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Leaving Welfare for a Job: How Did SSP Affect the Kinds of Jobs Welfare Recipients Were Willing to Accept?

by Kelly Foley and Saul Schwartz

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Leaving Welfare for a Job: How Did SSP Affect the Kinds of Jobs Welfare Recipients Were Willing to Accept?

The Self-Sufficiency Project

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SOCIAL RESEARCH AND DEMONSTRATION CORPORATION

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The Self-Sufficiency Project (SSP) was conceived and is funded by Human Resources Development Canada (HRDC) and managed by the Social Research and Demonstration Corporation (SRDC). Since 1992, it has been testing an innovative approach to tackling a long-standing dilemma in welfare reform: How to encourage work and independence while simultaneously alleviating poverty. Typically, programs that transfer income to poor people in order to reduce poverty also reduce the incentive for recipients to seek and accept employment, particularly if their potential earnings are low. The approach SSP tests is designed to overcome this poverty-dependence trade-off for long-term welfare recipients by "making work pay."

A sample of long-term, single-parent income assistance recipients in New Brunswick and British Columbia were offered generous monthly earning supplements on condition that they left welfare for full-time work (30 or more hours a week) within one year of being selected for the program. These earnings supplements could be received for up to three years, in every month that participants continued to work full time and remained off income assistance. The supplement formula was structured so that participants who worked full time in a minimum wage job would receive a total income that was roughly double what they could expect from working or from welfare alone. Participants were thus assured that they would increase their incomes significantly and immediately if they left income assistance for full-time work.

SSP used a random assignment evaluation design, widely viewed as the most reliable way to measure a program's impacts. Half of the participants in the project were randomly chosen to be eligible for the new program. The other half were randomly assigned to a control group that was not eligible for the program. Members of the control group continued to be eligible for all other programs and services for which they qualified. The experience of the control group thus permits a comparison for evaluation purposes, to determine what difference the new program actually made.

This SRDC working paper makes use of newly derived survey data to explore the important topic of the types of jobs obtained by Self-Sufficiency Project participants. Specifically, the authors consider whether the program had any impact on the quality of the jobs obtained immediately after leaving welfare. The work is important because it provides new information about program outcomes that adds value to earlier reports based on aggregate employment measures. For policy-makers, this paper demonstrates that a program can assist single parents to move from welfare to work without necessarily reducing job quality. Future working papers will make use of the new data to analyze effects of SSP on jobs over the entire study period.

SSP is actually made up of three linked studies. Data used in this paper come from the SSP "recipient study" of a group of long-term income assistance recipients in New Brunswick and British Columbia, all of whom had been receiving welfare for *at least* a year (and many for much longer). This study measured the effects of the financial incentive alone. A second "SSP Plus" study of a similar group, but selected in New Brunswick only, assessed the effects of the same financial incentive offered in combination with employment-related services. Finally, the SSP "applicant study" measured the effects of SSP's financial incentive on a group of new applicants for income assistance in British Columbia who were told that, if they remained on welfare for a year, they would become eligible for SSP's earnings supplement if they subsequently left welfare for full-time work.

To date SRDC has published 15 reports on the different components and stages of SSP, including the final report on the recipient and SSP Plus studies. The final report on the applicant study is due in spring 2003. This is the third working paper to make use of the project's data.

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Introduction

When welfare-to-work programs encourage participants to find work they can also bring about dramatic changes in their lives. It is possible that these changes may not improve welfare recipients' well-being. For example, social assistance recipients who leave welfare for work could lose income and experience increased stress, while their children may receive less care and supervision. Alternatively, such programs might set in motion a series of events that lead participants to positive outcomes such as economic self-sufficiency and increases in income. This paper considers one such welfare-to-work program, the Self-Sufficiency Project (SSP). SSP was a random assignment demonstration of an earnings supplement implemented in British Columbia and New Brunswick.

This paper reviews existing research that examines the kinds of jobs welfare recipients find and assesses why such information may be important to the success of welfare-to-work policies. It then examines the characteristics of the first jobs that participants in SSP found after they left income assistance (IA). Because SSP was a unique program, the paper describes the program elements and places them in the context of other reform initiatives in Canada.

SSP encouraged many participants to leave social assistance and take up paid employment. This paper uses administrative data and data from follow-up surveys to examine the first job that participants held after they left IA. First, the occupations and industries in which participants worked are described. The impact that SSP might have had on employment in different categories of occupations and industries is then estimated.

This paper also analyzes whether SSP had an impact on characteristics of the first job held after leaving welfare including wages, hours, multiple job holding, duration, stability, receipt of employer-sponsored benefits, and union membership. Finally, the paper identifies four job characteristics that may be considered positive indicators of job quality and estimates the impact of SSP on employment in jobs with those characteristics. Thus, the paper contributes policy-relevant findings about the effect of welfare reform on job quality.

Previous Research on Job Characteristics and Job Quality

A review of the literature on the quality of jobs taken by people leaving welfare is relevant for both methodological and analytical reasons. The work of other researchers includes frameworks for assessing and quantifying job quality. Their work also points to a link between initial poor job quality and longer-term negative outcomes for former welfare recipients.

The literature informs a debate about why job quality is an important consideration in the analysis of current welfare policy. The debate can be characterized in two opposing views.

One of the concerns most often voiced about the contemporary emphasis on encouraging welfare recipients, most of whom are women, to move from welfare to work is that such women might simply be trading poverty-and-welfare for poverty-and-work. If a welfare recipient wants to be a full-time mother, carefully supervising the many aspects of the development of her children, no amount of money, prestige, or job satisfaction will substitute for being at home.

Others argue that there are no "bad" jobs, that any job — no matter how poorly paid, no matter how difficult — is preferable to long-term welfare dependence. And even if the first post-welfare job is a bad job in terms of earnings or working conditions or both, some former welfare recipients might eventually be able to move into a "good" job.

Within the context of the Self-Sufficiency Project (SSP), there is a concern that even though SSP was successful in achieving significant increases in employment over the first 36 months, the project could conceivably have led participants to take bad jobs in order to qualify for the supplement. That is, encouraging self-sufficiency with an earnings supplement could reduce the chances of finding a good job.

Defining job quality

One aim of an analysis of jobs held by former welfare recipients might be to determine if those jobs can enable the workers to be self-sufficient, to have an income greater than that available through welfare. Such an analysis would focus on earnings (including tax benefits like the National Child Tax Benefit) and benefits. Job duration is also important here since it indicates the ability or willingness of the worker to hold the job in question and might be linked to wage progression or other kinds of advancement.

