFDC grants for a family of three in July of 1996 ranged from $120 per month in Mississippi to $923 in Alaska, with California providing $594 (the fifth highest level). In 1995, total annual AFDC expenditures in California were over $6 billion, the highest in the nation; by comparison, New York and Michigan spent $3 billion and $1 billion, respectively, on AFDC in that year. California's average monthly caseload and average monthly number of recipients were about double those of New York, the state with the next largest welfare caseload. In fact, in 1995, Los Angeles County alone had an average of almost 900,000 people on AFDC each month, more than in any state except New York.

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The Boundaries of Change

Despite the flexibility that counties in California have in implementing their GAIN programs, these program changes had to be made within the bounds of certain state and federal regulations, funding limitations, and the broader context of state AFDC regulations. So, although Los Angeles County had the authority and autonomy to make significant changes in the program model, it was required to make these changes within certain structural limits, as described below.

GAIN funding and regulations. Direct funding for the GAIN program and support services in Los Angeles rose from around $40 million per year in the early 1990s to about $60 million in fiscal years 1993-94, 1994-95, and 1995-96. Although program administrators could do little to control the overall funding levels for the program, they have always been able to determine the number of people served in the program, and thus to maintain ultimate control over the per-participant level of funding. With this control, GAIN administrators have been careful throughout the program’s existence to limit intake to the number of participants whom they believe they can adequately serve, keeping case managers’ caseloads at a level they feel is reasonable and ensuring sufficient funds for program activities and support services. As a result, Los Angeles GAIN has been able to increase the number of recipients served in the program, but there does not appear to have been a dramatic change in the funding levels per participant. (The cost implications of shifting to the Jobs-First GAIN program are discussed in more detail in Chapter 4.)

State GAIN regulations remained fairly constant as Los Angeles shifted the emphasis of its program. That is, between 1988, when Los Angeles GAIN was first implemented, and early 1996, there were no major changes in the activities that counties were required or allowed to provide; state regulations regarding procedures for noncooperation and the implementation of sanctions (grant reductions imposed for failure to comply with GAIN regulations) remained fairly constant; and GAIN regulations regarding who must be served were also constant.¹ Through early 1996, Los Angeles and other counties that lacked funds to serve the entire mandatory AFDC caseload were required to serve primarily long-term recipients in their programs. As a result, GAIN registrants in Los Angeles tend to have significantly longer welfare histories, less employment experience, and perhaps more barriers to participation and employment than average welfare recipients in the county.

¹State Assembly Bill 1371 (which became law in 1995 but is still commonly referred to as AB 1371) was enacted to change many of these rules and regulations. A number of its provisions were required to be implemented by counties in early 1996. The full impacts of the bill are yet to be seen in Los Angeles, although many of the changes that it calls for appear to have been made prior to its enactment.
Given the constancy of state regulations over time, Los Angeles administrators were able to work within the general GAIN model to make a shift in the message provided to participants, in the specific content of the activities in which they participated, and in the service referrals made by case managers. The details of how these important shifts were made are discussed throughout the remainder of this report. Los Angeles's success in making the shift without major changes in the GAIN legislation or regulations suggests that other localities—states, counties, or even single program offices—may be able make similar changes in their programs independent of major changes in state welfare-to-work program rules.

Changes in AFDC. While many aspects of the AFDC system in Los Angeles remained unchanged between 1988 and 1996, the treatment of earned income and the other work incentives were changed in ways that facilitated the shift to the Jobs-First GAIN program. In particular, federal waivers for changes that California implemented in 1993 encouraged AFDC recipients to combine work and welfare by allowing them to earn substantially more before their grant was reduced or terminated. The importance of this change, which many other states have also made, is discussed in Chapter 3.

Apart from the change in the treatment of earned income, the AFDC system in California remained relatively constant during the period in which Los Angeles's program shifted. For example, time limits were not imposed on AFDC receipt, and—perhaps most important for a program trying to change the message presented to welfare recipients—there were no substantial changes in the way in which income maintenance workers treated recipients.

Traditionally, the role of income maintenance staff has been simply to determine eligibility and issue grants. In Los Angeles, a focus on welfare reform and the response to GAIN's program shift have led income maintenance staff to become more aggressive in promoting the Jobs-First GAIN program and the value of work. However, high caseloads (typically about twice the size of GAIN caseloads) and competing priorities often appear to minimize the time that income maintenance staff can spend promoting the work first message to clients. Despite the limited nature of the changes at income maintenance, the shift at GAIN has significantly altered the nature of welfare for those AFDC recipients who are referred to the GAIN program.

Los Angeles's shift to a Jobs-First GAIN program, in the absence of major change in state GAIN and most AFDC regulations, points to the fact that it is possible to make consequential changes in a large welfare-to-work program independent of many broader changes to the welfare system or even to parts of the employment program's rules and regulations. This fact alone should make program administrators around the nation aware that they have leeway to institute significant change within their own programs. Federal reform, which

Los Angeles shifted to a work first program from within the welfare department, independent of major welfare reform or other changes.
has given states increased authority and flexibility in running welfare-
employment programs, may also give local administrators more flexibility
(though not necessarily more resources) to design or redesign programs that
help welfare recipients move into work.

The New Philosophy: A Job; A Better Job; A Career

Within the boundaries described above, Los Angeles GAIN administrators
set out to make a major change in the program model. Early in this process,
they adopted a motto to communicate the new program goal and philosophy:
"A job; a better job; a career." As the motto makes clear, the immediate goal of
the program is quick employment. Whereas the prior model stressed "education
so they can get a better job," the new motto makes no mention of education.
Moving welfare recipients into a job—even one that pays the minimum wage
and provides no benefits—is seen as the first step toward "a better job," which
in turn can help lead to "a career."

The new philosophy on which the Jobs-First GAIN program model is
based is expressed by staff to participants as follows:

- Work is valuable.
  You will be better off financially.
  As a working parent, you can be a working role
  model for your children.
  Being on welfare is bad for your self-esteem.
- Any job is a good job.
  The best way to get a better job is to first get your foot
  in the door.
  Even a minimum wage job is better than none at all.
- You can get a job.
  With the proper attitude and job seeking skills, anyone
  can find a job in Los Angeles.
- Continued education may also be valuable.
  You can get an education, but the best way is to get a job first,
  and then go to school in the evenings.
  If you go to school as part of GAIN, it will be short term, with
  the goal of getting you into a job quickly.

This new philosophy did not represent a change in attitude about what
participants might ultimately achieve. In the words of a case manager, "Self-
sufficiency is the ultimate goal, but our goal is to get them a job." Given GAIN's
focus on the primacy of employment, staff do not necessarily consider case
closure an immediate goal. For many recipients, the ability to combine work and
welfare is seen as a clear success and an important step up from unemployment.

It must be noted that not everyone agreed with this new philosophy and
the program changes it required. While many staff supported the changes,
some people in the community felt—and some continue to feel—that the work
first model may not be appropriate in Los Angeles. For example, an adminis-
trator on the staff of a contracted service provider expressed concern that by focusing on employment, Jobs-First GAIN may be failing to improve recipients’ education levels and thus failing to help them obtain high-paying jobs. An expert on job training programs familiar with the Los Angeles GAIN program argued that GAIN should be more aggressive in its outreach and partnering with private employers in order to ensure that high-paying jobs for GAIN participants are available.

All the same, Los Angeles GAIN administrators—like staff in Riverside—believe in the value of quick entry into the labor market as the best way for welfare recipients to begin their climb up the ladder to economic well-being. GAIN administrators who wanted to make the change also had the support of many case managers and other staff who worked directly with clients.

Available research suggests that a work first program model can be an effective approach to increasing employment and decreasing welfare receipt. But even in Riverside GAIN and other successful work first programs, where clients were assisted in finding jobs they would not otherwise have found, there is little evidence that these jobs necessarily led to better-paying employment. Whether this is the case in Los Angeles—with its particular mix of services and economic and demographic characteristics—remains to be seen.

Change Initiated from the Top

While the shift to the Jobs-First model was supported by many staff, major programmatic change in a welfare-to-work program as large as the one in Los Angeles could not have evolved on its own. The initiation of and overall guidance for the change came from the director of Los Angeles GAIN, who, in mid-1993, set out to “make clear what our mission was, and the fact that we expected a change.” GAIN administrators saw the clarity and consistency with which the message was transmitted as essential to the change. The message of change has “got to be pervasive and inescapable,” according to the director.

As another GAIN administrator put it, “the fact that GAIN [is] consolidated under one chief, and there is a clear vision at the top to all staff, is very important. . . . The daily reinforcement has to be that mission message that does come from the top.” Interviews with staff at all levels indicated that it is clear to staff that the shift in GAIN’s focus was one that came directly from the top.

Although the change was “top-down,” many staff already felt that such a change would be beneficial, and staff were given opportunities to provide input into how the new program model would be implemented. For example, at an all-staff training seminar in 1993 entitled “Refocusing GAIN,” staff broke into working groups and created suggestions for achieving the shift to an employment-focused program. The GAIN director reviewed these suggestions and asked the five regional administrators to select a few of the items that they would like to implement in their offices. A working group with line staff from
each office was also created to further develop and review the implementation of the various ideas and to share lessons from all the offices.

In other efforts at inclusiveness, line staff have been invited to sit on special committees, to review and comment on drafts of staff directives, and to call the GAIN administrative office with suggestions for change. While some staff say they do not feel comfortable about providing this kind of input, many reported having provided suggestions or having participated in some part of GAIN planning.

Furthermore, the degree of flexibility given to the regional administrators allows each region to implement a work first model in the manner that best suits their office. This variation between offices gives the regional administrators and central administration an opportunity to compare experiences and learn from one another. As noted in Chapter 5, several pilot projects are under way in which one or more regions are testing new procedures to determine whether they should be expanded to the entire county.

**Consolidation of Administrative Functions**

As Los Angeles GAIN shifted to a work first program, changes were made not only in the message of the program and the services delivered to participants (as discussed below) but also in the program’s management structure.

When Los Angeles GAIN began in 1988, the County Department of Public Social Services (DPSS) provided no direct services, and the GAIN division had only partial control over the contracts for service provision. Because it contracted for many GAIN services, rather than relying on other programs’ funding sources, DPSS had the potential to exert significant control over the manner in which those services were provided. But the fact that contract management was divided among five divisions at DPSS meant that GAIN administrators had limited power to direct the overall philosophy of the program.

The major shift in the program’s goal was made possible by the consolidation of this contracting authority, according to a GAIN administrator: “I don’t think we could have pulled it off unless we were pulling all the strings, and we weren’t pulling all the strings before.” By bringing into the GAIN division the oversight of all contracts, the management of line staff, and the ability to set priorities for computer system changes, the GAIN director was able to lead and closely monitor the program’s new direction.

In general, this administrative reform was not directly related to the shift to an employment focus. However, it did help to make the change possible because staff found that the consistency of the message and the clarity of the philosophy were essential components of the shift. It might have been much more difficult to focus

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2See Brock, 1992, and Hasenfeld, 1991, for discussions of Los Angeles County’s decision to contract out GAIN services.
the program on a clear goal if Los Angeles had not been able to consolidate—or at least closely coordinate—the administrative functions in GAIN.

**The Shift to Performance-Based Contracts**

Originally, GAIN’s service contracts were primarily fixed-cost and contained a significant level of detail about how services should be provided, but very little detail about what outcomes were expected. When GAIN administrators obtained control of the contracting process and began to make the shift to an employment focus, one of the things they insisted on was that some of the service contracts be performance-based and competitively bid. In particular, contracts were revised for the provision of the two primary types of services to which GAIN participants were referred: job services and basic education. (In addition, in 1993 there was a change in the provision of case management when the county terminated its contract with a private contractor that had originally conducted all GAIN case management. However, this change was unrelated to the shift to a work first model, and the majority of case managers were quickly hired by the county into the same positions they had held with the contractor.)

**Re-letting the job services contract.** Job club and job search services were initially provided by local offices of a state agency under a fixed-cost contract that included detailed descriptions of the services to be provided, but did not mention the number of clients that GAIN expected to become employed. As GAIN began to shift to the Jobs-First model, program administrators began to focus on placements at job club and saw that fewer than 10 percent of the participants who went to the activity were finding employment. GAIN administrators decided to re-let the contract, and although they could have sole-sourced the contract with another government agency, GAIN administrators insisted that the contract be competitively bid. This time, in addition to specifying the types of job services to be provided, GAIN’s request for proposals included a job placement incentive fee. The contractor was to receive a flat fee for each GAIN participant who started job services, plus a bonus for each participant placed in unsubsidized employment above a 20 percent target and a penalty if fewer than 20 percent found jobs.

GAIN received a number of proposals from both public and private agencies, and did not award the contract to a traditional employment agency. Instead it turned to the County Office of Education (COE), which already conducted orientation and provided education intermediary services for GAIN. GAIN administrators saw COE’s proposal as the best to provide job services to GAIN participants at a reasonable cost.

The contract negotiated between GAIN and COE includes a number of performance standards as well as payments for each client who begins participation in job services. The majority are process standards that set ground rules in the areas of quality assurance and monitoring, rather than dictating the specifics of the services to be provided (such as the curriculum to be used). The standards
also specify penalties—typically between ten and a few hundred dollars per occurrence—for each time COE fails to meet standards in areas such as reporting on the status of participants, notifying clients and GAIN staff of rescheduled activities, and responding to client and GAIN staff complaints.

The standard that both GAIN and COE see as central to the contract is the 20 percent placement target. The contract applies the placement bonus in an innovative manner. Because it is a public agency, COE must use all of the contract funds, including this bonus, toward the actual cost of services. Instead of the bonus going toward profit or future investment (as it might in a for-profit organization), it must be used on special projects or pilots that expand the scope of the GAIN job services provided by COE. This bonus structure can serve as a real incentive for public agencies. First, by putting more money into the project, bonuses allow a public agency to strengthen the services provided. And second, in times of budget reductions, the contract growth generated from the bonuses can help an agency avoid layoffs that might otherwise be necessary.

As might be expected when public agencies enter into this type of contract, negotiations between the two agencies were time-consuming and difficult, requiring compromises from both sides. Significant time was spent by the two agencies in working out the details of the standards, and then deciding whether to impose the penalties when, in the early stages of the contract, the standards were occasionally not met. In the end, the penalties were never applied on the first three-year contract.

A new three-year contract with COE was let, effective July 1996. That contract uses similar performance standards. The fee for each starting participant is retained, as well as a bonus fee for job placements above 20 percent of those who show up for job services and a penalty for failing to meet the 20 percent target. But payment of the bonus fee now requires the jobs to be full time (rather than either part or full time), and requires that GAIN give prior approval to COE for the job services projects or pilots for which the bonus money is to be used.

The new contract negotiations were again extremely difficult. A GAIN administrator noted that this difficulty was inevitable, given the fact that GAIN wanted—and ultimately achieved—a contract that set higher expectations for about the same dollar amount as the previous contract. The quality of the job services offered by COE was never an issue, and an essential factor for keeping the negotiations on track, according to the GAIN administrator, was that "I always knew that both sides wanted what was best for participants."

COE has now been providing job services for GAIN participants since July 1993. These services, which are detailed in Chapter 4, include job club, job search, job development, and employment counseling. Overall, GAIN administrators have been extremely pleased with the job services provided by COE, and they credit much of COE's success to the performance-based contract, under which COE is responsible for ensuring that clients who are referred to them can and do find jobs. The contract encourages flexibility and innovation on
the part of the service provider, and GAIN has found that COE is very responsive in making any changes required to maintain high placement rates. The COE job services director expressed support for the performance standards as well: "I'm a performance-oriented person, [and] this gave me the clout to convey it to my staff and other bureaucrats."

As the contract negotiations ultimately proved, in the words of the job services director, "There are people who think like entrepreneurs in public agencies."

