

# **Home Investment: An Impact and Benefit-Cost Analysis of a Home Visitation Program for High-Risk TANF Recipients**

**Findings from the Rural Welfare-to-Work Evaluation**

**Alicia Meckstroth  
Andrew Burwick  
Quinn Moore**

**NAWRS Annual Workshop, Albany, New York  
July 13, 2009**

---

**MATHEMATICA**  
Policy Research, Inc.

---

# Presentation Outline

---

- **Background on BNF program and evaluation**
- **Summary of impacts for full sample and “more disadvantaged” subgroup**
- **Assessment of program costs**
- **Comparison of benefits and costs**
- **Summary and implications**

# Building Nebraska Families (BNF)

---

- Home visitation and life skills education program for nonexempt, hard-to-employ TANF recipients
- Partnership between university extension and state welfare agency
- BNF services delivered by masters' level educators with very small caseloads
- 11 service areas throughout rural Nebraska

# BNF Education and Support

## Individualized Life Skills Education Through Home Visits

- Personal Improvement: goal setting, problem-solving, character development, coping skills, relationship-building, communication skills
- Family Life: child development, parenting, family management
- Practical Life Skills: money and time management, healthy home, nutrition

## Mentoring and Informal Counseling

## Service Coordination & Advocacy Support

# Key Research Questions

---

- **Effects on employment, earnings, welfare dependence, and well-being?**
- **Benefits and costs?**

# Evaluation Methods

---

- **Experimental design**
  - 358 in program group, 242 in control group
  - Both groups subject to TANF work requirements, sanctions, and 2-year time limit
- **Data Sources:**
  - Follow-up telephone surveys at 18 and 30 months (87 and 83 percent completion rates)
  - Administrative records for all clients
  - Program service use and participation data
  - Site visits and focus groups

# Subgroup Analysis: “More Disadvantaged”

---

- **Met 2 or more of these criteria at baseline:**
  - **Lack of high school credential**
  - **Health condition (self or household member)**
  - **Transportation barrier (no driver’s license or no regular access to a vehicle)**
  - **No earnings in prior year**
  - **Received TANF/AFDC for 2+ years in lifetime**
- **43 percent were more disadvantaged**

# Limited Impacts for Full Sample

---

- **Some evidence that BNF improved employment status for the full sample**
- **No convincing evidence that BNF improved earnings for the full sample**

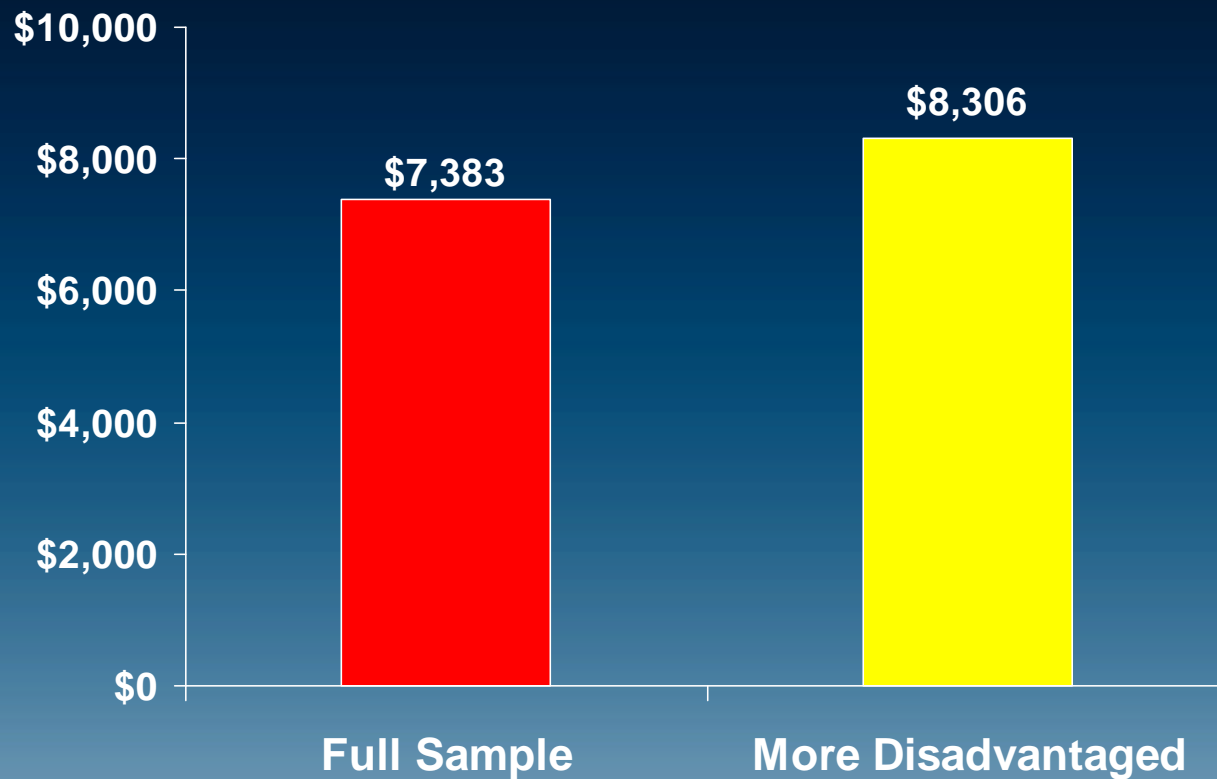
# Strong, Significant Impacts for More Disadvantaged Subgroup