A different, and perhaps complementary, aim of such an analysis might be normative. Are these the kinds of jobs that the analyst believes will eventually lead to a more satisfying life than that available on welfare? Here, the type of job matters because some jobs may naturally lead to higher paying, more rewarding jobs as the worker gains experience. The type of job also determines the type of activities in which a worker spends a substantial proportion of his or her time. Those activities determine, in part, whether or not workers find their lives satisfying.

Assessing job quality might seem straightforward:

> *Some jobs are better than others. Everyone recognizes this fact, both when they discuss jobs in daily conversation and when they must actually choose among jobs. Yet social scientists have no comprehensive measures of a job's desirability. Sociologists have devised many schemes for ranking occupations but none for ranking the diverse jobs that fall into the same occupational category. Economists rank jobs according to their pay but have no global measure of jobs' non-*

> *monetary benefits (or costs). Psychologists measure workers' subjective satisfaction with their jobs but have not, for the most part, tried to rank jobs on the basis of their objective characteristics.* (Jencks, Perman, & Rainwater, 1988, p. 1323)

Even so, there are no widely accepted job quality scales that translate various job characteristics such as wages, benefits, autonomy, or social setting into a single numerical measure of the quality of the job. One reason is that the quality of a job is largely subjective — the same job might be a dream for one person and a nightmare for another.

Indicators of job quality in the literature

Jencks et al. (1988) set out to create a job quality scale based on a special US survey that collected detailed information on a wide variety of job characteristics. The survey also asked workers to rate how good their job was compared with the average job.[1] By regressing job characteristics on the workers' ratings, Jencks et al. developed an index of job quality. In the index, they tried to limit themselves to "objective" characteristics (e.g. reported wages and hours) as opposed to characteristics that seemed more subjective (e.g. reports that the work was interesting).

The job characteristics about which survey information was collected were drawn from an extensive review of the literature on the variables that affect job satisfaction. Positive characteristics included educational requirements, wages, the existence of on-the-job training, weeks of vacation, control over own hours, and the existence of a union contract. Negative characteristics included getting dirty at work, being subject to frequent supervision, performing repetitive tasks, whether one's boss had a boss, and facing a risk of job loss. Many other characteristics were identified but did not prove statistically significant in the ratings regressions. Jencks et al. (1988) note that workers value personal autonomy more than authority over others. None of the "authority" variables identified in the review and measured by the survey — number of subordinates, controlling a budget, controlling the pay levels of others — was significant.

Bancroft and Currie Vernon (1995) asked SSP participants in focus groups how they felt about their jobs and what constituted a good job. Most participants identified a job that paid more than minimum wage as a good job. Jobs that initially paid low wages but offered opportunity for advancement were also considered good jobs. Medical and dental benefits were valued by this group of former welfare recipients as were hours that coincided with the availability of babysitters.

The quality of welfare leavers' jobs

Studies of welfare "leavers" in the US suggest that those who leave welfare for work move into jobs that are similar to those held by other low-income workers.[2] Those jobs pay low wages and

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[1]The question was asked as follows: "Taking everything into account — pay, fringe benefits, working conditions, kind of work, etc. — when *most people* think of *average jobs* they think of jobs like telephone operator, carpenter, or payroll clerk. Let's give an average job a rating of 100. Compared to an average job like one of these, I would like to ask you to rate your own job. If you think your own job is twice as good as an average job, for example, give it 200. If you think your own job is half as good as an average job, give it a 50. You can give any number you like. Considering everything, if an average job is rated 100, how would you rate your own job?" The question was repeated later on after respondents had given detailed information about their own jobs and had rated a number of hypothetical jobs.

[2]Loprest (1999) compared the experience of "leavers" with two groups: (1) women with children whose family income was under 150 per cent of the US poverty line and (2) women with children whose family income was under 200 per cent of the poverty line.

offer few benefits. For example, Loprest (1999) studied a group of "leavers" in the period immediately after the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), the landmark US welfare reform of 1996. Using the National Study of America's Families (NSAF), Loprest was able to analyze, for each job, variables such as hourly wage, hours of work, occupation and industry, the provision of health benefits, and whether another job was held simultaneously. Note that the list of job characteristics is much narrower than the set collected by Jencks et al. (1988) and lends itself much more readily to standard survey techniques. Overall, Loprest found that "the types and quality of jobs held by former welfare recipients are similar or better than those held by other low-income mothers" (p. 9).

The median wage for the "leavers" in the Loprest sample was $6.61 per hour, almost $2 per hour higher than the minimum wage of $4.75. The 25th percentile was $5.29 hour while the 75th percentile was $8.15 per hour. Most of the jobs were full-time, with almost 70 per cent of "leavers" working more than 35 hours per week; only 6.1 per cent worked less than 20 hours per week. Job tenure was low among the "leavers" with almost 75 per cent having been in their jobs for less than one year.[3]

The occupation and industry categories of the job held by "leavers" were reported by Loprest (1999) only at a high level of aggregation. The most common occupational category reported was service occupations, representing 38.0 per cent of all jobs; the second most common was clerical/administrative support with 19.0 per cent. The third highest was professional/ managerial/technical. While one might assume these to be high-paying jobs, the range of occupations within this broad category was quite wide. In terms of industrial categories, the services industry employed 46.2 per cent of the "leavers" sample with wholesale/retail trade second at 24.2 per cent.

Less than one quarter of the jobs provided health insurance; the proportion was slightly higher (between 30 and 40 per cent) for the jobs held by other low-income workers. Roughly eight per cent of the "leavers" were working at more than one job at the same time.

Job quality and labour market outcomes

One of the questions that are central to any evaluation of welfare-to-work initiatives is whether the first job, however bad it might be, will eventually lead to self-sufficiency. The hope is that wages will rise as former welfare recipients gain experience, become able to find new and better jobs and, in general, climb a "job ladder" to self-sufficiency. Although expected, the finding by Loprest (1999) that the first jobs held by "leavers" were quite similar to the jobs held by other low-income workers is not encouraging.

The US government commissioned several state-specific studies of welfare "leavers" in the wake of PRWORA. Most of these studies used state-level administrative data (earnings as reported to the unemployment compensation system, variables in management information systems associated with transfer and benefit programs) to characterize the employment and earnings of the "leavers." Several studies also conducted surveys of "leavers" that provided somewhat more extensive information than could be obtained from the administrative data alone. According to a synthesis by Acs and Loprest (2001), these studies found, in general, that "leavers" had relatively

[3]The relatively short job tenure observed among "leavers" might result from censored data. Loprest (1999) does not give an indication of the extent of censoring. For a discussion of censored data see the "Job duration" section in this paper.

low earnings and few benefits. The studies did not provide much further detail on the jobs held by "leavers."