**Renegotiating contracts for basic education services.** When the GAIN program was first implemented, DPSS had wanted performance-based contracts with the agencies that provide basic education in the form of English as a Second Language (ESL), Adult Basic Education (ABE), General Educational Development (GED) certificate preparation, or high school diploma (HSD) courses. The Los Angeles Unified School District (LAUSD) and the Los Angeles Community College District (LACCD, the largest in the nation) resisted, so DPSS agreed to fixed-cost contracts with these two agencies. DPSS also entered into an intermediary contract with COE to monitor the provision of services to GAIN participants in about 30 other smaller school districts and community college districts that blanket Los Angeles County.

When GAIN shifted to a work first model, administrators wanted to make the program’s basic education services more short term and employment focused. They chose to do this by renegotiating to make their basic education contracts with LAUSD, LACCD, and COE performance based. Revising the education contracts proved to be difficult, which was not surprising, given that the explicit goal of GAIN administrators was to increase the employment focus of the program and thus reduce the emphasis on—and use of—basic education activities. But because of the strong basic education infrastructure in LAUSD, LACCD, and the other education providers, GAIN administrators chose to work with these providers—trying to change the nature of the services provided—rather than trying to build a new network of providers for GAIN students separate from the existing education community. A GAIN administrator described the nature of the challenge: "We had to reeducate the contractors. That wasn’t so tough when we re-let the job service contract because we just threw out what we had and started over. But you’ve got a whole educational community and a network of service providers . . . that have a certain mind set. And that had to be changed."

"Besides the philosophy of education and training that those folks have," another administrator added, "there’s also a funding issue. [If] they keep a person in the classroom, they get the money" from state education funding sources.

Despite these challenges, GAIN administrators were resolved to revise the contracts to focus education providers on outcomes and encourage shorter duration of the education activities. As part of this effort, GAIN worked to inform the providers about the reasons for the shift and to assure them that despite the program’s new focus on employment, GAIN would continue to refer some participants to basic education activities. They noted that the shift
to shorter duration could, in part, be balanced by additional hours of attendance per week because some clients would attend for the same total number of hours, albeit in fewer months. And they assured the education community that GAIN would encourage clients to continue their education even after they found employment.

In July 1995, the basic education providers entered into performance-based contracts with GAIN. Like the job services contract, these contracts include a number of process standards dictating how the schools should report attendance, communicate with GAIN, and conduct other monitoring activities. But the contracts also include a completion standard, which requires that for each school, an average of 7.5 percent of participants must successfully complete their activity each month (with employment counted as a successful completion). Unlike the job services contract, the basic education contracts do not contain monetary penalties or incentives. Rather, they state that if a school fails to meet too many of the standards, its contract will be terminated.

In addition, the contracts require the contractor and county to establish duration standards that will reduce the average length of time that clients spend in basic education activities, but do not mention any specific targeted duration. Many of the education providers have resisted the formal duration standard because they feel that the measure may not account for differences in the types of clients they serve and the specific circumstances of their students. While GAIN administrators have continued to try to insert specific formal duration standards in the contracts, they have begun to track the duration of clients’ attendance and have been showing staff how each school is doing on this measure. Even without succeeding in placing specific duration standards in the contracts, by simply paying attention to this measure GAIN administrators may be bringing about the desired effect. As the director of GAIN explained:

It’s a natural incentive, even in the absence of standards in the contracts. If you’re tracking them and publishing individual site performance [on duration and completions], the case managers are going to send their people to the sites that are doing the job. The contractors are going to be acutely aware of that because their funding stream is based on enrollment. That is a powerful incentive for them to then initiate—on their own—performance appraisals.

A regional administrator agreed that because staff have a list of basic education providers to choose from, tracking their performance is useful: “We know which providers have the best completion rates and the shortest duration . . . . We send reports to staff and encourage them to select high performers.” Probably because the tracking of school performance is a relatively new activity, the regional administrators noted that GAIN case managers were not yet making significantly more referrals to certain providers on the basis of these measures. GAIN staff did, though, express strong support for the goals of reducing the length of time clients spend in education and
favoring the schools that succeed in helping clients to complete their activity or find employment.

As a result, although the contracted agencies still oppose some of the formal standards, they have made a substantive shift in their mind set and the services they provide. Through the contracting process described here, GAIN administrators were able to change the nature of basic education services for their program's participants. Details about the specific changes are discussed in Chapter 4.

The turnabout of the education providers surprised and impressed GAIN administrators and staff, who noted that ultimately the education providers turned out to be the most receptive and innovative service providers in the GAIN network. By adopting the new Jobs-First GAIN message and philosophy, and adapting their programs to meet the new goal of Jobs-First GAIN, the contracted education agencies have remained primary providers in Los Angeles—not only of education but also of job services—even as the program has shifted away from long-term education.

The challenges of performance-based contracts. These performance-based contracts have also raised two challenges for Los Angeles. First, the focus on employment outcomes is seen by some GAIN staff as sometimes leading job services staff to be too harsh with participants. Some case managers fear that while job services benefit the majority of participants, a few participants may be hurt by the extreme focus on job placement. This programmatic concern and more details of the job services provided by COE are discussed in Chapter 4.

By negotiating performance-based contracts—but not allowing service providers to select those whom they would enroll—Los Angeles GAIN motivated service providers to focus their services on the program's goal of quick employment.

A second and potentially very significant problem with performance-based contracts involves "creaming," or working only with welfare recipients who appear most job ready. By requiring COE and the basic education providers to serve everyone who is referred to them, and counting everyone who shows up for this activity in the performance measure, Los Angeles reduced both the opportunity and the incentive for creaming. For example, if COE had been allowed to control who entered job services, COE could have increased placement rates by refusing to serve clients who appeared to be least able to find employment. But as the contract is written, COE has the intended incentive: Even the hardest-to-serve recipients are counted in the performance measures, and COE is thus encouraged to work with these recipients as well as all others to meet or exceed their placement target.

For a further discussion of some of the advantages and drawbacks of placement measures, see the section on "Participant Placement Measures for GAIN Staff" in Chapter 3.
Chapter 3
Changing the Mind Set of GAIN Staff and Participants

To truly change the focus of the GAIN program, administrators felt that, in the words of one administrator, “changing the mind set of our staff was first and foremost—getting them to buy into this new concept, the different concept.” Without a change in the way staff thought about GAIN, there could not be a change in the way participants experienced the program. Administrators predicted that changing staff’s mind set would be difficult; but, as one of them said, they found that “by and large, staff were willing to change—maybe more willing than we initially thought they were.”

Staff did need to receive the new message that GAIN was about employment, but simply telling them about the new philosophy and program goal was not enough. They also needed to believe the new Jobs-First GAIN message before they could effectively convey it to participants. This chapter discusses how staff came to change their mind set and how they pass along the message about the value and importance of work to participants. Two important factors in this change are also discussed: GAIN administrators’ increasing focus on placements and outcomes, and the statewide rules changes that allowed recipients to continue to receive welfare when they took low-paying jobs.

The Change in the Message to Staff

As noted in Chapter 2, the message that GAIN was shifting from an education to an employment focus came directly from the GAIN director, and he tried to make that message pervasive and inescapable for both the program’s participants and staff. Many staff had already grown frustrated with the length of time participants were spending in basic education activities and with the very low number who appeared to be completing education or finding employment. In addition, the findings from the GAIN evaluation were well publicized and well known by many staff. Simply put, many GAIN staff thought that the shift to a work first program model made sense.

While GAIN administrators were surprised by the ease with which staff accepted the new message, they noted that some training of staff was still necessary. They were also aware that staff needed to have a clear understanding of the new program goal and philosophy.

By ensuring that staff understood and supported the new employment goal of the program, GAIN administrators fostered a rapid change in the mind set of staff.
was clearly and convincingly communicated to them. At this session, a consultant presented a program called "Refocusing GAIN: How to Motivate Your Caseload to Self-Sufficiency." Probably more important than the specific tips on how to work with participants were the overall philosophy and message espoused in the training: that welfare recipients can find employment; that they will be better off employed; and that they want to be employed.¹

A GAIN administrator noted, though, that the quick acceptance of the new philosophy "wasn't unanimous; many [staff] were ready and willing to receive that new direction from day one. Others, in degrees, were more wed to what they were currently doing. And people moved toward the current mission at a different rate." In addition to the all-staff training, each regional administrator had methods for training staff in the new program philosophy. For example, one regional administrator asked the case managers with the most job placements in their caseloads to talk to other case managers about how they could promote work and about the success their clients had had.

By the winter of 1995–96, when the majority of the field research for this report was conducted, all staff who were reached said that they supported the new work first message and that they found the current program significantly more effective than the previous, education-focused model. As one would expect, some concerns about and criticisms of the current program were raised (and are noted in this chapter and in Chapter 4); but there appears to be a consensus that the GAIN program has become more effective in Los Angeles as a result of its shift to an employment focus.

Because the change in focus occurred over time, it is quite possible that some of the staff who were most resistant to the new Jobs-First GAIN model left the program during the course of regular staff turnover. However, it is clear that no "purge" of staff was necessary to ensure that the majority supported the employment-focused program. Administrators and staff report that case managers have not experienced a high degree of turnover, and even when Los Angeles brought its case management in-house, the majority of staff were hired by the county into the same positions they had held with the private contractor.

While there is still a range of staff support for the program's philosophy, all staff appear to understand and present the primary goal as that of helping welfare recipients find jobs quickly. Staff also demonstrate a belief that recipients are capable of working and will be better off when they become employed. This staff support has undoubtedly made the shift in the message even quicker and easier than the program's top administrators expected.

The Focus on Outcomes

A management tool that is used prominently in Los Angeles to maintain the program's work first focus is the concentration on outcomes, rather than

¹"Refocusing GAIN: How to Motivate Your Caseload to Self-Sufficiency," training program presented by Dean Curtis, September 27, 1993, Los Angeles.
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process. By focusing on employment outcomes, Los Angeles administrators have further strengthened and clarified the message to service providers (through performance-based contracts, as discussed in Chapter 2) and GAIN staff (as discussed below). They have also used employment outcomes to demonstrate the program’s goal and successes to others, such as the county Board of Supervisors and the state. The focus on employment outcomes makes clear that the GAIN program in Los Angeles cares first and foremost about moving welfare recipients into jobs.

The natural choice for the primary outcome that is measured in Los Angeles (as well as many other work first programs) is the number of clients who start employment. Some other outcomes—such as welfare case closures, recidivism, and participant income—are also measured, as discussed below; but the strong belief in the value of work, even if it is combined with welfare, has led administrators to make it clear that placements are the outcome that matters most in measuring the success of Jobs-First GAIN.

Participant placement measures for GAIN staff. In focusing on outcomes for GAIN staff, Los Angeles chose to measure job placements at the individual case manager level. By doing this, administrators can measure case managers’ success in reaching GAIN’s goal, and at the same time reinforce the program’s employment message to staff. As a secondary measure, GAIN administrators also set placement targets for each of the five GAIN regions.

When GAIN administrators first proposed placement standards for case managers, the workers’ union indicated its strong opposition to quotas. County administrators worked with the union to resolve the issue, and discussed the issue in monthly meetings in which any staff concerns can be voiced. As a result of these negotiations, GAIN administrators agreed not to set quotas and assured staff that no disciplinary action would be taken against anyone who did not meet certain placement levels. (This is in contrast to a program such as Riverside GAIN, which includes specific placement goals in the rating of case managers’ performance.) However, the GAIN director did not give up on the concept of measuring placements; as he explains, “I insist that performance evaluations speak to job placement. It’s not a specific rating factor—we had to be careful with that—but it is spoken to.”

While central administration insisted on placement measures, implementation of the measures was left up to the regional administrators. Across Los Angeles GAIN’s five regions, a general target of 10 placements per month was set for every worker with a regular caseload. In each of the regions, staff who meet this level—and often the staff member with the highest placements each month—are rewarded or recognized in various ways. For example, in some regions posters are put up congratulating each case manager who had 10 or more placements in the preceding month; in other regions, top performers get a trophy or their name on a banner. In at least one region, case managers who get the most placements sometimes receive free movie tickets or a free restaurant meal. In one office, the regional administrator has chosen not to publicly post the names of case managers who made 10 or more placements for fear that those
who did not make the list would get discouraged; instead, she personally congratulates each of the case managers who have met their goal.

**Advantages of placement measures.** The inclusion of placement results in staff evaluations and the monthly recognition of staff who make “the double-digit team” strengthen the program’s employment focus in several ways. First and foremost, in the words of one regional administrator, “It’s important to let staff know what’s important to you,” and placement measures are a clear way of showing staff that employment is now the key goal of GAIN. The inclusion of placement measures in their performance reviews serves as a constant reminder to staff that the goal of the program is employment. The public recognition of case managers with the highest placement rates reminds staff that administrators value case managers who get recipients into jobs. The public recognition can have an additional effect: When recipients see case managers being congratulated for high placements, they realize that GAIN is serious about placing a high value on finding employment.

A second benefit of placement measures is that they help supervisors and regional administrators identify staff who are performing above or below average. Regional administrators report that they watch for case managers who have low placement numbers so that they can offer them assistance or encourage them to refer more participants to job club. Regional administrators have also asked case managers with consistently high placements to talk to other staff about how they achieve this success.

A third advantage of placement measures, and outcome measures in general, is that in focusing on outcomes, administrators signal staff that the details of how they do their work are up to them, and that what is important to management is the outcome, not the process. In Los Angeles, the focus on outcomes in some cases replaced a focus on process. This strategy gave staff some autonomy and flexibility to reach the desired outcome in the way that is most comfortable and effective for them, without being overly burdened by process requirements that focus on what staff do, rather than on what ultimately gets done. For instance, case managers in Los Angeles are not told that they need to have a certain percentage of their caseload in job club; so although job club may help many participants find employment, case managers can provide recipients with other assistance and still receive recognition for work well done if a recipient finds employment.

Conversations with case managers have confirmed that they feel they do have a fairly high degree of flexibility in deciding how to work with individual recipients. For example, staff have been given the authority to establish how long clients will stay in basic education activities; administrators are essentially saying that as long as case managers are aware that employment is the ultimate goal, they are best qualified to determine how long an individual needs to be in education to become prepared for entry into employment.

**Drawbacks of placement measures.** There are, however, some drawbacks to placements as a measure of staff performance. First, several case managers and regional administrators noted that an over-reliance on that outcome measure
could lead staff to overlook other aspects of the job (such as wage levels or the potential for retention and advancement) for those who do get placed, or other successes in the lives of participants who do not find employment. A regional administrator described a situation that could occur if staff are overworked and faced with placement standards: "You’re so focused on getting them into employment, workers [may] say, 'Here’s job A and here’s job B. Let’s not spend a lot of time trying to figure out which job is best for participants.'"

Several Los Angeles staff noted that there may be incremental successes for participants who do not find employment, such as showing up for activities or completing an education component. A GAIN administrator agreed that the benefits of Jobs-First GAIN cannot be measured solely by placements: "We do have successes of people who have gone to school, who have gotten credentials, who have gotten high school diplomas, whose children are better off—wonderful stories." Staff felt strongly that these incremental steps must continue to be recognized in some way and that the quality of their own work could not be judged by placements alone.

A second danger is that case managers striving to achieve high placement rates may "cream," working only with the welfare recipients in their caseload who appear most likely to find jobs (and who might have gotten jobs on their own) and neglecting the recipients who appear least likely to succeed—and who may actually be most in need of assistance. The requirement that case managers keep in their caseloads recipients who do not find employment or leave welfare may reduce the risk of creaming somewhat; but staff may still find it simplest to defer or just ignore the hardest-to-serve recipients in their caseload while focusing their energies on those who can find employment quickly. Although there is no evidence that this is happening on a significant scale in Los Angeles, it is an issue that must always be watched closely by administrators who rely on placements as indicators of program success. For example, in Riverside, which has strictly defined placement standards, case managers were also held accountable for process measures and were expected to pass audits of their casefiles, which facilitated timely and accurate treatment of all recipients in their caseload. Such practices can ensure that case managers do not become so focused on quick employment that the hardest-to-serve cases are left behind. As the GAIN evaluation showed, Riverside’s program was effective for a broad cross-section of recipients, including those who might have been labeled hard to serve because, for example, they had long welfare histories and little or no work experience.

