

Welfare Reform Notes:

Riverside County GAIN Program Achieves Best Results Yet for Large Welfare Reform Demonstration

Background

The Riverside GAIN program, one of the six counties in the experimental evaluation of California's Greater Avenues for Independence (GAIN) program, had the best results to date for a large welfare-to-work demonstration program. (See *back page* for a description of the GAIN program design.)

GAIN was evaluated by the Manpower Demonstration Research Corporation (MDRC) over a 36-month follow-up period. The MDRC evaluation was based on a study of 33,000 AFDC recipients and applicants, between 1988 and 1990, whose participation in GAIN was mandatory. GAIN registrants attended an orientation, at which time they were randomly assigned to either an **experimental** group (who participated in GAIN and were subject to sanctions--a reduction in the AFDC grant amount), or a **control** group (who did not participate in GAIN, but who could use other community resources).

Findings

For the 36-month follow-up period, the **Riverside GAIN Program**:

- ***Increased average earnings in the experimental group by \$3,113 (49 percent).***
- ***Decreased welfare payments by \$1,983 (15 percent) per participant.***
- ***Had the lowest costs of any of the six GAIN sites. The net cost of GAIN was \$1,597 per participant in Riverside County, compared to an average of \$3,422 per participant in all six GAIN counties.***
- ***Generated benefits greater than the costs of the program. It was cost effective for the participants, the state budget and society as a whole.***

GAIN participants in three of the six counties (Alameda, Butte and San Diego) had increased earnings and welfare savings, but the impacts were smaller than in Riverside. Los Angeles County had only increased earnings and no welfare savings, while Tulare County had only welfare savings but no increased earnings.

Discussion

These positive results point to the importance of a strong, clear message emphasizing employment, job search by clients, and job development by staff. Because the program was large and the findings were consistently positive over a 36-month period, the Riverside GAIN model should be replicated in other states to determine if the model is also effective in other economic and demographic settings.

The **Riverside** GAIN program emphasized:

- A clear and consistent message to GAIN participants that employment was important and expected.
- Strong job development efforts by the program staff.
- Equal emphasis on job search and educational services for registrants in need of basic education.
- A strong commitment (and resources) for the participation of all mandatory registrants.
- Reliance on sanctions to reinforce the AFDC client's participation obligation.

See *Executive Summary of GAIN: Benefits, Costs, and Three-Year Impacts*, MDRC, New York, June 1994.

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