Pavetti and Acs (2000) took another step toward understanding how job quality may or may not lead to self-sufficiency. They looked at a cohort of young women from the National Longitudinal Survey of Youth (NLS-Y) and assessed "the likelihood that women who turn to the welfare system for support will make the transition from bad to good jobs." Pavetti and Acs employed a simple definition of a "good" job — a good job was one that paid at least $9.50 per hour in 1999 dollars and lasted for at least 70 hours in each calendar quarter. Every other job was a "bad" job. In general, young women aged 18–27 often moved from no job to a bad job to a good job over the course of that 10-year period in their lives. For example, by age 27, 73.5 per cent had worked in a good job in at least one quarter and 44.6 per cent were working steadily in a good job. Such good jobs tended to be stable, with little movement from good job to bad job or to no job. Still, 26.5 per cent of these women sampled from the general population had never worked in a good job by age 27.

The picture was darker for women with the low levels of education that tend to prevail among welfare recipients. For such women, only 47.4 per cent had ever held a good job by age 27. Of NLS-Y respondents who had ever received welfare, only 42.9 per cent had ever worked in a good job and just 13.2 per cent were working steadily in a good job.

Pavetti and Acs (2000) then estimated a multivariate model of the probability of moving among various employment states (no job, good job, and bad job) for women who had *never* used welfare. Using the coefficients from that model, they constructed a microsimulation model and estimated how the group of those who *had used* welfare would have fared if they could have "used" the transition probabilities of similar NLS-Y respondents. Pavetti and Acs believed that NLS-Y welfare users "forced" to have the transition probabilities of NLS-Y respondents who did not use the welfare system would be the best proxy for future experience of welfare recipients in post-PRWORA period. The results are as follows:

> *The authors estimate that one-quarter of women who ever use welfare would work primarily in a good job by their late 20s. The employment outcomes for the most disadvantaged recipients are even more discouraging; only 14.4 per cent of welfare recipients who have not completed high school can be expected to work steadily in a good job by the time they reach their late twenties.* (p. 734)

Bartik (1997) analyzed a large sample of women who had both been on welfare and worked in the calendar year prior to being interviewed as part of the March Current Population Survey (CPS). He combined data across the years between 1983 and 1995. The focus of the analysis was on estimating the effects of job characteristics on the probability that the women were employed at the time of March interview. The job studied was the one held in the year prior to the March interview.

Bartik's major finding was that, holding wages constant, the occupation and industry of the job were important determinants of the probability of working at the time of the March survey. For example, those who worked in hospitals or educational institutions were more likely to be employed at the time of the March survey than others. Among various occupations, cashiers and labourers were less likely to be employed.

Looking at industry/occupation pairs (e.g. "cashier in retail trade" or "administrative support in education") revealed additional evidence of good and bad jobs. In this case, a good job was one

that increased the probability of being employed at the time of the March CPS interview. For example, working as a cook in an eating or drinking establishment lowered the probability of working whereas working as a waitress in an eating or drinking establishment did not. Wages and hours were also quite important but the size of the occupation and industry "effects" was often larger than those of wages or hours.

The implication was "that the characteristics of jobs matter. Policymakers should consider efforts to target higher-wage jobs, jobs in the hospitals or educational services industry, and jobs with less customer contact and less intense supervisory pressure" (Bartik, 1997, p. 41).

In summary, the literature suggests that there are at least three important dimensions of job quality. First, job quality might be assessed by the nature of the work and work environment. Work that is interesting, physically comfortable, or provides access to a social network, for example, might be considered of high quality. Most of the benefits that arise from this kind of quality are subjective, but there have been attempts to rank such aspects of quality.

Second, job quality can also be related to future job prospects. High quality jobs might be described as jobs that either provide wage growth or lead to other higher paying jobs.

Third and finally, job quality can arise from the compensation, whether cash or in-kind, that workers receive for their labour. Holding other kinds of compensation constant, very few people would argue that higher wages are not better than lower wages.

For this paper, the limitations of the available quantitative data prevent the estimation of the effect of SSP on any measures of the first, and most subjective, source of job quality. Based on lessons from the literature, this paper does, however, attempt to identify measures of the second and third dimensions of job quality.

The Self-Sufficiency Project

The Self-Sufficiency Project (SSP) was a random assignment demonstration that tested the effect of a generous financial incentive on the behaviour of long-term social assistance recipients in New Brunswick and British Columbia.[4] SSP was a voluntary program that offered lone parents who had received income assistance (IA) for at least 12 months, an earnings supplement if they found full-time work within one year and left IA. If SSP participants had taken up the supplement within the one-year window, they were then eligible to receive it for the next three years in each month that they worked an average of at least 30 hours per week. All program participants were able to return to income assistance provided they still met the regular eligibility criteria. The key features of SSP are described in more detail in the box below.

Key Features of the SSP Earnings Supplement

Full-time work requirement. Supplement payments were made only to eligible single parents who worked at least 30 hours per week and who left income assistance.

Substantial financial incentive. The supplement equalled half the difference between a participant's earnings and an "earnings benchmark." During the first year of operations, the benchmark was $30,000 in New Brunswick and $37,000 in British Columbia. The benchmark was adjusted over time to reflect changes in the cost of living and the generosity of income assistance. The supplement was reduced by 50 cents for every dollar of increased earnings. Unearned income (such as child support), earnings of other family members, and number of children did not affect the amount of the supplement. The supplement roughly doubled the earnings of many low-wage workers (before taxes and work-related expenses).

One year to take advantage of the offer. A person could sign up for the supplement if she* found full-time work within the year after random assignment. If she did not sign up during that year, she could never receive the supplement.

Three-year time limit on supplement receipt. A person could collect the supplement for up to three calendar years from the time she began receiving it, as long as she was working full time and not receiving income assistance.

*The feminine pronoun is used because the vast majority of single parents receiving income assistance are women.

In most welfare systems any earned income reduces social assistance payments, sometimes dollar for dollar. Because of such high implicit tax rates, it is often the case that the incentive to choose work over welfare is low. SSP was designed to "make work pay" more than social assistance. To this end, the SSP supplements could potentially double earnings from minimum wage work.

[4]SSP operated in the lower mainland of British Columbia and the lower third of New Brunswick.

Each additional dollar of earned income reduced additional supplement payments by only 50 cents. The SSP supplements were delivered outside the social assistance system, thus removing some of the stigma associated with welfare.

Funded by the Human Resources and Development Canada (HRDC), SSP was managed by the Social Research and Demonstration Corporation (SRDC) and jointly evaluated by SRDC and the Manpower Demonstration Research Corporation (MDRC).