A third weakness of placement measures is that, in the eyes of case managers, luck is largely what determines whether the recipients who are referred to them find employment. A case manager explained, "I feel like it’s the luck of the draw; you can’t pick motivated participants [to be in your caseload]." Administrators

Two factors that suggest that creaming is not occurring on a significant scale are (1) the majority of participants in Los Angeles GAIN are long-term welfare recipients, and (2) GAIN case managers report spending a disproportionately large amount of their time on recipients who are failing to meet GAIN’s participation requirements.
noted, though, that over time the numbers average out, and some case managers consistently have higher placement rates than others who have similar participants in their caseloads. At the same time, regional administrators are careful to take note when case managers have special caseloads—such as immigrants or two-parent families—and to account for that in measuring those managers’ success. (Surprisingly, Los Angeles GAIN has found that non-English-speaking participants are often more likely to find employment than the English-speaking population. This topic is discussed in more detail below.)

A fourth drawback of placement measures is that they may cause unnecessary stress for staff in the program. In the words of a case manager, “I hate the pressure from above. I hate the stars on the wall. I hate the bar graphs. Participants say, ‘Why isn’t your name on the wall?’”

General assessment of placement measures in Los Angeles. Many case managers said they were comfortable with the current level of emphasis on placements. However, some expressed fears that administrators could move too far toward focusing on placements and nothing else.

Placement measures focused staff on the primary goal of quick employment. By balancing placement measures with other measures of success, Los Angeles administrators may have avoided the unintended consequences of some outcome measures.

Overall, though, even staff who did not always feel comfortable with the focus on placements were quick to point out that their performance in other areas is measured as well, and that high-quality work is recognized and appreciated even when employment is not the direct result. This suggests that placement measures can be effectively used to focus staff on the goal of quick employment. Moreover, as long as an appropriate balance is maintained with other assessments of staff’s work, placement measures can be implemented without causing staff undue stress or leading them to work only with the most employable participants.

Other outcome measures. In addition to the placement measures for case managers, Los Angeles GAIN administrators have focused attention on outcomes in other ways: First, as discussed in Chapter 2, they have changed their contracts with job services and basic education providers to a performance base. By doing so, GAIN has strengthened the employment message to staff at those other agencies.

Second, Jobs-First GAIN is measuring and tracking several program outcomes at the regional or county level, including total job placements, job retention, and child care costs. The job retention measure is particularly relevant to this report. Los Angeles saw a steady rise in employment outcomes following the shift to the Jobs-First model: The county reported that total annual job placements increased from around 4,000 or 5,000 through fiscal year 1992-93 to over 30,000 in 1996. The increase in placements far outpaced the rise in enrollment in the GAIN program during these years. And while this outcome was impressive, it prompted concern that the higher number of placements
might be happening at the expense of participants who were placed in jobs that they quickly lost. If the majority of participants were placed in jobs that they immediately lost, the premise that “any job is a good job” would be harder to defend. And if it appeared that the increase in placements was linked to a decrease in job retention, that would be an indication that the imposition of placement measures might be doing more harm than good.

As a result, Los Angeles administrators began tracking job retention (or, more accurately, lack of welfare recidivism) by calculating the percentage of participants who found employment and then either went off welfare or combined welfare and earnings. Participants who were on welfare with no earnings were considered to have lost their jobs; all others, including those who might have gone off or stayed off welfare for other reasons, were considered to have maintained their employment. Los Angeles discovered that over 60 percent of the participants who had found employment since 1994 were either combining work and aid or were off welfare entirely six months after their job was reported. Longer follow-up for some of these participants showed a drop of less than five percentage points in the retention rate at the one-year mark.¹

These data do not indicate whether these clients would have found jobs or gone off aid even without the help of the program. However, considering the fact that most participants in Jobs-First GAIN were long-term welfare recipients, this lack of recidivism was extremely encouraging to Los Angeles staff. The job-retention measure complements the job-placement measure, reminding staff that the goal of quick employment should not be allowed to conflict with the longer-term goal of helping recipients maintain employment and stay off welfare.²

The Change in the Message to Program Participants

One case manager said she felt that “the most important thing is a unified message that welfare is a temporary solution” and that, accordingly, recipients are told by all staff, “From the moment you walk in, you need to be trying to get a job.” While this message originated from the director of GAIN, the message is relayed to participants primarily by the line staff who interact directly with them. In the words of one regional administrator, “Staff have to believe [that participants are better off working] before participants will.”

In general, the philosophy of the program is known and communicated not only by GAIN staff but also by its outside providers of job services and, as discussed below, basic education. Staff were observed consistently telling participants that the goal of GAIN is to help them find employment. A fairly consistent message is also conveyed to participants that they are expected to succeed in GAIN and find employment.

¹County-supplied data.
²In addition to measuring recidivism, GAIN has made some efforts to promote job retention and advancement by providing post-employment services to participants. Chapter 5, which presents “next steps” for Los Angeles GAIN, briefly discusses those services.
“We spend quite a lot of time in the beginning, in the very front end, helping [participants] believe that it’s true—that [employment] is actually something that’s within their reach, because many of them don’t think so . . . . We really do expect them to contribute to their own family’s support to the maximum extent possible . . . and we believe that they can do it.” These high expectations for clients’ chances of success were expressed by a GAIN administrator, but the words probably could have come from any of the staff who work with GAIN participants. At Los Angeles GAIN, there is a strong belief that when high expectations are conveyed to participants, they will perform better.5

Potential participants are first officially notified of GAIN in their AFDC intake packet, but workers in the income maintenance office generally have little time to present the quick employment message or to convey this sense of high expectations. Rather, they typically present recipients with written information about GAIN and the value of work. Recipients then learn of their requirement to participate when they receive an appointment letter telling them they must report to the GAIN office. The letter briefly promotes the advantages of GAIN and states that failure to attend the program could result in a reduction of the recipient’s cash benefits. Detailed discussions of the benefits of work and the ways in which GAIN will help recipients find jobs typically do not take place until recipients get to GAIN.6

The work first message on day one of GAIN. When welfare recipients come to their GAIN orientation, some have preconceptions about what the program will be. While few report having heard much about GAIN from their income maintenance worker, some recipients have heard of it either from friends or from their own prior participation in the program. Often, they expect that GAIN’s primary purpose will be to provide them with education and training. Staff report that the word about GAIN’s new work first focus is just beginning to get out into the community, and that some clients are now coming to GAIN with an understanding that its purpose is to get them into a job quickly. However, staff report that the majority of those who have any preconceived ideas about GAIN believe that it is an education-focused program. Do recipients know what they will do in GAIN? “I have an idea,” one answered. “They train you to get a job.”

On the day of orientation, when recipients first check in at the front desk, the message that GAIN is an employment program is already becoming apparent: In addition to the lists of rules and regulations that cover the walls of a typical welfare office, the walls of GAIN lobbies are adorned with job listings and posters promoting work. Reminders about time limits are also used to motivate recipients. Even before the federal welfare reform legislation was

5See Bardach, 1993, for descriptions of several JOBS programs with similarly high expectations of participants. Bardach suggests that “expectations elicit performance. All things being equal, and within certain limits, ‘the more you expect, the more you get’ ” (p. 1).

6At the time this report was written, Los Angeles was designing a pilot project in which some welfare recipients will participate in the initial GAIN orientation at the welfare office.
enacted in August 1996, one GAIN office began handing a flier (see Figure 3) to all recipients when they checked in, encouraging them to find work in order to avoid the expected cuts in welfare.

Figure 3
Excerpt from a GAIN Orientation Flier

**ALERT**

**WELFARE REFORM WILL END AFDC**

The federal government is soon to pass welfare reform legislation that will end the AFDC program . . . . The new program will be time-limited, meaning a person can receive it for only a certain time period. We expect the time limit to be 2 years in a lifetime in California. Everyone will be expected to work.

These changes could occur as early as 1996. It is critical that you prepare now for these social changes. Work experience is the best training. Remember:

"WORK IS IN, WELFARE IS OUT"

Much of the first day at GAIN is spent in a group orientation, which is designed to change recipients' perceptions of GAIN, to present them with the Jobs-First program's message, and to increase their self-esteem—particularly in regard to their ability to find work. As one orientation leader put it, the goal is "to get them thinking about work, and to get them to believe they can do it."

To ensure that the orientation can succeed in beginning to shift the mind set of participants, the GAIN program gives it high priority. The task of presenting the orientation was contracted out to the County Office of Education (COE), which has trained staff specifically in presentation skills. As exemplified in Figure 4, COE and GAIN, together with a private consulting firm, designed an orientation that includes presenters from various GAIN components and is interactive, informative, and intended to boost participants' self-esteem. It is also clearly focused on the goal of quick employment.

Participants spend part of their first day at GAIN in a one-on-one appraisal with their case managers in which the first thing they hear is often that "GAIN is an employment program." During the appraisal, case managers complete much

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7 The GOALS Program, which is presented at orientation and used in job services, was developed by Jack Canfield's Foundation for Self-Esteem in cooperation with COE and Los Angeles GAIN.
Figure 4
Quotes from a Typical Los Angeles GAIN Orientation

Welcome to GAIN! The purpose of GAIN is to help you transition from AFDC into the workplace. The first job you get may not be the job you want to keep the rest of your life, but you've got to get your foot in the door. How many of you came here because you had to? No, the 20 of you chose to come here; you looked at the consequences and chose this over having your AFDC check cut.

--Orientation leader

A working lifestyle is a better lifestyle . . . Work provides dignity, satisfaction, and self-respect. And if you're employed, you can provide for your kids the things they need.

--Video narrator

Being on welfare affects your self-esteem, and it affects your kids . . . . I felt like a failure when I was on welfare. GAIN helped me find a job, and helped pay for child care, too.

--Employed ex-recipient in the video

The government is thinking about completely ending AFDC, and the new program in California will probably only allow you to get two years of welfare in your lifetime . . . . So now that you know what the government is thinking about, what are you going to do about it?

--Orientation leader

It's almost Christmas, and everyone is hiring. I've got a list of the stores at the local mall which are hiring right now! These jobs are seasonal, but some will become permanent, so tell your case manager you're interested, and they'll tell you how to apply.

--GAIN job developer

Remember to tell us about any job you get, and we'll tell you how to report your earnings so you're not penalized. Any job you get is going to make you better off financially than you are on welfare right now.

--Orientation leader

A job, a better job, a career . . . . In order to get to a career, you have to start at the bottom. We'll help you get that first job. We'll hand you leads and give you the tools you need to get a job; we'll show you how to dress, help you with your résumé, and teach you how to do a job application. You'll be in group job club for five days, then spend ten days—two weeks—in job search, where you'll find a job. The more interviews you go on, the easier it gets. We can't guarantee you'll get a job, but it's the best shot at getting a job that I know of.

--Presenter from job club

Successful people have self-esteem . . . . I'm going to ask you to be aware of your attitudes and thoughts, because it's not what comes at us, but how we deal with it and our attitudes toward it. We need to think positive thoughts to ourselves, and about ourselves. When we go to a job interview, the product is ourselves, so we need to go into the interview knowing how to sell our strengths. I'd like five of you to volunteer to come up here now and tell the group what your strengths are.

--Orientation leader

Participants' Reactions to the Orientation:

"I really learned a lot."

"It was really motivating."

"Boring."

"I liked it . . . . If I had known what it would be like, I wouldn't have dressed like a bum. I'd be dressed professionally."
of the paperwork that is required in the GAIN program and schedule participants for their first GAIN activity, typically job club. Case managers can also determine that a recipient has barriers to work that are beyond GAIN’s ability to remove, in which case they will grant a deferral or exemption from the mandate to participate.

As discussed in Chapter 4, time limitations on case managers—who often conduct two or more appraisals a day—prevent many of them from spending as much time with participants as they would like. Case managers tend to rely on the group orientation to shift the mind sets of participants. In the appraisal, though, it remains clear that GAIN is primarily an employment program: Case managers usually refer participants to job club and convey the assumption that participants will be working soon; thus, they discuss the effect of earnings on grant levels and the availability of support services not only while participants are in GAIN activities but once they have begun working as well.

Staff report that by the end of the day, the combination of the message at orientation and the referral—usually to job club—at appraisal brings about a noticeable shift in the outlook of many participants. Observations of orientations confirmed this view; for example, a recipient who said she had spent her entire life either on welfare or in jail finished the day by stating, “Maybe it’s time to get a job.”

Participants’ reactions to the work first message. Getting the quick employment message across in Los Angeles has proven more difficult with participants than with staff. To start with, many recipients attending a GAIN orientation express their expectation or hope that the program will offer long-term vocational training. In that respect they are similar to welfare recipients referred to JOBS programs in other locations, who, a survey found, were much more likely to want to go to school to learn a job skill than to participate in basic education or job search programs. Recipients who are already enrolled in and attending long-term education or training activities when they enter GAIN can be approved to continue in these activities as self-initiated programs (SIPs); but few other recipients, regardless of their preference, will be allowed to enter long-term education or training activities as part of Jobs-First GAIN. Volunteers for GAIN often express the most surprise about the program’s new goal and the lack of long-term education opportunities. Many of these recipients have come to GAIN planning to enroll in long-term training, but are told that they will be referred to job club, are expected to find employment quickly, and can obtain education or training in the evenings on their own.

Although the employment message is evident at all points in the program, a significant number of participants still talk about education and their desire for longer-term training. In one basic education classroom, the teacher was focused

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8Hamilton and Brock, 1994, Table 2.3 (p. 36).
9Participation rates in various activities are discussed in Chapters 2 and 4, and will be analyzed in more detail in future MDRC reports on the Los Angeles Jobs-First GAIN program.
on helping the GAIN participants complete their activity within six months and then helping them find employment; nevertheless, many of the GAIN students were still talking about their goals of attending college or vocational training courses. Even in the job club component, with its strong push toward quick employment, many participants express a desire for additional training.

A challenge for Jobs-First GAIN has been to convince participants that quick employment is the best route to a career, even for those who desire careers in fields that may require additional training. In part, GAIN staff have done this by encouraging participants to find employment and then schedule classes around their working hours. As the employment message in Los Angeles GAIN has solidified and has come to be presented more clearly and consistently, staff report that fewer participants are resisting or misinterpreting it. At times, though, some participants still say that they expect to continue in long-term education or move on to vocational training in GAIN, rather than move quickly into employment. This misunderstanding of the GAIN program points to the importance of communicating the message very clearly to participants and taking the time to ensure that they understand the goal of the program and staff expectations for their path through the program and into employment.

Ultimately, participants must not only understand but also believe the message—that work is valuable, that they are capable of finding employment with their current skills, and that GAIN expects them to find work quickly. As a job club facilitator noted, as long as participants do not truly believe this, they can “game” the system—going along with the participation mandate, but avoiding employment. While this message alone would probably not be sufficient to move large numbers of welfare recipients into jobs, participants’ agreement with—and belief in—the work first message is a condition for their acceptance of GAIN’s help. As Los Angeles has seen, when participants begin to believe the message, they will take full advantage of the program’s services, and many of them will quickly find jobs.

Using Financial Incentives to Encourage Work

As noted above, two important parts of the message in the Jobs-First GAIN program are that work is valuable and that working will make welfare recipients better off financially. “When you work, you can have HUNDREDS of dollars more to spend,” reads the cover of a handout that explains the benefits and services available to working recipients. The financial benefits of work are also posted on the walls, discussed in orientation, and mentioned frequently in job club and in case management meetings with participants.
Key to the Jobs-First GAIN strategy for promoting paid employment was a series of changes to California’s AFDC eligibility and payment regulations, which began in late 1992 and came to be known as the “Work Pays” program. Under Work Pays, AFDC grant levels were reduced for recipients who were not working, but employed recipients could keep more of their AFDC grant. An important component of Work Pays, which went into effect in September 1993, extends the “$30 and 1/3” earned income disregard indefinitely. Under this rule, the welfare department, when calculating monthly AFDC grant amounts, discounts or “disregards” the first $90 of a recipient’s monthly earnings to compensate for work-related expenses. Then the next $30 of earnings are disregarded, plus one-third of the remaining total. Prior to this, working AFDC recipients could only receive this additional $30 and one-third disregard during their first four months of employment.