---

- **BNF increased employment during last 18 months of follow-up period**
- **BNF had substantial impacts on average monthly earnings, increasing over time**
  - **Program group earned 41 percent more than control group in second year of followup**
  - **56 percent more in final 6 months of followup**
- **Program group members held better jobs, left TANF sooner, and had greater household income**

# Average Costs Per Participant Were Substantial

Average Costs per BNF Participant, in 2004 Dollars



# Benefit-Cost Analysis Considers Three Perspectives

---

1. **Participants**
2. **Government/Taxpayers**
3. **Society**
  - Sum of benefits and costs to other groups

# Itemizing Benefits and Costs

---

## Potential Benefits to Society

---

- Increased earnings
- Increased fringe benefits
- Reduced administrative costs for transfer programs
- Reduced use of alternative programs/services
  - Mental health services
  - Education services

## Costs to Society

---

- Costs of program services
- Costs of working
  - Child care
  - Transportation

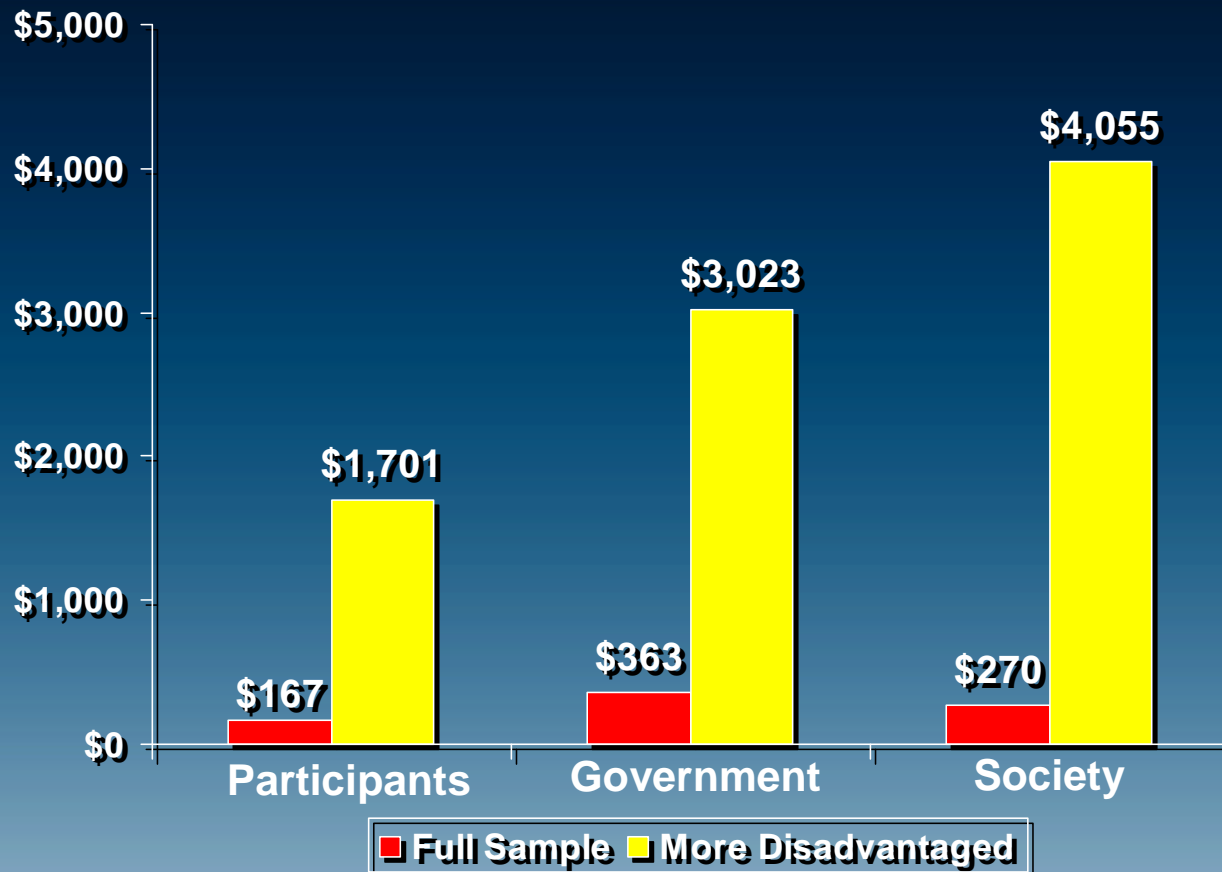
# Analysis Excludes Some Benefits and Costs

---

- **Intangible benefits**
  - Personal fulfillment
  - Improvements in quality of life
- **Benefits with insufficient data**
  - Reduced use of child welfare services?
  - Reduced domestic violence?
- **Intangible costs**
  - Lost time for leisure and family