In order to assess the impact that SSP had on important outcomes such as employment, income, and earnings, potential participants were randomly assigned to either a control group or a program group. Random assignment ensured that participants had a fixed probability of being placed in either research group, resulting in two groups with, at the outset of the experiment, no systematic differences in their mean observed and unobserved characteristics.

If assigned to the control group, participants were not offered any of the SSP program elements. They could still access any IA programs and services for which they were normally eligible. Participants assigned to the program group were offered all of the features of the SSP program. Because the two groups were, on average, similar when the program began, any differences between the two groups after the intervention had been implemented could be reliability attributed to the program.

SSP in the Context of Other Welfare Reform Initiatives

During the period that the Self-Sufficiency Project (SSP) was developed and implemented, social assistance programs in Canada were undergoing extensive changes. In 1995 the federal government replaced the Canada Assistance Plan (CAP), a shared-cost funding program, with the Canada Health and Social Transfer (CHST). The CHST simultaneously reduced funding for social assistance programs and provided provinces more flexibility in program design. Since 1995 every province and territory has introduced some welfare-to-work element into its social assistance system (Gorlick & Brethour, 1998).

Major reforms implemented in some provinces sought to reduce welfare caseloads by restricting eligibility and moving social assistance recipients into employment. While many reform efforts were motivated, to some extent, by fiscal prudence, a philosophy of work as socially preferable to welfare has also influenced the tenor of reform strategies.

SSP is unique from most of the reform strategies undertaken in the 1990s for two important reasons. First, SSP was voluntary. Both participating in the SSP demonstration and taking up the supplement offer were voluntary. If members of the program group did take up the supplement and left income assistance, they could at any time return to income assistance provided that they still met the regular provincial eligibility requirements. The voluntary nature of the program suggested that participants who took up the supplement preferred supplemented work to welfare. For some people who worked in response to SSP, this might have meant that an increase in stress and a reduction in the time available to spend with their children were offset by increased income.

The second key was SSP's generosity. SSP aimed not only to reduce dependence, but also to reduce poverty. To meet these goals, supplement payments were calculated as half the difference between earnings and a target benchmark. The benchmark was established to account for the cost of living in each province. To ensure that the supplement always made full-time work more financially rewarding than welfare, the benchmark was set in each province relative to the generosity of the income assistance program. The benchmarks were adjusted periodically to account for changes in the cost of living and the generosity of the income assistance program. Thus, the SSP design incorporated features that would prevent supplement takers from substituting a low income on welfare with a low income in work.

Since SSP differed from other initiatives, the characteristics of the jobs it helped generate may also be different. The study provides a valuable opportunity to assess the kinds of jobs that a welfare-to-work program can generate, in the context of its specific program parameters.

Findings From the Evaluation of SSP

The evaluation of SSP has already shown that the program has had a substantial impact on the lives of participants. Three years after random assignment, SSP had significantly increased full-time employment, reduced the rate of income assistance receipt, increased earnings, and reduced the proportion of participants experiencing very low income (Michalopoulos, Card, Gennetian, Harknett, & Robins, 2000).

There was also evidence after 36 months of follow-up that SSP had positive impacts for some children. Children aged 6–11 years, whose parents were members of the program group, scored higher on standardized tests than their counterparts in the program group. Program group members with children in this same age group were also more likely to report that their children had above average achievement in school (Morris & Michalopoulos, 2000). The impacts on adolescent children were not as positive. SSP was shown to have increased the incidence of self-reported delinquency, smoking, drinking, and drug use among children aged 12–18 years.

In the past, the evaluations of SSP have focused on employment, which averages outcomes across all of the jobs held by participants at any one point in time. As a result, very little is known about the specific characteristics of the jobs that SSP participants held. Early in the evaluation of SSP, however, Mijanovich and Long (1995) provided a preliminary description of supplement takers' occupations. Using job titles to categorize the occupations of the supplement takers held in first 26 weeks after take-up, Mijanovich and Long reported that the largest proportion of supplement takers were working in service occupations. The next most common jobs were clerical and sales occupations.

Sample and Data Sources

Data sources

Data was collected for the evaluation of SSP from four sources: a baseline survey, follow-up surveys, administrative data, and data from the SSP Program Management Information System (PMIS). The baseline survey was administered at random assignment. It collected demographic information and asked questions about a variety of topics that could inform the evaluation. In particular, the baseline survey collected detailed information about the respondents' employment history. Follow-up surveys, at 18 and 36 months after random assignment, posed questions similar to those asked in the baseline survey.

Administrative data from the provincial governments provided information about the participants' income assistance payments. Information about program group members' SSP supplement payments was obtained from the SSP PMIS.

This paper employs data from all four sources.

Sample

The sample of long-term welfare recipients used here includes all respondents to the SSP 36-month follow-up survey. Of the 5,729 individuals who were randomly assigned, 4,961 completed the 36-month follow-up survey — 2,503 in the program group and 2,458 in the control group.[5] At random assignment, all sample members were lone parents and the vast majority (95.6 per cent) were female.[6] Although 95 per cent of the sample had worked for pay in the past, most were neither employed nor looking for work at random assignment. More than half of the sample had less than a high school education and about a quarter reported a physical health problem. Michalopoulos et al. (2000) provide a more detailed description of the sample members' characteristics.

[5]For a discussion of non-response bias, see Michalopoulos et al. (2000, pp. 87–93).

[6]Because such a large proportion of the sample was female, feminine pronouns are used throughout the paper.

The First Post-IA Job

The Self-Sufficiency Project (SSP) encouraged lone parents who had been dependent on welfare to work full time and leave social assistance. The parameters of SSP were such that the program may have differentially affected the types of jobs that individuals held at various points in time. Because SSP offered a financial incentive to participants if they found full-time work within 12 months, some participants may have lowered their expectations (in terms of wages or job conditions) in order to find a job within the 12-month supplement take-up window. Later, once they had secured their eligibility for the supplement, participants may have looked for and found jobs that they preferred.

Given that participants held many different jobs, there is a choice to be made about the most relevant jobs to analyze when considering how SSP affected participants' job characteristics. For example, to estimate SSP's impact on job characteristics at the point when SSP had had the largest impact on full-time employment, the relevant jobs would be the ones that members of the control and program group held 14 months after random assignment.

This paper deals with the initial transition from long-term social assistance receipt to work. Consequently, the paper examines the characteristics of the first jobs that SSP participants held after or during the first post-random assignment month in which they did not receive income assistance (IA). Some participants may have left IA because they began working in the jobs that this paper describes. Other participants may have left IA for reasons unconnected with the jobs analyzed here. People often leave welfare because changes in their family composition or income sources have made them ineligible. Some of the reasons recipients became ineligible for social assistance included marriage or receipt of income from other transfers, such as pensions, as well as from employment.