To illustrate the economic benefits of even a low-paying job under the current regulations, the county created another handout that presents the income for two families, one with no earned income and the other with earned income of $850 in a month—the earnings of a full-time worker at about $5 per hour. These examples are presented in the top panel of Table 3. In the bottom panel, examples are given for families in the same circumstances in 1993, prior to the removal of the time limit on the $30 and one-third disregard.

As the table shows, a typical recipient who earned $850 in March 1993—before the changes—would receive a welfare check of $566 if she had just begun employment. However, after four months of employment, her check would be cut to $323, and then after another eight months, to below $300. In March 1996 a recipient earning $850 would be eligible for a grant of $593 regardless of how long she had been working. Under Work Pays, she might also be eligible for supplemental child care payments, which make up the difference between caps on child care deductions and the actual cost of care.

According to staff, the fact that work became more financially beneficial was extremely useful for convincing welfare recipients that work is valuable. In addition, the implementation of the Work Pays regulations was an important part of the shift in the mind set of staff. The changes in regulations—along with a heightened awareness by GAIN case managers of the financial benefits of work—have made GAIN staff much more supportive of the quick employment message. As a case manager explained, “The reason we’re able to push jobs is because, with Work Pays and child care, [participants] will not be worse off.”

In addition, when a recipient goes off welfare because she has found a job, she is typically eligible for up to 12 months of Transitional Child Care (TCC), which reimburses working parents for part of their child care costs, and Transitional

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10Other sources of income and other disregards (e.g., for child care payments or child support) may be included in the monthly AFDC grant calculation. See Table 3.

11Feminine singular pronouns are used in this report because the majority of GAIN participants are women.
### Table 3

Examples of Total Income for Employed (at About $5 Per Hour) and Unemployed Welfare Recipients in California Before and After Implementation of Work Pays

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<tr>
<th></th>
<th>Working</th>
<th>Not Working</th>
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<tr>
<td><strong>After Work Pays (March 1996)</strong></td>
<td></td>
<td></td>
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<td>$ 0</td>
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<tr>
<td>Net countable income</td>
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<td>Net countable income</td>
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<td>607</td>
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<td>AFDC plus gross earned income</td>
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<td>Financial benefit of working</td>
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<td>Financial benefit of working</td>
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Sources: March 1996 figures, Los Angeles County Department of Public Social Services; March 1993 figures, California Department of Social Services.

Notes: Grant calculations assume monthly child care costs of $175 per child.

Because of child care and other work-related expenses, the actual increase in disposable income is not as large as the difference between total income for working and nonworking participants. For example, in 1996 the working recipient received $1,443 in earnings and welfare, but $350 of that amount is to reimburse her for out-of-pocket child care costs. When these costs are subtracted, the financial advantage of working compared to not working is reduced from $836 to $486. In the 1993 example, the financial advantage of working—after child care costs were subtracted—was only $169 after one year.

Medi-Cal (TMC), which provides California’s version of Medicaid coverage to working families. Taken together, these benefits make almost any recipient economically better off working than she would be if she remained unemployed and on AFDC. There are only a few cases, particularly large families at certain income levels, where the total family income may drop as a result of work.

Although the benefits and services available to working recipients have enhanced Jobs-First GAIN’s ability to promote employment for recipients, Los Angeles has faced several challenges in using these benefits to their greatest potential. The first challenge has been to effectively communicate the regulations...
to recipients. Many recipients still come to GAIN thinking that if they go to work—even at low wages—their grants will immediately be discontinued. As a regional administrator explained, when many recipients get to GAIN, they say that “they’re not going to earn less than six dollars an hour; they don’t believe they could work and still continue to get welfare.”

In response to this lack of knowledge, the GAIN program in Los Angeles has made a concerted effort to educate recipients. GAIN has created special handouts, plastered the walls with state-produced Work Pays posters, and implemented a computer program that can be used by GAIN and COE staff to help recipients determine the effect that earnings will have on their grants. Some of these informational materials are used at the income maintenance offices as well.

Los Angeles and other sites have faced an additional challenge: Because of the complexity of many of the regulations governing the treatment of earnings and the availability of transitional support services, some case managers report that recipients do not always receive all the benefits for which they might be eligible. For example, if a recipient finds a job but is late in reporting her earnings to her income maintenance worker, she will not be eligible for the earned income disregards that help make even a low-paying job financially advantageous. And if she needs help in understanding the complex eligibility requirements for disregards, transitional services, or supplemental child care, her own work schedule may hinder her ability to reach her income maintenance or GAIN worker for assistance.12

Jobs-First GAIN staff report that they have been working to remind income maintenance staff of the importance of promoting the Work Pays benefits as a tool for encouraging recipients to seek employment. On occasion, GAIN staff have also advocated for recipients, calling income maintenance workers to ensure that eligible recipients apply for and obtain transitional services. Ultimately, the longer-term goal for GAIN and income maintenance is to work together more closely to ensure that staff from both divisions use the Work Pays and other benefits to promote and reward work in a way that complements and strengthens the Jobs-First GAIN program. Some actions have already begun to help Los Angeles reach this goal; for example, the income maintenance office has included GAIN staff in its Work Pays planning and implementation meetings.

The Los Angeles experience makes clear that earned income disregards and other policies that make work pay for welfare recipients can be extremely useful in promoting an employment message. Without the knowledge that recipients will be better off working, many case managers said, they would not feel as comfortable as they do about pushing participants to take any job; and administrators admitted that they might not have put such a strong emphasis on pushing recipients into employment if they did not know that almost any job would make recipients financially better off.

12See Herr, Halpern, and Wagner, 1995, for a description of similar challenges faced in another site when employed clients tried to access services and benefits.
When staff were able to ensure that recipients understood and received benefits and transitional services once they began working, recipients were more likely to accept the work first message. The existence of earnings disregards and other financial incentives also strengthened staff’s support of the program philosophy.

The Work Pays changes—which increased the total income of working recipients—helped the Jobs-First GAIN program to strengthen its employment focus; however, there is not yet strong evidence as to how much of the cost of Work Pays (in the form of higher grant payments for working recipients and more recipients combining work and welfare rather than going off welfare completely) is offset by increased earnings of recipients and subsequent reductions in welfare outlays. For most local program administrators, though, the decisions about this trade-off are outside their control. Rather, the task at hand—as Los Angeles County found—is to promote employment by ensuring that recipients understand and receive whatever earnings disregards or other benefits and services are available to them when they find a job.

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13 See Becerra et al., 1996, for an early look at the impacts of Work Pays in Los Angeles and two other California counties. Their interim report finds an increase in work activity among two-parent welfare families, but little to no effect of Work Pays on the work patterns of single-parent welfare families. The report notes a number of factors that suggest that readers should “be cautious about drawing any conclusions from the preliminary results.” For example, the time limit on earnings disregards was not removed until nine months after the initial data collection began (Executive Summary, pp. xvi–xvii). Later reports in the Work Pays Demonstration, as well as ongoing studies by MDRC and others, will determine the extent to which an up-front investment in increasing earnings disregards and other benefits and services for working recipients leads to reductions in welfare and other government outlays that may ultimately offset the initial investment.
Chapter 4
Changes in the Services Delivered

Along with the work first message from staff, the services that clients receive in Los Angeles GAIN will determine whether the program can make a difference in their lives. There has clearly been a major change in services. Chapter 1 briefly described the typical sequence of participation in various program activities. This chapter reviews the changes in the sequence of activities, discusses the changes that have been made in the content of those activities, and explains how the changes were made.

Changes in the Sequence of Activities

Initial referral. One of the most concrete changes in the program is the use of job club rather than basic education as the activity to which participants in Jobs-First GAIN are initially referred. A GAIN administrator described how clients are now encouraged to go to job club as their first activity:

We used to test people, and if they scored below a certain threshold, they went to basic education. Period. Black and white. Now . . . no matter what they test . . . we'll take into consideration what the participant wants to do; many participants don't want to get back into a classroom setting. We will counsel them in terms of what is best for them. We'll counsel them about the benefits of accepting a job first, because there are definitely immediate monetary rewards for that. And the fact that continuing education—if that's what they want—can be pursued, even if you are working. And we strongly show them all the advantages to a working lifestyle.

A case manager described the referral process more succinctly, saying that administrators told staff to "put everyone in job club." Case managers generally agree with administrators that job club is the most appropriate activity for people when they first enter GAIN. "The best time to use job club is right away, to see if they'll get a job," explained a case manager, expressing a widely held sentiment.

This strong belief in the value of job club as the first activity is obvious at the Jobs-First GAIN orientation and appraisal. These two activities, which take place on a welfare recipient's first day in GAIN, are focused on preparing recipients for referral to job club, regardless of their education level. (In contrast, participants in Riverside GAIN who had no high school diploma or GED, or who tested below a certain level on the basic skills appraisal test, were more likely to go to education than job club as their first activity, by a 5 to 3 margin.)

In Los Angeles, case managers used to routinely make initial referrals to basic education activities for nearly all recipients who were determined to need it. The number of recipients referred to education as their first activity has dropped
steadily over the past few years. At one point, education referrals were reserved for teenagers and for adults who had extremely low test scores and requested an education referral. Today, it appears that Jobs-First GAIN staff have almost completely stopped referring clients to basic education as their first activity.¹

Ultimately, though, the initial referral is at the case manager’s discretion, so this shift in referral patterns came about gradually. As case managers accepted the new program philosophy, and as they grew more confident about the quality and value of the new job services, up-front referrals to job club increased. This shift in up-front referrals, from the preference for basic education to the current use of job club, appears to have taken close to two years.

As was the case prior to the shift, a substantial portion of recipients continue to be deferred or exempted from participation. (The current treatment of these recipients is discussed in more detail later in this chapter.) Also, while the general regulations and procedures for approving self-initiated programs (SIPs) have not changed substantially since GAIN shifted to an employment focus, case managers now tend to promote the value of work to these recipients, even though they may not be participating in regular GAIN activities. Case managers often encourage participants in SIPs to seek part-time employment, or prepare them for the fact that when they complete their activity and enter GAIN, they will probably be assigned to job club with the goal of finding employment quickly.

Subsequent referrals. Participants who do not find a job in the three-week job club are routinely referred to a formal assessment. (In contrast, during the GAIN evaluation, participants in Riverside often continued in job club beyond the initial three-week activity if they had not yet found employment.) Following assessment, participants in Los Angeles are usually referred back to job services for additional job search assistance, or occasionally to short-term basic education activities (usually scheduled for no more than six months).

Participants who go to basic education activities are routinely referred to job club as soon as they complete their activity. Before the shift in the program’s emphasis, post-education job club referrals were often seen as a necessary step prior to assessment and then referral to continued education. In the Jobs-First GAIN program, the goal of job club is now the same for everyone: to move them into employment. The message to participants is that once they have completed their basic education activity, they should be ready to find a job.

At all points in the Jobs-First GAIN program flow, participants may receive job search assistance or job referrals from their case manager or the GAIN job developer. They may also be referred to job fairs held at the GAIN offices. Periodically, participants who have completed the assessment may be referred to unpaid work experience (known in California as Pre-employment Preparation, PREP, or Alternative Work Experience, AWEX), on-the-job

¹Referral descriptions are based on anecdotal estimates from staff. Future reports in this study of the Jobs-First GAIN program in Los Angeles will present a more detailed analysis of current patterns of participation in the program.
training, or vocational training. However, fewer than 1 or 2 percent of the GAIN registrants are typically referred to each of these activities.

**Job Club and Other Job Services**

Although education remains a part of Jobs-First GAIN, job club and other job search services now clearly play the largest role in the program. GAIN administrators considered it important not only that more participants receive job services but also that the content of the services become more like that of other high-quality job clubs.

**Implementation of the new job services components.** As discussed in Chapter 2, in 1993 the Los Angeles County Office of Education (COE) was contracted to provide GAIN’s job club and other job services. The general model and curriculum that COE brought to GAIN job services were based on a placement workshop that COE had been conducting at local Regional Occupational Programs (ROPs), which provide job training and education services primarily for high school students and young adults. The job services director knew, however, that for GAIN there would need to be a change in “the philosophy and attitude” of staff. Whereas the ROP courses were primarily “career exploration,” according to the job services director, COE job services staff in GAIN now “had to produce—the whole thing was based on if people got jobs.” The inspiration for this new emphasis on getting clients into jobs quickly was partially a result of COE staff’s visit to Riverside, where they saw job club staff clearly focused on the goal of making placements.

Bringing this new job services component up to scale quickly in a county as large as Los Angeles posed some challenges. At the most fundamental level, COE needed to find facilities that had adequate space for classrooms and phone banks and that were reasonably convenient to recipients in the five GAIN regions across the county. They soon opened five offices, with used furniture from county warehouses, and have since expanded to 15 locations. COE was also able to bring ROP staff, several of whom had experience in providing placement services, to the program. Because most GAIN staff had not yet shifted their mind set to the employment focus and philosophy (see Chapter 3), the job services director felt that it was essential to bring in staff from outside the welfare department—staff who were experienced in motivating participants to find work quickly. But along with these challenges came one aspect of the large scale that worked to COE’s advantage: According to the job services director, “In a small city or town, it might have been harder to do. I would have had to go to the Chamber of Commerce. . . . You have to have a totally different approach than just getting on the phone. You have to create jobs in that situation.” In contrast, in a large urban area such as Los Angeles—even in times of high unemployment—job services staff are quick to note that there are always jobs available.

The Los Angeles experience suggests that with the right staff and sufficient planning, other urban areas could adapt this job services model, which is focused on a goal of quick placements. And although the model has not undergone a
rigorous comparison with other job club models, the perception in Los Angeles and some other sites that use similar models is that it is an effective component and fits very well into a work first welfare-to-work program.

Overview of the job services offered. Each of COE's 15 GAIN job services sites offers several job search activities for participants. Job club, the most common activity, is a five-day, classroom-based job search workshop followed by two weeks of supervised job search based in a fully equipped job search "network center." Ninety-day job search, supervised job search, and unsupervised job search are all activities in which participants use the resources in the network center and check in with staff according to a schedule set by their GAIN case manager. Finally, clients who have found employment are always allowed to come back in and use the network center, even if they have not been referred through GAIN. Throughout all these activities, COE staff offer one-on-one employment counseling and job search assistance to participants as needed.

Job search workshop. In the first week of job club, participants are expected to come to the classroom for five days, four hours per day. Figure 5 presents an overview and examples of the content of a typical job club workshop. Participants are required to attend and to be punctual every day, and they can be (and often are) dropped from job club and sent back to their GAIN case manager if they fail to do so. (Note that even participants who are dropped from job club continue to count in the performance measures discussed in Chapter 2.) However, job club staff rarely dwell on the mandatory nature of the activity; rather, they strive to present the services as an opportunity for participants, and they stress the importance of regular attendance if participants expect to find employment. They also frequently remind participants that attending job club is like a job itself, and getting into the habit of coming to job club on time and professionally dressed helps them prepare for the world of work. The only difference, staff often tell participants, is that work will pay better than welfare does.

During the five-day workshop, participants are also expected to begin looking for work while they are not in the classroom. Homework assignments may include going to the local shopping mall to ask about job openings, completing a mock job application, or asking friends and family members for job leads. Frequently, several participants will find jobs before the five-day workshop has been completed.