# Benefits Were Much Higher for More Disadvantaged Group

Benchmark Estimates of Benefits per BNF Participant, in 2004 Dollars



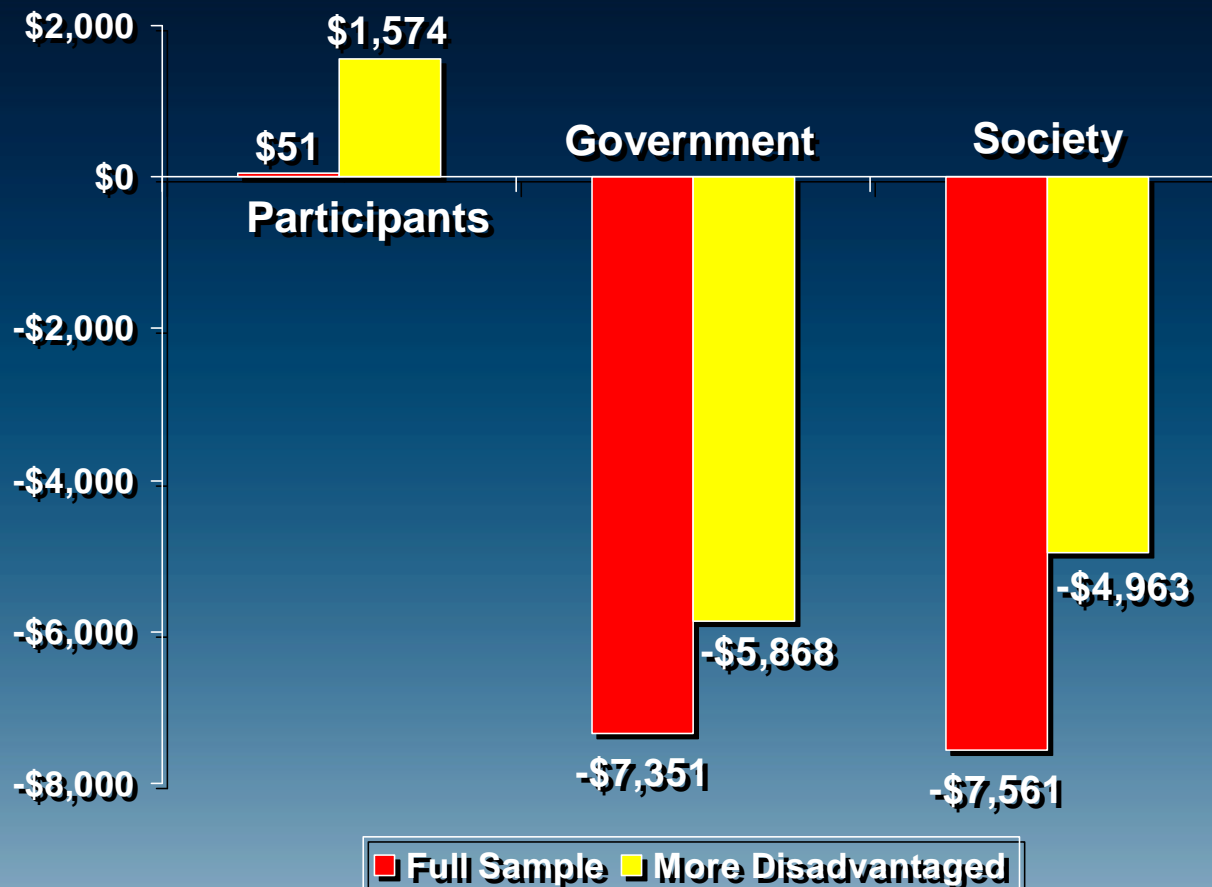
14

SOURCE: Rural Welfare-to-Work Evaluation benefit-cost analysis

NOTE: Benefits to society include costs to non-custodial parents

# Costs Exceeded Benefits from Society's Perspective

Benchmark Estimates of Net Benefits per BNF Participant, in 2004 Dollars



SOURCE: Rural Welfare-to-Work Evaluation benefit-cost analysis

NOTE: Benefits to society include costs to non-custodial parents

# Projecting Benefits Beyond the Follow-Up Period

- **Assumptions:**
  - Future impacts on monthly earnings equal average impact during months 25-30
  - Availability of fringe benefits remains the same as at current/most recent job
- **Benefits to society would exceed costs if impacts persisted:**
  - **9.7 years** beyond followup for full sample
  - **1.7 years** beyond followup for more disadvantaged group

# Summary

---

- **BNF increased employment and earnings, reduced TANF receipt, and improved income among more disadvantaged sample members**
- **Program design and operating institution contributed to relatively high costs**
- **BNF model may be cost effective over time, if well targeted**

# Rural Welfare-to-Work Strategies Demonstration Evaluation

---

For more information:

- **Mathematica Policy Research**

Alicia Meckstroth, (614) 505-1401, [almeckstroth@mathematica-mpr.com](mailto:almeckstroth@mathematica-mpr.com)  
Evaluation report available at [www.mathematica-mpr.com](http://www.mathematica-mpr.com)

- **U.S. DHHS, ACF**

Michael Dubinsky, (202) 401-3442, [michael.dubinsky@acf.hhs.gov](mailto:michael.dubinsky@acf.hhs.gov)  
Evaluation report available at [www.acf.hhs.gov/programs/opre](http://www.acf.hhs.gov/programs/opre)

- **University of Nebraska Cooperative Extension**

Marilyn Fox, (308) 385-5088, [mfox@unlnotes.unl.edu](mailto:mfox@unlnotes.unl.edu)  
BNF curriculum: “Survive, Strive, Thrive: Keys to Healthy Family Living”