Because some people combined work with social assistance after random assignment, about 30 per cent of the SSP sample members were working in the same month they left IA. In these cases, the paper analyzes the jobs that were held when the recipients left IA. Some sample members held more than one job simultaneously. In these cases, the job selected was the one in which the recipient usually worked the most hours.[7]

Because SSP participants left IA and found jobs at various points during the follow-up, and because the follow-up periods started between November 1992 and March 1995, the jobs that are described did not all occur at the same time. This means that not all participants' jobs occurred within the same economic and social context. Changes in the local economic conditions may have affected the jobs that were available to SSP participants. In both provinces the rules governing IA eligibility and benefit levels changed during the follow-up period. These changes may have altered the attractiveness of work relative to IA. Michalopoulos et al. (2000) provide a detailed description of economic and policy changes and their implications for the impact of SSP.

For most of the sample, there was no record of a first post-IA job. No information was collected for these individuals because they either did not work or did not leave IA during the follow-up period. Nearly 44 per cent of the sample received income assistance in every month of the follow-up. A further 16 per cent of the sample experienced at least one month without

[7]Participants were asked about how many paid hours they usually worked during each of their continuous employment spells with one employer. A continuous spell is uninterrupted work without an unpaid break longer than two weeks.

income assistance, but did not work in any of the months of follow-up. If the SSP study had continued to follow participants indefinitely, there might eventually have been post-IA job information for all sample members.

While the analysis of first post-IA jobs is most appropriate for this paper, alternative definitions of jobs could have yielded somewhat different results. Two examples are given in the appendices:

- While the jobs analyzed in the paper are the first post-IA jobs, this does not necessarily mean that these jobs were eligible for SSP supplementation. Only earnings from full-time work were supplemented. Since some program group members may have left IA and worked only part time, their first post-IA jobs could be different from the jobs they held when they initiated the supplement. The tables in **Appendix A** provide descriptions of the jobs that program group members held when they initiated the supplement.

- Because program group members could only receive the supplement if they took-up full-time work within 12 months of random assignment, the first post-IA jobs that program group members found within the first year of the program might have been different from the first post-IA jobs that program group members found after the one-year supplement take-up window closed. The tables in **Appendix B** provide non-experimental descriptions of only the first post-IA jobs held within the first year of random assignment.

Occupation and Industry of the First Post-IA Job

The Self-Sufficiency Project (SSP) follow-up surveys collected detailed information about all of the jobs that participants held during the follow-up period. Specifically, participants were asked about the kind of business, industry, or service in which they were employed, and the kind of work they were doing. The survey also asked respondents to describe their most important activities or duties. This information was then used to classify the participants' occupations and the industries in which they worked. Occupations were classified according to Statistics Canada's *1980 Standard Occupational Classification* (SOC). The industrial classification followed the *1980 Standard Industrial Classification* (SIC).

Typically, long-term social assistance recipients, such as those in the SSP sample, have very low levels of education and limited experience in the labour market. These characteristics restrict the range of occupations that are available to people exiting social assistance.

Table 1 indicates the kinds of jobs long-term welfare recipients held after they left income assistance (IA); the table combines SSP participants from both the program and control groups and includes only those group members who reported their occupation or industry.[8] Over half of the respondents who worked after they left IA and provided enough data to classify their jobs' industries worked in the same 10 industries.

A relatively large proportion of those who held a job after they left IA worked in a single industry. Almost 15 per cent worked in the food services industry. In contrast, only seven per cent of all Canadian women (aged 15 years and older) worked in food services industries (Statistics Canada, 1996a).[9] The food services industry includes businesses that are primarily engaged in operating sit-down or takeout restaurants, as well as catering businesses. The next largest proportion of SSP participants (seven per cent) worked in non-institutional social services, which includes child daycare, nursery school services, and other services that provide for the well-being of individuals and families living at home. Roughly five per cent of the SSP participants worked in food stores and another five per cent in private households.

The second panel of Table 1 presents the 10 occupations in which the largest proportions of SSP participants worked. The largest proportion of SSP participants (8.5 per cent) held post-IA jobs in food and beverage serving occupations. Among all Canadian women only three per cent worked in food and beverage serving occupations (Statistics Canada, 1996b).[10] The next most common occupations for SSP participants' first post-IA jobs were sales clerks and salespersons. Another 5.7 per cent worked as cashiers and tellers, and 5.2 per cent found work in child-care occupations.

In all of these occupations, the typical worker earns well below the average for Canadian workers. For example, the average worker in a food and beverage serving occupation earned $28,000 in 1997 compared with $37,400 earned by the average Canadian (HRDC, 2000). Moreover, a labour market information tool developed by the Canadian government considers each of these occupations to have fair or limited future prospects in terms of earnings and unemployment rates (HRDC, 2000).

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[8]The structure of Table 1 was modeled after similar tables in Bartik (1997).

[9]This only includes women who were working and reported an industry that could be coded according to the SIC.

[10]This only includes women who were working and reported an occupation that could be coded according to the SOC.

Table 1: Ten Most Common Occupations and Industries of the First Job Held After Leaving IA

Industry[a]	Percentage
Food Services	14.5
Non-institutional social services	6.6
Food stores	4.9
Private households	4.5
Elementary and secondary education	4.1
Other institutional health and social services	3.6
Other business services	3.5
Hotels, motels, and tourist courts	3.5
General merchandise stores	3.0
Services to building and dwellings	2.8
Total of ten most common industries	**51.2**
Occupations[b]	
Food and beverage serving occupations	8.5
Sales clerks and salespersons	7.1
Cashiers and tellers	5.7
Child-care occupations	5.2
Janitors, charworkers and cleaners	3.9
Chefs and cooks	3.8
Personal service occupations	3.2
Secretaries and stenographers	2.6
Nursing attendants	2.5
Receptionists and information clerks	2.3
Total of ten most common occupations	**44.9**
Sample	**1,522**

Base: All sample members who worked after leaving IA and reported their occupation and industry.
Sources: Calculations from administrative records, and 18-month and 36-month follow-up survey data.
Notes: Rounding may cause slight discrepancies in sums and differences.
[a]Industries are classified according to the Statistics Canada *1980 Standard Industrial Classification*.
[b]Occupations are classified according to the Statistics Canada *1980 Standard Occupational Classification*.

As expected, very few SSP participants held post-IA jobs in occupations that were ranked as having "good" future prospects. For example, registered nursing occupations offer nearly the national average earnings and have lower than average unemployment rates. Yet, only one per cent of the SSP participants' first post-IA jobs were in these occupations (HRDC, 2000).