Job search. After the classroom-based job search workshop, participants begin the second portion of job club: 10 days of supervised job search based in a network center. Participants who have completed other GAIN activities such as assessment, self-initiated training, or basic education may also be referred to job services for longer-term supervised or unsupervised job search based in the network center.
Figure 5

Description and Quotes from a Typical
Los Angeles GAIN-COE Job Club Workshop

The facilitators are energetic and enthusiastic as they tell the group of 20 or so participants that each of them can find a job by the end of the three-week activity. From the first day of job club, participants are encouraged to interact with one another and to speak in front of the group, and the facilitator is constantly calling on people to answer questions or talk about their job-seeking experiences. The goal is for participants to begin to feel comfortable speaking out loud about their skills and job preferences. After a day or two in the classroom, the facilitator knows everyone’s name, the type of work she is looking for, and her recent job search experiences.

An important lesson in job club, as a facilitator told one group of participants, is that:

All employers want the same thing: They want someone who’s dependable; they want someone who’s reliable; they want someone who can get there on time. . . . What they want is the old American work ethic.

The five-day job dub workshop focuses on teaching participants these work habits and explaining how to show on a résumé or in an interview that they possess these traits. In the classroom portion of job club, participants complete a host of practical exercises to prepare them for their job search, including:

- Sample job applications
- Practice interviews—from the initial handshake and introduction, to answering tough interview questions, to saying thank you and goodbye
- Videotaped mock job interviews

Participants are repeatedly told and shown through examples that the single most important job-seeking skill is a positive attitude.

As job club was beginning, a participant walked into the classroom. Before she got to her seat, the facilitator asked how her interview had gone the day before. She modestly but proudly replied, “I got the job.” “Go, girl!” yelled out another participant.
The facilitator offered his congratulations and asked her to tell the whole group about the interview. It was easy, she said. “He said he liked my attitude.” “You all hear that?” asked the facilitator. “It’s just what I’ve been telling you.”

Staff repeatedly remind participants that any job is a good job. The woman quoted above had been looking for a job with the school board, but the job she had just found was at a department store. The facilitator told the class that they should all do what she had done: “Take a job to keep you going until the job you really want comes through.”

What do participants think they can get out of job club? “First of all, motivation,” explained one ex-participant who is now employed. “It helps to give you confidence,” said a current participant.
In the network center at their job services office, participants have access to telephones for calling prospective employers, as well as typewriters and a computer for writing résumés and letters. Participants are given a basic script to use in making cold calls to employers, and then each is expected—every day—to make at least 50 phone calls, generate at least five leads for job openings, and schedule or go on at least three interviews. When participants identify a job lead but choose not to follow up on it, they post it for other participants to see. Although participants are scheduled to be in the network center during certain hours, they are frequently going out on interviews, and staff and participants tend to come and go. One often cannot tell the well-dressed participants from the staff who are there to help them. This businesslike environment is in contrast to the lack of activity and the bureaucratic atmosphere of many other agencies and programs that serve welfare recipients.

Clients in the network center also get help from staff in writing and typing their résumés, debriefing after job interviews, and reviewing interviewing tips. Staff may also provide some brief personal assistance to recipients who are having problems outside of job club; but if the problems are not easily resolved, staff will often suggest that the participant talk to her GAIN case manager instead. As a COE job club facilitator explained, “We all have problems. When we come here, try to set your problems aside . . . Focus on getting a job—that’s the bottom line.”

Job development. Participants also have access to—and contribute to—extensive and constantly updated job listings. The lists range from government jobs paying $30,000 per year to openings at local restaurants paying minimum wage. The job openings are found by staff and participants alike; whenever anyone at job services hears of an opening, she or he enters the information on a slip of paper, which will be posted for everyone to see. Job services staff do not typically conduct extensive outreach to employers; rather, they often find job openings but then expect participants to follow up on their own. Usually the potential employer would never know that the participant had heard about the job through COE job services.

Occasionally, job services staff also conduct more intensive job development—that is, finding jobs for participants as opposed to helping them find jobs for themselves. In these cases, staff reach out to employers to find specific job openings and learn of the type of employee needed. They then match these employers to participants who have just the right skills and who most need the extra help. Within job services, there appears to be a range in the frequency with which staff use this type of job development. Some job services staff view this more personalized job development as an important backup strategy for certain participants who cannot find jobs on their own. Other staff are less likely to conduct intensive job development, preferring the approach in which participants are given assistance but are ultimately held responsible for finding and getting jobs on their own.
Changes in the Services Delivered

Los Angeles contracted out for an upbeat, highly motivational job club focused on getting participants into jobs quickly. This job club became the keystone of their work first program.

Self-esteem building. With the strong focus on independent job-seeking skills and techniques, there is also a surprising amount of self-esteem-building at job services. Particularly in the workshop component of job club, staff place a high priority on promoting the value of work not only for its economic benefits but also for its potential to have a positive impact on self-esteem. For example, one facilitator has everyone in the workshop create a collage with photos and captions from magazines showing the lives they'd like to lead. Participants' collages in one session included large houses, canopy beds, expensive cars, and good-looking husbands. In describing what their lives would be like in the future, nearly all participants mentioned the jobs they saw themselves in; if someone did not do so, the facilitator asked what type of work she would be doing to reach her goals. When the ideal job required additional education—as many did—the participants in this session all said that their short-term goal was to get any job they could, get off welfare, and then go on to school and career advancement. One participant stated, “My immediate goal is to get a job, maybe clerical. But eventually I'll get my B.A. in business and be a CEO.”

GAIN staff's assessment of job services. Overall, GAIN staff have been extremely pleased with COE job services. Prior to the shift to COE, fewer than a third of GAIN staff rated job search activities as worthwhile for registrants; now, however, staff are nearly unanimous in their belief that job services will increase the likelihood of participants' finding employment. This shift in thinking likely comes both from the change in the provision of job services and from the shift in staff's mind set to an emphasis on quick employment. GAIN staff are also well aware of the success of job services—according to GAIN's records—in getting more than a third of the participants who show up placed in jobs.

When asked what makes the current job club and other job services effective, case managers and administrators had the following observations:

I swear, [the job club facilitators] could all be stage performers.
They’re a certain kind of person who likes to involve the whole audience, and [who knows] techniques on how to include everybody, get them speaking up.
They’re excellent staff, and they’re consistently upbeat and motivating . . . They have clear expectations, and follow through.
Technique; attitude; the expectations they have of the client and for the client. From day one they make clear they expect their participants to not waste time.
They promote tough love.

Case managers feel that this “tough love” approach may be very effective with most participants, but some staff are concerned that it may be inappropriate for a few. A case manager said of job services staff, “They use the extreme approach on everybody,” yet not everyone needs it. For example, several GAIN staff felt that job services was too quick to drop recipients from job club for being late. Even though GAIN often refers these recipients right back to job club, the job club staff feel that they are sending recipients the message that the participation requirement must be taken seriously. GAIN case managers, however, think the job club staff is being too tough: “It’s better to sell [participants on quick employment] and keep them in than to bounce them out of job club.”

Some GAIN case managers also fear that the focus on placements has led COE staff to lose sight of all else: “They’re so under the gun to get the numbers [that] they treat participants like numbers.” But even these case managers were resolute in their belief that job services—and job club in particular—are beneficial for the majority of participants. The concern expressed was not that job club is a failure, but rather that a few recipients may be left behind and that job services staff do not always understand the needs of these recipients in the same way that GAIN case managers do.

Communication and coordination between case managers and job services staff. While it is clear that staff at job services and GAIN have the same goal of employment for recipients, it is also clear that they do not always communicate the details of how this goal might best be achieved. As noted above, some GAIN staff feel that job services staff are too harsh with some recipients who may need extra assistance. But some job services staff believe that their role is to treat everyone referred to them as if she is capable of finding a job; they reason that if case managers think a recipient needs more intensive and personal assistance than the job services unit typically offers, then they should not refer her to job club.

When staff have such different expectations about what a participant can or should achieve in job club, the result can be a mixed message to the participant. For instance, some GAIN case managers may soften the quick employment message of job club by assuring recipients, prior to job club, that as long as they make an effort in the activity they will be able to go to other activities if they do not find a job. Job services staff, however, have expressed concern that this message may be counterproductive. For example, one participant told her job club facilitator that she did not have to get a job, because “my case manager told me if you don’t get a job then you’ll go back to school or training.” The job club facilitator did not know whether the participant’s case manager really wanted her to go to school or whether she had misunderstood (or misrepresented) her case manager’s true meaning. The participant, as well, may not have known whether or not she was now expected to find work.

This relatively minor difference in how the employment message gets communicated can damage the credibility of the program in the eyes of participants. It can thus hurt GAIN’s ability to convey the message that employment is the ultimate goal of the program—even though all staff agree on
this point. This job club example is just one illustration of how minor differences in presentation can undermine the work first message. Similar miscommunications may occur between income maintenance and program staff, or between education or other service providers and GAIN staff.

Some staff at job services and GAIN felt that they knew a good amount about the other agency and the services it offered; they also felt comfortable about calling someone at the other agency when they had questions or concerns about individual clients. Other staff, though, confessed to having very little knowledge of what went on at the other agency. "I'd really like to know what [participants] go through" at job club, said a case manager. And a job club facilitator admitted that he really did not know what types of support services or counseling would be available for participants whom he told to call their case managers for assistance.

GAIN case managers noted that understanding what happens at job club could help them understand some of the conflicts that arise between participants and their job club facilitators. A case manager said of her participants, "They say [a certain job club facilitator] is hard on them; I'd like to see that and know first hand."

Whereas some GAIN staff said they feared that job services staff did not always recognize successes other than placements, many job services staff stated emphatically that placements were not, in fact, their only measure of success. A job club facilitator said that the primary measure of success is "if people get jobs. But, even if they're here every day and don't get a job, that's a success."

With job club and other job services playing such an important role in Jobs-First GAIN, the lines of communication between case managers and staff providing job services are important to the program's ability to work effectively with all participants and to present a consistent message to them. The communication challenges, which administrators are seeking to overcome by encouraging greater interaction between job services and GAIN staff, may be inherent in a program that places a strong emphasis on job services. Moreover, they may be magnified when a program is operated on a large scale, over a large geographical area, or by staff from more than one agency.

Despite these challenges, GAIN staff have found that a strong job club and other job services can greatly improve their program's employment outcomes. The Los Angeles experience suggests that other programs using or considering using a similar job services model in a work first program may benefit from aggressively promoting the sharing of information between staff who have direct contact with participants, especially case managers and job club facilitators.
Services for Participants with Limited English-Language Skills

In Los Angeles County, 45 percent of all households speak a language other than English in the home. This diversity is reflected in the GAIN caseload, where about 20 percent of the single parents and 50 percent of the heads of two-parent families who enter the program do not speak or understand English. While the majority of these participants speak Spanish, there are also many participants from various Asian and Eastern European nations who speak only their native language. In the past, these participants were routinely referred to English as a Second Language (ESL) classes, where they could stay for several years.

With the shift to a Jobs-First model, GAIN tried sending some of these participants to job clubs conducted in their native languages, with surprising results: Staff reported that non-English-speaking clients tended to have higher placement rates than English speakers. As a result, COE has begun to offer regularly scheduled job services in Spanish, as well as occasional sessions in Armenian, Vietnamese, and Cambodian. Participants who speak only Spanish now typically experience the GAIN program in a way very similar to the way English-speaking participants do: They attend an orientation in their native language, meet with a case manager fluent in Spanish, and attend the upbeat and motivational Spanish-language group job club. Speakers of other languages also often receive case management in their native language, and occasionally are able to receive full job services in that language. The program no longer treats these participants differently from others; they, too, are expected to find employment quickly with the help of the GAIN program.

GAIN and job services staff offer a number of explanations for the fact that non-English-speakers are more likely to find employment than English speakers. First, they think that these participants—many of whom are recent immigrants—may be more willing to take minimum wage jobs. Second, some of these clients may already be working (but not reporting their earnings) at the time they enter the program; when they are told they must attend job club 20 hours per week, they may then admit they are employed and begin to report their earnings. Some staff feel that this “smokeout” of unreported earnings is a positive result of the GAIN program even if it does not represent a change in employment, because it triggers a reduction in the welfare grants of employed participants. The strong employment networks that often exist within immigrant communities may be a third reason that non-English-speaking participants are more likely to be employed or find employment quickly. All these explanations are anecdotal rather than being based on quantitative research, but they offer interesting insight into several aspects of services for non-English speakers.

Los Angeles GAIN staff have learned two lessons from the reportedly higher placement rates in these populations. First, the best way to determine if a person or category of people is typically able to find employment is not through testing and assessments, but by actually providing them with job search assistance and seeing whether they can find jobs. Second, they recognized that case managers who carry special caseloads—in this case non-English-speaking participants—may have different outcomes from other case managers, and their performance
evaluations need to reflect this. For example, regional administrators now recognize that when case managers refer everyone to job club as the first activity, staff with non-English-speaking caseloads may be expected to have higher placement rates.

In the evaluation that MDRC conducted in the early 1990s, Los Angeles GAIN was found to have no statistically significant impact on earnings for single parents in any ethnic group. The current evaluation of the Jobs-First GAIN program will determine whether the program is now more effective in helping recipients of various ethnicities find employment and increase their earnings.

**Job Development at the GAIN Offices**

In shifting to the work first model, Los Angeles GAIN administrators felt that it was important to add job development—finding job openings for participants—to the services provided. While the value of job development has not been independently studied, Los Angeles administrators saw that successful programs such as Riverside GAIN had identified and used job development as an integral part of their program. So, as one of the first steps in shifting the program, each Los Angeles GAIN office assigned one or more staff members the task of job development, and allowed the definition of the task to evolve over time as staff figured out how job development could be most useful in the GAIN offices.

As noted above, some job development is also offered to participants in COE job services, but the task is essentially limited to the listing of available openings. Rather than replacing this, or substituting for participants' finding their own jobs, GAIN job development has come to be used as an additional resource, often for participants who have completed job club without finding employment and who are likely to need more intensive assistance in finding jobs. In the GAIN offices, job developers now work closely with employers and then match specific participants to appropriate job interviews. Job developers also develop PREP or AWEX unpaid work experience positions for some clients who are not able to find unsubsidized work.

In one regional office, the job developer began to organize regularly scheduled job fairs in which employers come to the GAIN office to meet with participants and even conduct job interviews on site. These job fairs have been such a success that the other GAIN offices have begun conducting them. Overall, networking with the employer community in a county as large as Los Angeles has proved difficult, but job developers have learned that by working closely with employers—often in the field—they can build relationships that will create job opportunities for many GAIN participants.

GAIN administrators feel that through the job fairs and the one-on-one job development and job matching, job developers in most of the offices have been very successful in helping participants find employment. The regional administrators have allowed the job developers a high degree of flexibility in their work,

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and the mixed success of job development in the various offices may be a result
of this. This suggests that job developers may now benefit from sharing ideas and
best practices so that they can learn from one another’s successes.

In some offices, job development has become a fundamental part of Jobs-
First GAIN, but in others the job developers are still struggling to find their role
in the program. In the offices where case managers do not consistently see job
development as effective, they voiced concern that job developers did not
understand the needs of participants and that they pushed participants too hard
to take any job. This view has prompted them to refer relatively few participants
to the job developers for assistance.

In contrast, in the offices in which case managers perceive job development
as an effective tool, the job developers have become very prominent messengers
of the Jobs-First program philosophy. In the words of a GAIN administrator, “I
think equally important as their results is the visibility that it creates in the
office, for the staff in that office.” By making presentations at orientations, giving
job leads to case managers, and generally letting staff know of the job openings
they have found, job developers in some offices have been able to actively
advertise the fact that there are jobs available for participants (even when
unemployment rates are high), and that the GAIN program can help clients get
into these jobs quickly.

Changes in the Nature of Basic Education

While the number of participants in basic education activities—English as a
Second Language (ESL), Adult Basic Education (ABE), or General Educational
Development preparation (GED)—has decreased substantially, GAIN administra-
tors have noted that education is still a part of the program, whether the classes are
self-initiated or attended as a post-assessment activity. In the words of one
administrator, “No one here has ever said that we would not have a program in
which some people would be in school.” Another administrator added, “Just don’t
let them use [education] as an excuse for getting out of going to work. If there’s a
legitimate reason for them to be there, and they want to be there, and there is a
light at the end of a short tunnel, then that’s fine; that’s where they ought to be.”

So, as they maintained basic education services for some participants, GAIN
administrators also worked with the education community to let them know of
the change in the GAIN program model, and to encourage them to shift the
focus of education so that it meshed better with the new Jobs-First program by
making classes more short term and employment focused.

The change in the content and duration of education activities was mainly
initiated in the contract negotiations discussed in Chapter 2. During these
negotiations, GAIN administrators not only encouraged schools to focus on
completion rates and shortening the duration of education but also told school
administrators of the reasons for the changes and encouraged them to support
the new quick employment focus and goal of the Jobs-First GAIN program.

As a result, even though GAIN participants are served in adult education
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classes in more than 50 schools across the county, the nature of that education has changed. Teachers continue to use the general methods of instruction on which they have relied in the past—classes are typically open-entry and self-paced, with some small-group and full-class activities—and educators continue to provide one-on-one assistance and some personal counseling when students need it; but they have also begun to incorporate changes that make the education experience more compatible with the GAIN program's employment focus.

**Shortening the duration of basic education.** The most direct effect that the changes in GAIN have had on education has been a reduction in the time GAIN participants spend in basic education activities. Whereas GAIN case managers used to refer participants to schools and let the schools set the expected duration of the activity (often a year or two), GAIN case managers now tell schools how long they think each student's activity should take. The process includes some give-and-take: GAIN typically encourages education stays of no longer than six months, and school administrators and teachers often feel this is not enough time. As a result, school staff sometimes request extensions for students who are progressing but need more time as they near their targeted completion date. The result, according to GAIN staff, is a shorter average duration, but with case-by-case flexibility for some students when their case manager and teacher agree that additional schooling will be useful.

In addition to shortening the time in which participants are expected to complete education activities, GAIN and the schools are attempting to reduce the average duration by removing participants from education activities if they are not progressing. In the words of the GAIN director, "Our goal is to get them done swiftly and to not let somebody languish in there or get away with not attending or not progressing. We're careful now that if a person is not making progress or not attending, then we pull them out." The completion standards in the school contracts and the measures of average duration are meant to encourage schools to send students who are not progressing back to GAIN. In order to meet the new targets, a regional administrator explained, some schools are providing more hours of education per week, and many schools now "weed out participants who aren't progressing, aren't going to complete."

There is evidence that participants understand the message that they must attend and progress in school in order to be allowed to continue. As one GAIN student said of her case manager, "If I don't come [to class], he'll make me go to job club."

By pulling some participants out of education activities before they complete them, Jobs-First GAIN may be denying them the benefits of classroom time or the receipt of a GED certificate or high school diploma. But GAIN staff feel strongly that this risk is minimized or eliminated by the fact that those recipients who appear to be benefiting from basic education are allowed to stay in their

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4 Although quantitative data are not available on this measure, anecdotal evidence from GAIN and school staff support the assertion that the average length of stay in basic education has been reduced.
classes. Only those who do not appear to be benefiting from the activity are removed from class and referred to job club, and it is hoped that job club can then help them move quickly into employment.

**Making basic education more employment focused.** GAIN’s work with schools to encourage shorter duration and more emphasis on outcomes also had an unintended but welcome consequence: As a result of GAIN’s new stress on employment, the schools have generally shifted the content of their classes to make them more employment focused. During contract negotiations and other communications with the providers, GAIN staff have worked hard to show educators the reasoning behind their shift to a work first model. In many cases, the educators have incorporated the message into the classroom by adding life skills and work skills to the regular curriculum.

GAIN students are now more likely to receive sessions on parenting, voter education, money management, and other life skills in the course of their studies. In addition, many of the schools have consciously shifted the content and curriculum of ESL, ABE, GED, and high school diploma classes toward skills that will help students in the workplace. As an ABE teacher described it, “They’re all working on learning to read and write so they can get jobs . . . . I try to weave in life skills, and from that, job skills.”

Accordingly, ESL classes may insert more work-related vocabulary words into their lessons; ABE and GED classes often include typing tutorials and basic computer skills training; posters on the walls often contain work-related information, such as fliers advertising the benefits of combining work and welfare under the Work Pays regulations; and several schools have expanded the available hours of class so that students will find it easier to work part time while attending school. Many teachers also stress that showing up at school on time and well dressed is important. Students are expected to dress, in the words of one GAIN student, “like I’m going to work.”

Los Angeles retained some education activities, but made the classes more short term and employment focused.

Some of the schools that serve the most GAIN participants have gone a step further to make their programs mesh with Jobs-First GAIN: They have instituted job-readiness classes solely for GAIN students, in the hope that this employment focus will ensure the school’s continued role in the GAIN program. In these classes participants learn about career options, create or update their résumés, and—in some cases—receive job search and placement assistance from their teachers. In these schools, the nature and content of education are clearly far more employment focused than in the past. A teacher explained that the classroom activities are now all “towards the final goal, which is to get to work.”

**Encouraging Combined Education and Work**

As an important part of the Jobs-First GAIN program’s message, recipients are encouraged to combine work with education. Along with conveying the GAIN program’s strong emphasis on quick employment, staff often tell
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participants that they should consider going to school in the evenings once they begin work. By doing so, participants can better ensure that their first job is not their final career, but rather a step toward a better job. In the words of a case manager, “The last thing I want is for you to stay in a job . . . . You need to go to school in the evening” to be able to move on to a better job. Recipients are told that if they do go to school while working, they may be eligible for child care and other transitional assistance through GAIN, AFDC, or other programs.

Participants who are in school are encouraged to complete the component and find work quickly, but are also often encouraged to continue attending school around their work schedule. Even in job club, staff tell participants that once they find employment, they should consider entering long-term education activities to increase their opportunities for career advancement. And many participants—at all points in the program—say that their goal is exactly that: to find employment quickly and to participate in long-term education while they are working.

Despite all the talk of combining school and work, staff reported that very few participants end up doing this. The experience of Los Angeles GAIN (and of some other programs as well) suggests that it may be unrealistic to expect more than a small minority of recipients to be able to juggle the competing demands of a new job, school, and childrearing. In addition, the support services needed by participants who combine work and schooling are often difficult to get; they may come from a variety of programs, require extensive paperwork, and often have eligibility requirements that are difficult for both participants and staff to fully understand. Finally, even when participants do receive child care or other support payments while they are combining work and school, these payments are not always sufficient to cover the full costs of care.

Even though it appears that relatively few participants combine the two activities, GAIN staff still feel it is important to let participants know their options and to encourage them to go to school if or when they are able. This message, though, may be misunderstood by some participants. For example, some students in a GED class stated that they were expecting to complete their GED and then go on to a community college or four-year college. Although their teacher said she believed they would soon be asked by GAIN to begin looking for work, they continued to express the belief that they could stay in long-term education as part of their GAIN participation, in lieu of going to work. From these cases, it appears that Jobs-First GAIN staff need to be extra careful about how the message gets communicated: Participants can be encouraged to seek out long-term education once they are working, but they must also understand that GAIN no longer typically refers participants to long-term education activities.

Once participants understand the message about combining work and long-term education, GAIN staff hope that they will keep the option in mind. Even if participants do not combine work with school when they first find employment, staff hope that they may, a year or more down the road, return to school if it appears that the additional education or credential could help them advance in their careers.
Limited Changes in the Participation Mandate

The California GAIN regulations provide specific details regarding who is mandated to participate in GAIN, how noncooperation is to be defined, and how sanctions are to be implemented for recipients who fail to participate as required. When Los Angeles shifted its program model to work first, the option of radically changing the participation mandate or the sanction procedures was not available at the local level. But even if it had been, staff in Los Angeles noted, there was no compelling reason to do so. While they have many complaints about the paperwork required to implement sanctions for recipients who fail to comply, Los Angeles GAIN staff appeared unanimous in feeling that there is nothing about the work first program model per se that requires any differences in the general mandate or sanctioning procedures. Thus, despite some flexibility in the ways in which case managers determine “good cause” and deferrals, there has been no significant change in the percentage of cases that are in noncompliant status or under financial sanction.

Los Angeles changed the nature of its program without making significant changes in the existing participation mandate.

Other studies of welfare reform suggest that changes in sanctioning and in the participation mandate may strengthen the message and increase the effectiveness of work first programs. The experience in Los Angeles shows that while such changes might have been useful to staff, it was possible to make significant changes in the focus of the program independently of any major changes to the mandate.

That said, there are some differences in the way in which GAIN staff now convey the message about the mandate to recipients. In general, Jobs-First GAIN is presented more as an opportunity than an obligation. This ability of staff to promote GAIN in positive terms may be enhanced by their own belief in the effectiveness of the new program model. So, while GAIN staff do tell recipients about the possibility of sanctions, they tend to encourage participation by stressing the benefits of GAIN. In addition, even before the 1996 federal welfare legislation was enacted, GAIN staff used the possible imposition of time limits as a way of expressing the urgency of GAIN’s employment message. Still, rather than using time limits purely as a threat, they tended to highlight the opportunities that GAIN offers. This tone was clear when an orientation leader told a group of

A recipient who fails to attend an assigned activity is sent a notice outlining the sanctions that may be applied if the problem continues. If she does not comply at that point, a “conciliation” process is initiated, providing her with another notice and opportunity to resolve the problem and avoid a sanction. If she continues to fail to comply, her welfare grant will be reduced by removing her needs from the case. For example, a family of three in July 1996 would have seen a reduction from $594 to $479 in its monthly grant. The duration of the grant reduction depends on whether the recipient later agrees to participate and on whether she has been sanctioned previously.

County-supplied data, supported by anecdotal evidence.

See, for example, Pavetti and Duke, 1995; Mead, 1995.
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recipients, “The best defense [against a time limit] is a good offense; get a job and you don’t have to worry about it—that’s what GAIN is all about!”

Given the program’s focus on the benefits of GAIN and the urgency of finding employment quickly, administrators have made an effort to reach out to two particular groups of welfare recipients who are not required to participate: recipients who show up at GAIN but are eligible for deferral or exemption, and recipients who have not yet been called into GAIN as mandatory participants.

Deferrals. Under state regulations, recipients with certain, defined barriers to participation can be deferred (i.e., excused) from the program’s participation requirement. Common reasons for granting deferrals include medically verified illness and “severe family crisis.” In addition, until recently, recipients who were employed part time were also deferred. Under state law passed in late 1995, these recipients must now participate in GAIN until they are employed full time. (Other provisions of the law are discussed in Chapter 1.)

GAIN administrators have told staff that they should encourage all recipients to take advantage of GAIN, even those who are eligible for deferral or exemption. A GAIN administrator explained that the message used to be, “Hello, welcome to GAIN. Do you have any of these reasons to leave?” With a greater emphasis on the opportunities in GAIN, though, the administrator said, “A client can opt not to take a deferral or exemption, and still reap the benefits of the GAIN program . . . . If a client is deferred, we say, ‘But look, you can still be in GAIN and get the benefits.’”

In practice, though, it appears that on the day of orientation, case managers do not always take the time to encourage participation as strongly as their administrators would like. In the words of a regional administrator, “There are enough motivated people who want to get a job. Let’s not waste our time with someone who doesn’t.” And a case manager explained, “They [i.e., recipients] often insist on a deferral. You don’t want to waste your time trying to convince them [to participate].” Observations of appraisals confirmed that this practice exists. Observations also indicated that in some instances where recipients had multiple barriers to participation, but said they wanted help finding employment, case managers granted deferrals anyway. In these cases, it was not always clear whether GAIN could have provided the clients with the more intensive services that they might have required.

This practice of deferring recipients perceived to have barriers (as defined in state regulations) has both pros and cons. On the one hand, Los Angeles’s ability to implement the Jobs-First program even while serving primarily long-term recipients may have been facilitated by the practice of deferring recipients who were perceived to have the greatest barriers. By deferring difficult cases, staff are able to concentrate their energies on recipients—including many long-term recipients with little or no work history—who appear likely to be able to find employment. On the other hand, when case managers defer recipients whom they think they cannot help, they risk deferring some individuals who might have benefited from the program.

Serving short-term recipients and volunteers. Until 1996, California counties were required to target for GAIN services long-term recipients in their mandatory caseload. As long as they could not serve everyone in their caseload,
counties such as Los Angeles were required to serve primarily this group of welfare recipients, who often have the least work history and the greatest barriers to employment.

Los Angeles GAIN administrators were aware, however, of research showing that effective programs in the past have served and proved beneficial to a wide cross-section of mandatory welfare recipients, including recent applicants, short- and long-term recipients, those who came to the program by choice, and those who came to the program only when required to do so. As a result, Los Angeles administrators requested, and recently received from the state, a change in this policy so that GAIN can serve a broader cross-section of the caseload. In particular, Los Angeles has recently begun to mandate participation for a limited number of recent applicants and recipients who have been on welfare for fewer than three years, and has also begun to send a large number of “invitation letters” to recipients asking them to volunteer for GAIN services even though they are either not mandatory or were low enough on the priority list that they would not have been required to come in to GAIN.

Staff in Los Angeles hope that this change in those who are served by the program will strengthen the Jobs-First message and the program’s environment on three levels: First, long-term recipients will now participate alongside volunteers and those who have been on aid for a much shorter time, thus creating an environment in which more participants are motivated and able to move quickly into employment. GAIN staff hope that the environment will inspire long-term and more resistant participants to succeed as well. Second, by having more voluntary participants in their caseloads, case managers may find that they are not required to spend as much of their time on noncompliance procedures. Third, GAIN administrators hope that by having more volunteers and short-term recipients in their program, they will see an increase in the employment outcomes of the program. Increased placements and other positive outcomes can demonstrate to the community, staff, and participants the potential impacts of GAIN.

These improved outcomes might be seen as signs of the program’s success. However, the director of GAIN noted that volunteers and short-term recipients “may very well do better in GAIN, but they may very well do just fine on their own.” Because of this, he “wouldn’t be satisfied” if the improvement in outcomes came only as a result of these intake changes, rather than as a result of improved services. The goal, then, is to do both: to improve the program environment and outcomes by serving a broader cross-section of recipients, but also to improve the impacts of the program by using this strength to make the Jobs-First GAIN program more effective for everyone it serves. (For example, improving employment outcomes would mean increasing the number of people who find

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8See, for example, Gueron and Pauley, 1991; and Riccio, Friedlander, and Freedman, 1994.
9Research has not proven whether programs are more effective for those recipients who volunteer for services or for those who are required to come in. MDRC will attempt to answer this question in its study of Los Angeles Jobs-First GAIN. See Gueron and Pauley, 1991; and Riccio, Friedlander, and Freedman, 1994.
jobs through Jobs-First GAIN—something that Los Angeles has succeeded in doing. Improving employment impacts would require that the program help people find jobs that they would not have found, or would not have found as quickly, on their own. It is conceivable that increased job placements in a program could be the result of enrolling clients who are more likely than prior clients to find jobs on their own, rather than the result of improved program performance.)

It is too early to know if the changes in who is served in GAIN will change the program’s environment. What is clear is that even with a caseload of primarily long-term recipients, Los Angeles was able to implement the work first program model. By serving a broader cross-section of the county’s welfare caseload, Los Angeles hopes to strengthen this work-focused environment.

**Constancy of Case Managers’ Role**

Case managers report that their daily routine did not change significantly with the shift to the Jobs-First GAIN program. The message that they convey to recipients has changed, but their daily tasks continue to include conducting appraisal interviews, holding other meetings to assign participants to program components, monitoring participation in activities, and administering the enforcement procedures and sanctions when necessary. Case managers report that these tasks are typically routinized and include a significant amount of paperwork. The single most time-consuming task, they say, has always been the monitoring of and working with recipients who are not complying with the program requirements.