Impacts on Industry and Occupation

The offer of a financial incentive led many members of the Self-Sufficiency Project (SSP) program group to leave welfare. SSP reduced the number of people who remained on income assistance (IA) throughout the entire follow-up period by 9.6 percentage points. Most of the people who left welfare also went to work. SSP reduced, by just over four percentage points, the proportion of program group members who left IA but then did not subsequently work. While over 47 per cent of the program group left IA and worked, less than 34 per cent of the control group did likewise, as the first row of Table 2 shows.

Although social assistance recipients tend to find jobs in a limited range of occupations and industries, it is possible that by altering their work preferences SSP encouraged program group members to take jobs in industries and occupations that they might not have otherwise accepted. On the other hand, welfare recipients may not do the kinds of work that they do because of their preferences, but because they are unable to obtain jobs in other occupations and industries. If the latter were the case, since SSP does not directly change participants' qualifications, there would seem to be little scope for SSP to affect the occupations and industries in which program group members find jobs.[11]

Table 2 shows the industries and occupations of the first jobs that program and control group members held after they left IA. The occupational and industrial categories are presented in Table 2 are at a much higher level of aggregation than in Table 1.

SSP increased work in only four industries. Although most members of both groups worked in accommodation, food and beverage services, and other service industries, members of the program group were six percentage points more likely to be working in these industries than members of the control group. SSP also increased work in wholesale and retail trade industries by 4.2 percentage points. Although statistically significant, SSP had substantively small (about one percentage point) impacts on work in manufacturing and primary industries, and work in finance and insurance, real estate, and business services industries.

Because SSP had such a large impact on employment, increases in some industrial categories result simply because so many more people were working. The impacts observed in Table 2 do not necessarily reflect a change in the industrial distribution of participants' post-IA jobs. In order to assess the extent to which SSP might have influenced a distributional change in the industries, Table 3 presents the industries for only those who left IA and subsequently worked.

This is a *non-experimental* comparison, which means that there are both observable and unobservable differences between the program and control group members represented in the table.[12] Members of the control group who left IA for work did so without the offer of a financial incentive. It is therefore likely that working control group members on average possessed characteristics that made them more inclined to work than members of the program group. For

[11]While it was possible that the financial incentive encouraged some people to seek training and education, there is little evidence that SSP increased education and training. Indeed, 18 months after random assignment, program group members who did not have a high school diploma at baseline were statistically significantly less likely than their counterparts in the control group to have taken courses toward a high school diploma or a trade/vocational certificate (Lin, Robins, Card, Harknett, & Lui-Gurr, 1998).

[12]The authors did attempt to control for observable differences in baseline characteristics by calculating regression-adjusted means, however, the adjusted estimates were not substantially different from the unadjusted estimates. Thus, unadjusted means are reported throughout.

example, control group members who worked after leaving IA may have faced fewer barriers than their counterparts in the program group. The control group members represented in Table 3 might also have been more likely to possess unmeasured characteristics, such as motivation or a preference for work outside the home.

Table 2: SSP Impacts on the Industry and Occupation of the First Job Held After Leaving IA

Outcome (% in each category)	Program Group	Control Group	Difference (Impact)	Standard Error
Industry[a]				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Worked but did not report industry	10.7	9.1	1.6*	(0.8)
Manufacturing and primary industries[b]	3.4	2.5	0.8*	(0.5)
Construction, transportation and storage, communications, and other utility industries	2.0	1.4	0.6	(0.4)
Wholesale and retail trade industries	8.4	4.1	4.2***	(0.7)
Finance and insurance, real estate, and business services industries	3.3	2.3	1.0**	(0.5)
Government and educational services industries	2.4	2.8	-0.5	(0.5)
Health and social services industries	4.1	3.9	0.1	(0.6)
Accommodation, food and beverage services, and other services industries	13.3	7.4	5.9***	(0.9)
Occupations[c]				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Worked but did not report occupations	10.7	9.2	1.6*	(0.9)
Managerial administrative and related occupations	2.1	1.3	0.8**	(0.4)
Occupations in science and social science[d]	0.6	0.7	-0.1	(0.2)
Teaching and related occupations	0.7	1.3	-0.5*	(0.3)
Occupations in medicine and health	1.8	1.3	0.5	(0.4)
Clerical and related occupations	7.8	5.0	2.8***	(0.7)
Sales occupations	4.8	2.4	2.4***	(0.5)
Service occupations	13.5	8.6	4.8***	(0.9)
Occupations in primary industries[e]	0.8	1.0	-0.2	(0.3)
Manufacturing and construction occupations[f]	4.1	2.3	1.8***	(0.5)
Other occupations[g]	0.5	0.6	-0.1	(0.2)
Sample	**2,503**	**2,458**		

Base: All sample members.

Sources: Calculations from administrative records, and 18-month and 36-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.

[a]Industries are classified according to the Statistics Canada *1980 Standard Industrial Classification*.

[b]Primary industries include agricultural and related service industries, fishing and trapping industries, logging and forestry industries, mining, quarrying, and oil well industries.

[c]Occupations are classified according to the Statistics Canada *1980 Standard Occupational Classification.*

[d]Occupations in science and social science include occupations in natural sciences, engineering and mathematics, and occupations in social sciences and related fields.

[e]Occupations in primary industries include farming, horticultural and animal husbandry occupations, fishing, trapping and related occupations, forestry and logging occupations, and mining and quarrying including oil and gas field occupations.

[f]Manufacturing and construction occupations include processing occupations, machining and related occupations, product fabricating, assembling and repairing occupations, construction trades occupations, transport equipment operating occupations, material handling and related occupations, and other crafts and equipment operating occupations.

[g]Other occupations include artistic, literary, recreational, and related occupations, and occupations in religion.

Because the experimental and control group members being compared in Table 3 are not the same on average, any differences between the program and control group cannot be attributed entirely to SSP. The differences are in part a result of the intervention and also partly a result of the differences in the average characteristics of the program and control group members.

Although the results in Table 3 are likely to be biased, whereas the experimental comparisons in Table 2 are not, the non-experimental comparison sheds further light on the mix of jobs that people take with and without the program.

The non-experimental results in Table 3 show that among those who worked after leaving IA, program group members found jobs in different industries than did control group members. Program group members were 6.1 percentage points more likely to work in accommodation, food and beverage services, and other services industries, and 5.3 percentage points more likely to be working in wholesale and retail trade industries. In contrast, program group members worked less often in government and educational services industries and in health and social services industries than did their counterparts in the control group. If it was more difficult to find jobs in these industries, program group members, concerned about finding a first full-time job in order to qualify for supplements within the 12-month take-up window, may have avoided these industries.