**Level of personalized attention.** Participant-to-case manager ratios of about 150 have been roughly steady since GAIN’s first few years, and this ratio directly affects the amount of time that staff have to work with each participant. In surveys conducted in the initial GAIN evaluation, about 30 percent of Los Angeles case managers reported that they placed a high emphasis on personalized attention. This was a lower proportion than in the other five counties where the survey was conducted, a fact that is not surprising given that Los Angeles also had the highest average number of recipients assigned to each case manager.¹⁰

Staff now report that the level of personalized attention has, if anything, gone down a little in the past few years, but that this is not related to the change in the program. In the words of a case manager, “It’s not the Jobs-First emphasis—that hasn’t affected our daily lives. It’s the county dropping things on our desks [such as new child care regulations].” If they had the time, staff suggest, they would prefer to provide additional personalized attention. Given the restrictions on their time, staff also report that they do not always track attendance and progress as closely as they would ultimately like to. Again, though, this issue is not directly related to the shift to a work first program.

Los Angeles GAIN administrators describe a shift in the way that case managers work with recipients, from a focus on "processing people" to a greater emphasis on "changing people" and providing personalized attention. Case managers, however, report that they are able to provide personalized attention to recipients only on an ad hoc basis when the need for it is urgent and when time permits it. This extra attention often goes to two groups of recipients: those who are not complying with the program and those who appear the most motivated to participate and benefit from the program.

In selecting which cases they will spend their time on, case managers often are forced to focus on recipients who are not complying with the program because, as a case manager explained, "Noncompliance has a [state-defined] time limit . . . . You do what's important." The fact that case managers report spending more time on noncompliance than anything else is an indication that staff work closely with many participants who are less motivated than the average participant.

Case managers also sometimes focus on the recipients whom they feel they can help the most. As one case manager said, "We can't be knowledgeable about everyone. I select—if they're motivated and ready to work, I put the case on my desk." As discussed above in the section on deferrals, case managers' practice of sometimes focusing their energy on participants who appear most ready to work has its pros and cons. While these participants may be most likely to find jobs, they may also be most likely to have found jobs on their own, and thus may be least in need of GAIN's assistance. Less motivated participants who may not receive as much attention from their case managers could be those who most need the services of GAIN.

Support services. GAIN staff report that the increased focus on employment in the program had no major effect on the support services needed and provided. Since its inception, the GAIN program in Los Angeles has offered child care, transportation, and some ancillary payments for recipients who require these services in order to participate in the program. These payments are available to participants during their work search as well as during education or other GAIN activities, and sometimes include funds for work clothes, school supplies, or car repairs. But by far the largest proportion—more than 80 percent—of the support service payments continues to be for child care, representing 30 percent of total GAIN expenditures. About 15 percent of support service payments is for transportation, and less than 5 percent is for the ancillary services.

As in the past, the support services tend to be practical in nature, providing participants with the child care and transportation they need to go to school or look for work. Recipients who appear to have major barriers to participation or employment, such as drug or alcohol addiction, emotional problems, or long-term illnesses, are typically excused from participation and given referrals to other programs or—if they are already involved in counseling or some other program—encouraged to continue in that program.

Automated case management system. Los Angeles has used an automated system since the beginning of the program to help staff collect data, track
attendance, administer support service payments, and conduct other administrative tasks. This system is also used by managers to track outcomes such as employment, and to regulate intake into the GAIN program. While this automated system has been helpful to staff and may be necessary for a program as large as Los Angeles GAIN, it does not eliminate the time and effort required to conduct administrative tasks. Staff still spend a significant amount of time monitoring cases, reporting progress and changes, and conducting other routine tasks. Also, issues involving the flexibility of the system and the timeliness and accuracy of data entered have arisen in Los Angeles, as they inevitably do in any program with an automated case management system. Over the years, Los Angeles staff have worked to minimize these issues and improve the usefulness of the system.

While the shift to the Jobs-First GAIN program did not require any major changes in the automated system, staff have found that certain aspects of the program have altered the types of data that are seen as the highest priority for the system to track. Thus, it was important that the automated system could be changed to meet GAIN’s changing needs. For example, GAIN administrators have recently used the system to track not only job placement rates but also welfare recidivism rates and pay raises. In addition, GAIN recently received a software package that helps staff estimate the effect that earnings will have on recipients’ welfare grants.

**Staff morale.** The shift to the Jobs-First GAIN program does not appear to have had a major effect on staff morale and job satisfaction in Los Angeles. As with other aspects of case managers’ role and attitudes, morale appears to be closely linked to caseload sizes and the quantity of work that case managers are expected to perform. Thus, it is not a surprise that case managers reported that their morale has not radically changed as a result of the shift. They did, however, express new-found satisfaction in the feeling that the Jobs-First program is effective. A case manager expressed this common sentiment: “I don’t think morale increased like, ‘Wow, we’re getting all these jobs!’ But there’s a sense of contentment within me when someone gets a job.”

**Child Care Services and Payments**

Staff appear to be unanimous in the belief that child care assistance is a GAIN component that is necessary for many recipients to be able to participate in the program. Over the past few years, there have been changes in the contracts and central administration of GAIN child care, but no significant changes, from a participant’s vantage point, in the child care services and payments provided by GAIN. In general, participants are eligible for child care payments up to the regional market level as long as they are participating in a GAIN activity. Administrators estimate that about 60 percent of participants who receive child care reimbursements have a friend or relative watch their children, and about 40 percent place their children in licensed (and typically more expensive) care.
Since the early 1990s, about 30 percent of Los Angeles GAIN expenditures have been for child care payments. Administrators are seeking to minimize these costs by revising contracts with child care referral agencies and increasing the ease of automated payment authorization and tracking. The administrator responsible for child care administration noted that GAIN is also trying to reduce costs by encouraging clients to enroll their children in low-cost care whenever possible. According to the administrator, case managers are urged to tell recipients, “You’ve got to find affordable care, because you’re going to have to pay for it out of your pocket one day.” Anecdotal evidence suggests that some staff have begun to do this, but it is not yet clear what effect this will have on the provision of child care or its overall costs.

The interaction of GAIN child care payments with AFDC and other programs’ payments and reimbursements was raised as a problem by many GAIN staff. Depending on a recipient’s work and welfare status, there are many different ways in which child care costs must be reported and in which payments are made. Different rules and reimbursement rates exist for each of the following types of child care assistance: payments to recipients who are in GAIN; welfare disregards once they are out of GAIN but still on aid; supplemental welfare payments if the cost of care exceeds the disregard cap; and transitional child care payments in the first year after the parent leaves welfare. The differences among these various programs make it difficult for parents to obtain continuous child care funding, particularly at times of important transitions, such as when they get a new job or go off welfare. Staff in Los Angeles disagreed on how the systems could best be coordinated: Some suggested that all payments should be set at a standard, lower level; others suggested that more generous payments and advance payments would be most effective in helping participants find and maintain employment. However, they all agreed that streamlining procedures and making the various components of the system more similar would make the transition from welfare to employment easier for many recipients. Such changes, though, are generally dictated by the state and thus are out of the control of Los Angeles County.11

The Cost of Reform

GAIN expenditures in Los Angeles increased from around $40 million per year in the early 1990s to about $60 million per year in fiscal years 1993–94, 1994–95, and 1995–96. In the same time period, the number of recipients referred to and served in the GAIN program increased as well. According to GAIN-supplied data, the number of recipients in GAIN initially increased at roughly the same rate as the funding; in fiscal years 1994–95 and 1995–96, though, the number of recipients continued to increase as direct GAIN expenditures dropped. Overall, it thus

11With the federal welfare changes, these child care payment systems may be revised. See Pavetti and Duke, 1995, for a discussion of how one state significantly streamlined its child care payment systems.
appears that per-client GAIN costs decreased somewhat, although this change did not occur until more than a year after GAIN initiated its shift from an education focus to an employment focus. GAIN administrators believe that this reduction in direct costs is primarily a result of shortening the average length of time participants spend in Jobs-First GAIN, thereby allowing more participants to move through the program for a given amount of funding.\(^\text{12}\)

It is important to note that direct GAIN costs do not include related costs covered by other agencies, such as state education funding for classroom time (which is likely to have decreased), welfare expenditures (which may have decreased if the program is effective in reducing participants' welfare receipt), or child care costs for working recipients (which may have increased if more recipients are now working). Exact data on GAIN and other costs per participant are not currently available; future reports in this study will examine the actual costs of Jobs-First GAIN in more detail.

In any case, it is clear that Los Angeles County required a certain level of resources to successfully implement and to continue operating the Jobs-First GAIN program. First, the county maintained funding for staff at a level that administrators feel allows case managers to present the employment message and provide adequate monitoring and tracking of the participants in their caseloads. Second, by contracting directly with service providers for job services and basic education, Los Angeles was able to implement a high-quality job club and to enter into performance-based contracts that motivated service providers to focus their services on the program's goal of quick employment. And third, Los Angeles continues to provide sufficient child care, transportation, and other support service payments to enable recipients to participate in GAIN activities.

In addition, other agencies continue to incur costs for services that support the Jobs-First GAIN program: Child care costs for working recipients are reimbursed by AFDC and transitional child care; the California Department of Education continues to fund a portion of participants' classroom time; and the Work Pays changes within AFDC ensure that many working recipients continue to receive cash grants in combination with their earnings.

Ultimately, administrators believe that this substantial investment in Jobs-First GAIN will be paid back through welfare reductions resulting directly from GAIN's effectiveness in moving recipients into employment. In the words of the GAIN director, "I really, truly believe if we can't be run cost-effectively, we shouldn't be here. I really believe that, and I tell all my staff that." There are other measures of success as well; for example, the investment in Jobs-First

\(^{12}\)In fiscal year 1996-97, Los Angeles received additional unexpected GAIN funding. The county plans to use the additional funds to increase the number of recipients served in the program.
GAIN will be considered worthwhile by many if the program can substantially increase the employment and earnings of recipients so that they are better off financially. Future reports in this study will compare the costs of Jobs-First GAIN to the benefits, from the perspective of the recipients and the government.
Chapter 5

Next Steps for Los Angeles GAIN

Special Service Pilot Projects

Taking advantage of the program’s size and multiple sites, GAIN administrators in Los Angeles have allowed the county’s five GAIN regions to run pilot projects and test new ideas for improving the strength of the Jobs-First GAIN program. By sharing information about what does and does not work in each office, the regional administrators are learning new ways to make effective changes to the program. For example, when one office implemented job fairs and found them to be useful, the other offices soon followed suit.

In some instances, Los Angeles GAIN uses random assignment to test the effectiveness of new approaches in the Jobs-First program. In a recent pilot project, GAIN tested post-employment services for clients who found work through the program. Outside of this pilot project, the Jobs-First GAIN program provides little or no assistance to participants once they find employment. Concerns about participants’ ability to keep and advance in their jobs inspired Los Angeles GAIN to test the effectiveness of services in these areas. In one office, some working recipients were randomly assigned to a special worker who gave them “hands-on” assistance in areas such as obtaining the welfare benefits for which they were eligible, managing conflict on the job, and budgeting. If they lost their job, the worker quickly referred them back into job services or to a job developer. By comparing the job retention of these participants to that of participants who were not provided with the special post-employment services, GAIN administrators learned that the services had only a marginal effect on improving job retention. As a result, the services were deemed too costly for their limited impact, and the pilot project was discontinued.

Improving Staff Communications and Strengthening the Message to Participants

Two challenges faced in Los Angeles County’s implementation of the Jobs-First GAIN program appeared related to each other. One difficulty involved effective communication among line staff, particularly those who were located at different offices or worked for different agencies. The other challenge involved clear communication to participants of the program’s new quick employment goal. The two issues were related because, in at least some cases, participants’ failure to fully grasp the quick employment message was the result of GAIN staff’s failure to convey the message in consistent terms. By better communicating with one another, staff could ensure that they understood the specific goals and expectations for each participant and then present those goals to the participant in a consistent manner. In work first programs, where the program is
defined as much by the philosophy as by the services offered—and where the message of high expectations for quick employment is expected to change participants' behavior—it is particularly important for recipients to clearly understand the message being presented by program staff.

In Los Angeles, staff appeared to be making progress in communicating with one another and in presenting a more consistent message to recipients, and Jobs-First GAIN offers lessons for other sites facing similar challenges. (For example, as noted earlier in this report, the experience in Los Angeles points to the importance of consistently communicating the work first message to participants, and also to the potential utility of performance measures and financial incentives in strengthening the message.) However, the need for better communication among staff and with participants was still evident.

By working to improve the sharing of information among staff who have direct contact with participants, GAIN administrators can clarify and strengthen the message that is presented to participants. Many staff noted that all-staff conferences and other events in which line staff had an opportunity to meet with staff from other units, offices, or agencies had helped them communicate more effectively. These types of meetings may also provide staff with the opportunity to share ideas about other ways to improve the effectiveness of the Jobs-First GAIN program.

**Changing the Message and Philosophy at the Income Maintenance Office**

The GAIN program in Los Angeles was initially set up separately from AFDC to ensure that the program would have a professional environment in which recipients were treated differently than in a regular income maintenance (welfare) office. The result was that GAIN is able to control the program environment, but program administrators have no direct control over the message or services that are provided by income maintenance staff. Thus, when GAIN shifted to a work first program, administrators did not expect or attempt to make concurrent changes at the income maintenance offices in the county.

As GAIN made the shift, though, some changes did take place at income maintenance, and some staff there have reportedly begun promoting the benefits of employment more aggressively and preparing clients for GAIN's work first focus, rather than solely determining eligibility and issuing grants. This change may have been brought about by an increased belief at the county and state levels that welfare should be made more employment-focused. The changes may also have occurred in reaction to the prominence of GAIN's work first message; the major changes at GAIN have reportedly had a sort of "ripple effect" on practices at income maintenance. Income maintenance staff undoubtedly hear and react to GAIN's new work first emphasis as more recipients find employment through GAIN and as more GAIN staff start talking to income maintenance staff about work-related benefits and regulations.
While some changes have been made in the message and philosophy at the income maintenance office, GAIN staff and participants report that the overall culture there still focuses on determining eligibility. This should not come as a surprise, given the overall mission of income maintenance, the importance of correctly processing welfare applications and redeterminations, and the resource constraints and high caseloads with which income maintenance staff must work.

All the same, it is clear that although major changes at income maintenance were not a condition for the shift at GAIN, they may be useful in making the Jobs-First GAIN program more effective in the long run. A GAIN administrator noted that he “would like nothing better than to totally change the cultural environment of all AFDC offices . . . and I think we could probably make some improvements over time, and over time we’ll probably get there.”

Income maintenance can do several things to support the Jobs-First GAIN program and its goal of quick employment. First, income maintenance staff can communicate to all recipients the goal of GAIN before they get to the program. Second, by consistently processing GAIN sanction requests in a timely manner, they can help enforce the participation mandate on noncompliant recipients. Third, they can prepare and encourage recipients to find work by actively promoting the available benefits and transitional services. Finally, they can ensure that recipients who begin work receive all the earned income disregards and other benefits and services for which they are eligible.

Changes of this sort have begun to occur, and to further encourage such changes, GAIN and income maintenance administrators have begun to schedule more meetings between the staffs of the two divisions. In these meetings, they have reportedly begun to discuss how they can work together to increase the effectiveness of Jobs-First GAIN and increase the employment focus at income maintenance offices in Los Angeles.

### Serving the Entire Welfare Caseload

Los Angeles GAIN has about 35,000 participants at any point in time, making it huge compared with most county and even state programs. However, this number represents fewer than a third of the AFDC recipients who would have been mandatory for participation under the JOBS regulations, and fewer than one of every six adults on AFDC in the county.

If the Jobs-First GAIN program were to serve the majority of adult welfare recipients in the county and help them find work quickly, major changes would need to be made. First, the program would probably need to serve at least three times as many people, which would require substantially more resources. Second, and equally important, the nature of the program might have to change if Los Angeles were to attempt to reduce the portion of recipients who are excused or exempted from the program. Currently, in accordance with state regulations, Los Angeles defers from participation those with certain barriers to participation or employment. Serving most or all of the adults on welfare in Los Angeles would require substantial changes to the program.
Angeles would require providing services to this group of recipients, who may need services beyond what Jobs-First GAIN can currently offer.

So although Los Angeles County has successfully implemented a promising, large-scale work first program for long-term welfare recipients, significant change may be necessary if services are to be extended to the entire adult caseload.

... 

Future reports in the evaluation of the Jobs-First GAIN program in Los Angeles will determine whether the program has an impact on employment, earnings, and welfare receipt for those referred to the program over and above what their experiences would have been on their own. But even before those results are in, Los Angeles GAIN’s success in shifting to a work first program shows that major change in a large welfare-to-work program is possible, and offers valuable lessons for others who wish to follow their path. With the funds necessary to implement the basic program components, adequate autonomy or support to exert control over the program model, and the desire to implement a work first model, administrators in other large urban areas should be able to make a similar change if they wish to. In the words of the GAIN director:

It requires patience. You can’t change everything overnight; some things take time; some things can be done more quickly. But don’t ever say to yourself it’s not possible, because it is. Staff are going to be more receptive than you think. Even when you encounter resistance by outside people you depend on . . . and you will get that—it’s possible over time to get them bought in.

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Appendix A

Scope of the Field Research Conducted for This Report

Primarily in late 1995 and early 1996, observations of GAIN program activities were conducted in each of Los Angeles County's five GAIN regions (which the county designated as II through VI) as follows:

- Orientation was observed in Regions II, IV, V, and VI.
- Appraisals were observed in all five regions (a total of 13).
- Job club activities were observed in four job services offices, in Regions II, IV, and V.
- Basic education activities were observed at two schools (in five classrooms) in Region IV.

During each of these program activity observations, MDRC staff spoke with staff and participants about their experiences in and opinions of the GAIN program.

Structured interviews were conducted with the following staff:

- Top GAIN administrators
- GAIN regional administrators from three of the five regions
- Six GAIN case managers in Region IV
- Two GAIN job developers in Region IV
- Seven County Office of Education staff at a Region IV job services site
- The COE job services director

The researchers also had conversations with additional GAIN case managers, job developers, supervisors, and regional administrators in all five GAIN offices during various field visits in 1995 and 1996.

The field research for this report was focused somewhat more on Region IV and (to a lesser extent) Region V, as opposed to the other regions. These two offices serve welfare recipients in the downtown, South Central, and other parts of Los Angeles that may be more typical of large urban areas across the nation; the other regions tend to be more suburban. About 50 percent of the GAIN registrants in Regions IV and V are African-American, versus about 10 percent in the other regions. These two offices have fewer Latino registrants (about 20 and 40 percent, versus roughly 40 to 75 percent in the other regions), and are somewhat less likely to serve recipients who have limited English-language skills. Across the regions, less variation was found in measures of work and education history; about two-thirds of registrants had not worked in the three years prior to entering GAIN, and between 45 and 65 percent lacked a high school diploma or GED certificate. Regions IV and V were close to the other regions on both of these measures. Despite the demographic and labor market differences among the regions, interviews and observations across regions confirmed that the program’s experiences in shifting to an employment focus were generally quite similar across offices. Some significant differences among the offices are mentioned in the body of this report.

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1Preliminary MDRC calculations from GAIN intake data for the Jobs-First evaluation research sample.
Appendix B

Demographic Characteristics of the Nation’s Nine Most Populous Counties and New York City

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Los Angeles, California</th>
<th>New York City, New York</th>
<th>Cook (Chicago), (Houston), Illinois</th>
<th>Harris Texas</th>
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<tr>
<td>Population, 1992</td>
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<td>7,311,966</td>
<td>5,139,341</td>
<td>2,971,75</td>
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<td>Race, 1990 (%) (1)</td>
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<td>White</td>
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<td>52.3</td>
<td>62.8</td>
<td>64.7</td>
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<td>Black</td>
<td>11.2</td>
<td>28.7</td>
<td>25.8</td>
<td>19.2</td>
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<td>0.4</td>
<td>0.2</td>
<td>0.3</td>
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<td>Asian or Pacific Islander</td>
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<td>7.0</td>
<td>3.7</td>
<td>3.9</td>
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<tr>
<td>Other</td>
<td>20.7</td>
<td>11.6</td>
<td>7.5</td>
<td>11.9</td>
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<tr>
<td>Ethnicity, 1990 (%) (2)</td>
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<tr>
<td>Of Hispanic origin/Latino</td>
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<td>24.4</td>
<td>13.6</td>
<td>22.9</td>
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<td>Not of Hispanic origin</td>
<td>62.2</td>
<td>75.6</td>
<td>86.4</td>
<td>77.1</td>
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<td>Language spoken at home, 1990 (%)</td>
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<td></td>
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<tr>
<td>Other than English</td>
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<td>41.0</td>
<td>23.3</td>
<td>25.7</td>
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<td>Spanish</td>
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<td>19.7</td>
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<tr>
<td>Labor force (%)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Female, 1990</td>
<td>43.3</td>
<td>47.3</td>
<td>46.3</td>
<td>43.8</td>
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<tr>
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<td>6.8</td>
<td>6.5</td>
<td>5.2</td>
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<tr>
<td>Unemployed, 1995</td>
<td>7.9</td>
<td>8.2</td>
<td>5.5</td>
<td>6.0</td>
</tr>
<tr>
<td>Income below poverty level, 1989 (%)</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>All families</td>
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<td>Children younger than 18 years</td>
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<tr>
<td>Supplemental Security Income Program</td>
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<td></td>
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<tr>
<td>recipients, 1991 (%)</td>
<td>3.4</td>
<td>3.7</td>
<td>2.3</td>
<td>1.3</td>
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<td>Educational attainment, 1990 (%)</td>
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<td></td>
<td></td>
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<tr>
<td>High school graduate or higher</td>
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<td>67.9</td>
<td>73.4</td>
<td>74.9</td>
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<td>Bachelor’s degree or higher</td>
<td>22.3</td>
<td>22.4</td>
<td>22.8</td>
<td>25.4</td>
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</tbody>
</table>


Notes: Unemployment rates for New York City were calculated by the Bureau of Labor Statistics. Other figures for New York City were calculated by MDRC staff based on estimates in *The Sourcebook of County Demographics, 1990 Census Edition,* for Bronx, Kings, New York, Queens, and Richmond counties.
San Diego, California
Orange (Anaheim, Santa Ana), California
Maricopa (Phoenix), Arizona
Wayne (Detroit), Michigan
Dade (Miami), Florida
Dallas, Texas

<table>
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<tr>
<th></th>
<th>San Diego, California</th>
<th>Orange (Anaheim, Santa Ana), California</th>
<th>Maricopa (Phoenix), Arizona</th>
<th>Wayne (Detroit), Michigan</th>
<th>Dade (Miami), Florida</th>
<th>Dallas, Texas</th>
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<tr>
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<td>2,209,567</td>
<td>2,096,179</td>
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<td>Other races</td>
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<tr>
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<td>46.3</td>
<td>45.7</td>
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<td>5.0</td>
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<td>16.9</td>
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<td>Pacific Islander</td>
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<td>30.3</td>
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<td>18.7</td>
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<td>Not Pacific</td>
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<td>1.1</td>
<td>2.5</td>
<td>4.4</td>
<td>1.2</td>
</tr>
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<td>Hispanic</td>
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<tr>
<td>Not Hispanic</td>
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<td>27.8</td>
<td>22.1</td>
<td>13.7</td>
<td>18.8</td>
<td>26.3</td>
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</table>

1As explained in The Sourcebook of County Demographics, 1990 Census Edition, p. xv: "Defined by self-identification, race detail from the 1990 census includes 25 groups with the addition of 10 more Asian or Pacific Islander groups in 1990. The basic race categories presented here are White, Black, American Indian or Alaska Native, Asian or Pacific Islander, plus an 'other races' group, included for persons who do not identify with one of the specified groups. 1990 census."

2As explained in The Sourcebook of County Demographics, 1990 Census Edition, p. xiv: "Defined by self-identification, Hispanic origin refers to ethnicity, not race. Persons of Hispanic origin may be of any race ... 1990 census." The category "not of Hispanic origin" includes all those who did not identify themselves as being of Hispanic origin.
Appendix C

Maximum AFDC Benefit for a Three-Person Family, Total AFDC Expenditures, and Average Monthly AFDC Caseload in the Seven States with the Nation's 10 Largest Counties, 1990–1996

<table>
<thead>
<tr>
<th>State</th>
<th>Maximum Benefit for a Three-Person Family ($)</th>
<th>National rank</th>
<th>National rank</th>
<th>National rank</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1990</td>
<td>1993</td>
<td>1996</td>
<td></td>
</tr>
<tr>
<td>California</td>
<td>$694</td>
<td>2</td>
<td>$624</td>
<td>5</td>
</tr>
<tr>
<td>New York</td>
<td>577</td>
<td>6</td>
<td>577</td>
<td>6</td>
</tr>
<tr>
<td>Texas</td>
<td>184</td>
<td>47</td>
<td>184</td>
<td>48</td>
</tr>
<tr>
<td>Illinois</td>
<td>367</td>
<td>24</td>
<td>367</td>
<td>24</td>
</tr>
<tr>
<td>Ohio</td>
<td>334</td>
<td>30</td>
<td>341</td>
<td>32</td>
</tr>
<tr>
<td>Michigan</td>
<td>516</td>
<td>11</td>
<td>459</td>
<td>14</td>
</tr>
<tr>
<td>Florida</td>
<td>294</td>
<td>35</td>
<td>303</td>
<td>37</td>
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</table>

<table>
<thead>
<tr>
<th>State</th>
<th>Total AFDC Expenditures (in millions)</th>
<th>1990</th>
<th>1993</th>
<th>1995</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>$4,954.9</td>
<td>$5,855.0</td>
<td>$6,125.4</td>
<td>$7,046.4</td>
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<tr>
<td>New York</td>
<td>2,259.0</td>
<td>2,658.4</td>
<td>3,042.4</td>
<td>3,428.6</td>
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<td>Texas</td>
<td>415.9</td>
<td>532.3</td>
<td>519.8</td>
<td>500.1</td>
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<td>Illinois</td>
<td>838.7</td>
<td>882.9</td>
<td>882.1</td>
<td>860.2</td>
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<tr>
<td>Ohio</td>
<td>877.2</td>
<td>980.5</td>
<td>849.1</td>
<td>811.3</td>
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<tr>
<td>Michigan</td>
<td>1,211.3</td>
<td>1,190.1</td>
<td>999.8</td>
<td>1,068.3</td>
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<tr>
<td>Florida</td>
<td>417.5</td>
<td>804.7</td>
<td>763.8</td>
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<table>
<thead>
<tr>
<th>State</th>
<th>Average Monthly Statewide AFDC Caseload (in thousands)</th>
<th>1990</th>
<th>1993</th>
<th>1995</th>
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<tbody>
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References


Riverside County Department of Public Social Services. 1994. *JOBS Program: Transferability Package for High Output Job Placement Results.* Riverside, Calif.: Riverside County Department of Public Social Services.

### Selected Publications on MDRC Projects

#### Reforming Welfare

**Books and Monographs**


*From Welfare to Work* (Russell Sage Foundation). Book. 1991. Judith M. Gueron, Edward Pauly. A synthesis of research findings on the effectiveness of welfare-to-work programs. Chapter 1, which is the summary of the book, is also published separately by MDRC.


#### ReWORKing Welfare: Technical Assistance for States and Localities


#### Working Papers

Working Papers related to a specific project are listed under that project.


#### Papers for Practitioners


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Note: For works not published by MDRC, the publisher’s name is shown in parentheses.


Reports and Other Publications

JOBS Programs

The JOBS Evaluation

An evaluation of welfare-to-work programs operating under the Job Opportunities and Basic Skills Training (JOBS) provisions of the Family Support Act of 1988.

Five Years After: The Long-Term Effects of Welfare-to-Work Programs. See under Books and Monographs.

The GAIN Evaluation

An evaluation of California’s Greater Avenues for Independence (GAIN) Program, the state’s JOBS program.

Related Studies:


**The Evaluation of Florida’s Project Independence**
An evaluation of Florida’s JOBS program.


**Time-Limited Welfare**

**The Cross-State Study of Time-Limited Welfare**
An examination of the implementation of some of the first state-initiated time-limited welfare programs.


**Florida’s Family Transition Program**
A study of Florida’s time-limited welfare program.


**Making Work Pay**

**The Minnesota Family Investment Program (MFIP)**
An evaluation of Minnesota’s welfare reform initiative.


**The New Hope Project**
A test of a neighborhood-based antipoverty program and welfare alternative operating in Milwaukee.


**Canada’s Self-Sufficiency Project (SSP)**
A test of the effectiveness of a temporary earnings supplement on the employment and welfare receipt of public assistance recipients. Reports on the Self-Sufficiency Project are available from: Social Research and Demonstration Corporation (SRDC), 275 Slater St., Suite 900, Ottawa, Ontario K1P 5H9, Canada. Tel.: 613-237-4311; Fax: 613-237-5045. In the United States, the reports are also available from MDRC.


Other Welfare Studies

The Saturation Work Initiative Model (SWIM)

A test of the feasibility and effectiveness of an ongoing participation requirement in a welfare-to-work program.


The Demonstration of State Work/Welfare Initiatives

A test of the feasibility and effectiveness of various state employment initiatives for welfare recipients.


Other Reports on the Demonstration of State Work/Welfare Initiatives


The Subgroup/Performance Indicator Study

A study of the impacts of selected welfare-to-work programs on subgroups of the AFDC caseload.


The Self-Employment Investment Demonstration (SEID)

A test of the feasibility of operating a program to encourage self-employment among recipients of AFDC.


The WIN Research Laboratory Project

A test of innovative service delivery approaches in four Work Incentive Program (WIN) offices.


Programs for Teenage Parents

The LEAP Evaluation

An evaluation of Ohio’s Learning, Earning, and Parenting (LEAP) Program, which uses financial incentives to encourage teenage parents on welfare to stay in or return to school.


The New Chance Demonstration
A test of a comprehensive program of services that seeks to improve the economic status and general well-being of a group of highly disadvantaged young women and their children.


Project Redirection
A test of a comprehensive program of services for pregnant and parenting teenagers.


The Community Service Projects
A test of a New York State teenage pregnancy prevention and services initiative.


The Parents' Fair Share Demonstration
A demonstration aimed at reducing child poverty by increasing the job-holding, earnings, and child support payments of unemployed, noncustodial parents (usually fathers) of children receiving public assistance.

*Low-Income Parents and the Parents' Fair Share Demonstration: An Early Qualitative Look at Low-Income Noncustodial Parents (NCPs) and How One Policy Initiative Has Attempted to Improve Their Ability to Pay Child Support.* 1996. Earl Johnson, Fred Doolittle.

The National Supported Work Demonstration
A test of a transitional work experience program for four disadvantaged groups.

*Summary and Findings of the National Supported Work Demonstration.* 1980. MDRC Board of Directors.

The Section 3 Study
About MDRC

The Manpower Demonstration Research Corporation (MDRC) is a nonprofit social policy research organization founded in 1974 and located in New York City and San Francisco. Its mission is to design and rigorously field-test promising education and employment-related programs aimed at improving the well-being of disadvantaged adults and youth, and to provide policymakers and practitioners with reliable evidence on the effectiveness of social programs. Through this work, and its technical assistance to program administrators, MDRC seeks to enhance the quality of public policies and programs. MDRC actively disseminates the results of its research through its publications and through interchanges with a broad audience of policymakers and practitioners; state, local, and federal officials; program planners and operators; the funding community; educators; scholars; community and national organizations; the media; and the general public.

Over the past two decades—working in partnership with more than forty states, the federal government, scores of communities, and numerous private philanthropies—MDRC has developed and studied more than three dozen promising social policy initiatives.
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