Within an industry, occupations can vary substantially. While one worker in the food services industry might be a manager earning $40,000 per year, another might be a cashier earning $20,000. In some ways, therefore, occupation is a more important indicator of the characteristics of a job. In the second panel of Table 2, the occupations of SSP participants are reported. Because all members of the sample are represented in Table 2, the differences between the program and control groups are experimental impacts.

SSP increased post-IA work in some occupations and not in others. The largest impact was on the proportion working in service occupations; while 13.5 per cent of the program group worked in these occupations, only 8.6 per cent of the control group worked in these occupations. SSP also increased work in clerical and related occupations by 2.8 percentage points and increased work in sales occupations by 2.4 percentage points.

Program group members also left IA and worked in manufacturing and construction occupations, and managerial administrative and related occupations because of the financial incentive, but the impact on employment in these occupations was fairly small. Although statistically significant, the impact on the proportion working in teaching and related occupations was very small and affected very few individuals.

Sales and services occupations tend to have high levels of employee turnover (HRDC, 2000). High turnover means that job openings are likely to occur quite frequently. For members of the program group who wanted to find a full-time job within the 12-month supplement take-up window, occupations with frequent openings may have been more attractive than waiting for openings in other jobs.

The second panel in Table 3 shows a non-experimental comparison of the occupations of those program and control group members who worked after leaving IA. Among those who left IA and worked, participants who were offered the financial incentive were almost three percentage points more likely to be working in a sales occupation. Program group members were 2.2 percentage points less likely to be working in teaching and related occupations and 1.3 percentage points less likely to be working in primary occupations.

Table 3: Non-experimental Comparison of the Industry and Occupation of the First Job Held After Leaving IA, by Program and Control Group Members

Outcome (% in each category)	Program Group	Control Group	Difference	Standard Error
Industry[a]				
Worked but did not report industry	22.6	27.1	-4.5**	(1.9)
Manufacturing and primary industries[b]	7.1	7.5	-0.4	(1.2)
Construction, transportation and storage, communications, and other utility industries	4.2	4.2	0.0	(0.9)
Wholesale and retail trade industries	17.6	12.3	5.3***	(1.6)
Finance and insurance, real estate, and business services industries	7.0	6.8	0.2	(1.1)
Government and educational services industries	5.0	8.5	-3.5***	(1.1)
Health and social services industries	8.6	11.7	-3.1**	(1.4)
Accommodation, food and beverage services, and other services industries	28.0	21.9	6.1***	(2.0)
Occupations[c]				
Worked but did not report occupation	22.7	27.2	-4.5**	(1.9)
Managerial administrative and related occupations	4.5	3.9	0.6	(0.9)
Occupations in science and social science[d]	1.3	2.1	-0.7	(0.6)
Teaching and related occupations	1.5	3.7	-2.2***	(0.7)
Occupations in medicine and health	3.9	3.9	0.0	(0.9)
Clerical and related occupations	16.3	14.8	1.6	(1.6)
Sales occupations	10.1	7.3	2.9**	(1.3)
Service occupations	28.4	25.6	2.8	(2.0)
Occupations in primary industries[e]	1.6	2.9	-1.3**	(0.7)
Manufacturing and construction occupations[f]	8.7	6.9	1.8	(1.2)
Other occupations[g]	1.0	1.8	-0.8	(0.5)
Sample	**1,187**	**827**		

Base: All sample members who worked after leaving IA.

Sources: Calculations from administrative records, and 18-month and 36-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent. Rounding may cause slight discrepancies in sums and differences.

[a]Industries are classified according to the Statistics Canada *1980 Standard Industrial Classification*.

[b]Primary industries include agricultural and related service industries, fishing and trapping industries, logging and forestry industries, and mining, quarrying, and oil well industries.

[c]Occupations are classified according to the Statistics Canada *1980 Standard Occupational Classification*.

[d]Occupations in science and social science include occupations in natural sciences, engineering and mathematics, and occupations in social sciences and related fields.

[e]Occupations in primary industries include farming, horticultural and animal husbandry occupations, fishing, trapping and related occupations, forestry and logging occupations, and mining and quarrying including oil and gas field occupations.

[f]Manufacturing and construction occupations include processing occupations, machining and related occupations, product fabricating, assembling and repairing occupations, construction trades occupations, transport equipment operating occupations, material handling and related occupations, and other crafts and equipment operating occupations.

[g]Other occupations include artistic, literary, recreational, and related occupations, and occupations in religion.

Although statistically significant, the differences in Table 3 are relatively modest. Because the SSP study provided a relatively large sample, statistical tests have the power to detect fairly small differences. When a difference is statistically significant, it is not always important in terms of its implications for policy. Although program group members were less likely to work in teaching and related occupations, only a small number of control group members worked in those

occupations (3.7 per cent). This suggests that the impact, although statistically significant, affected few people.

The non-experimental results, when combined with the experimental results, suggest that SSP had relatively little influence over the different occupations in which participants found their first post-IA job. Welfare recipients appeared to work in only a very limited subset of occupations. Although SSP encouraged participants to choose work over welfare, when SSP program group members worked they found jobs, for the most part, in the same occupations that other former welfare recipients did — primarily in service, sales, and clerical occupations.

Impacts on Wages, Hours, Multiple Job Holding, Job Duration, and Job Stability

Occupations and industries are only two aspects of the kinds of jobs that SSP participants hold after they leave IA. Because certain job characteristics, such as low wages or dangerous work, are more common within some occupations and industries, there is a tendency to view some occupations and industries as better than others. Direct measures of job characteristics can, however, provide additional tools to assess the quality of a job. For example, Pavetti and Acs (2000) employed wages as a measure of job quality.

Wages

Wages are a very important part of any job because cash remuneration is usually the largest source of compensation a worker receives for her labour. As the first panel of Table 4 demonstrates, the largest proportion of SSP participants who left IA and went to work did so in a job that paid within $0.99 of the provincial minimum wage. SSP had the largest impact on work in this category; SSP increased the proportion working in jobs that paid less than or equal to $0.99 above minimum wage by 9.2 percentage points. SSP also encouraged people to work in jobs that paid between $1.00 and $1.99 above minimum wage and jobs that paid between $2.00 and $2.99 above minimum wage. Although a relatively large proportion of the program group, nearly 10 per cent, earned wages that were $3.00 or more above the minimum wage, they were no more likely than control group members to be working in these jobs.

Table 4: SSP Impacts on Multiple Job Holding and the Wages, Hours, Duration, and Stability of the First Job Held After Leaving IA

Outcome (% in each category)	Program Group	Control Group	Difference (Impact)	Standard Error
Hourly wage				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Worked but did not report a wage	2.3	2.7	-0.4	(0.4)
Less than or equal to $0.99 above minimum wage[a]	20.5	11.3	9.2***	(1.0)
Between $1.00 and 1.99 above minimum wage	10.0	6.8	3.2***	(0.8)
Between $2.00 and 2.99 above minimum wage	4.8	2.5	2.3***	(0.5)
$3.00 or more above minimum wage	9.7	9.8	-0.1	(0.8)
Hours worked per week				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Worked but did not report hours	1.0	1.6	-0.5*	(0.3)
Fewer than 30	14.0	12.9	1.1	(1.0)
30	6.8	2.4	4.5***	(0.6)
31–34	2.9	0.8	2.1***	(0.4)
35	5.3	3.2	2.1***	(0.6)
36–39	3.2	2.4	0.8	(0.5)
40	10.7	7.4	3.2***	(0.8)
More than 40	3.5	3.0	0.5	(0.5)

(continued)

Table 4: SSP Impacts on Multiple Job Holding and the Wages, Hours, Duration, and Stability of the First Job Held After Leaving IA (Cont'd)

Outcome (% in each category)	Program Group	Control Group	Difference (Impact)	Standard Error
Multiple job holding				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Working but multiple job holding not calculable	0.5	0.7	-0.1	(0.2)
Working at one job	32.8	23.0	9.7***	(1.3)
Working at more than one job simultaneously	14.1	10.0	4.2***	(0.9)
Job duration and stability				
Duration of job spell[b]				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Worked but did not have data to calculate duration	2.3	2.3	-0.1	(0.4)
Less than or equal to 3 months	8.4	6.8	1.6**	(0.8)
4–6 months	7.8	4.1	3.7***	(0.7)
7–9 months	4.2	2.2	2.0***	(0.5)
10–12 months	3.3	1.6	1.7***	(0.4)
More than 12 months	21.4	16.6	4.7***	(1.1)
Number of spells				
Never left IA	38.9	48.5	-9.6***	(1.4)
Left IA but did not work	13.7	17.9	-4.2***	(1.0)
Worked but did not report number of spells	0.5	0.7	-0.1	(0.2)
1 spell	39.9	27.4	12.5***	(1.3)
2 spells	5.5	4.1	1.4**	(0.6)
3 or more spells	1.5	1.5	0.0	(0.3)
Censored job[c]	15.2	13.1	2.0**	(0.1)
Sample	**2,503**	**2,458**		

Base: All sample members.

Sources: Calculations from administrative records, baseline survey data, and 18-month and 36-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups. Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent. Rounding may cause slight discrepancies in sums and differences.

[a]In British Columbia the minimum wage was $5.50 per hour from the beginning of the random assignment period in November 1992 until April 1993, when it rose to $6.00. In March 1995 it was increased to $6.50, and in October 1995 it increased again to $7.00 per hour. In New Brunswick the minimum wage was $5.00 per hour from 1992 to 1995. In January 1996 it increased to $5.25, and in July 1996 it rose again to $5.50.

[b]A job spell is continuous employment with one employer with no unpaid breaks lasting longer than two weeks.

[c]A censored job is a job in which the participant was currently working at the time of the 36-month interview.

A concern with any program that supplements wages and earnings is that the program will encourage participants to accept lower wages than they might otherwise have accepted.[13] A negative impact on jobs in the higher wage categories accompanied by a positive impact on jobs in the lower wage categories would constitute evidence that individuals had accepted lower wages because of the supplement offer. SSP had no impact on the proportion working in the highest wage category and increased employment in jobs offering wages between $2.00 and $2.99 above minimum wage. Thus, it would appear that the supplement offer did not encourage

[13]Accepting lower wages may not necessarily constitute a negative impact. The supplement may have given participants enough income to accept lower paying jobs that offered other characteristics that were better suited to their needs, such as jobs that were closer to home or jobs offering hours that permitted them to spend more time with their children.

participants to accept wages lower than they might have in the absence of the program. Analysis of experimental impacts on average wages across all jobs held in Month 33 reached similar conclusions (Michalopoulos et al., 2000).

Although SSP did not appear to encourage people who would have worked in the absence of the program to work in jobs with lower pay, there is evidence that SSP encouraged people who would not have worked to take low-wage jobs. Because SSP increased employment overall, there was an impact on the number of jobs offering a range of wages, from minimum wage to nearly $3.00 more than minimum wage. SSP did not, however, have an equal impact on jobs offering various wages. The impact on the proportion working in jobs that paid less than $1.00 above minimum wage was almost twice as large as the combined impact on all jobs with wages that exceeded minimum wage by $1.00 or more.

Weekly hours

Earnings are a function of both wages and the number of hours that people work. Sometimes it is difficult for welfare recipients to find jobs that offer them enough hours to earn an income sufficient to allow them to leave IA. Working more hours can also generate greater opportunity to develop on-the-job experience and perhaps advancement.

The designers of SSP were concerned that the additional income provided by the supplement would cause some people to reduce their work effort. To mitigate this possibility, a full-time work requirement was attached to the supplement. Program group members could initiate the supplement only by obtaining full-time work and, for the most part, could only receive supplements in the months in which they worked an average of 30 or more hours per week.

The results in the second panel of Table 4 suggest that the full-time hours requirement was effective. Although many program and control group members left IA and worked in a job with fewer than 30 weekly hours, SSP did not increase employment in these kinds of jobs. Almost all of the additional post-IA employment generated by SSP was in jobs that offered at least 30 hours per week. Members of the program group were 4.5 percentage points more likely than members of the control group to work in jobs with 30 hours per week. SSP also increased employment in jobs with exactly 35 hours per week by 2.1 percentage points and jobs with exactly 40 hours per week by 3.2 percentage points.

Multiple job holding

The full-time hours requirement did not stipulate that program group members work full-time hours in one job. Participants were free to combine jobs in order to reach the 30-hour requirement. Some participants who were never offered sufficient hours in their main job may have sought out additional jobs in order to qualify for the supplement.

Although multiple job holding might increase overall income and have other benefits, there are also possible shortcomings to this employment strategy. Relative to working full time in one job, working in more than one job at the same time may increase travel time and may require more erratic work schedules. This could potentially introduce additional family stress and reduce the time parents have with their children. It is also possible that multiple work schedules will overlap from time to time and therefore lead to increased employment instability.

For these reasons, on balance, finding a single job that provides enough hours and earnings is likely preferred to multiple job holding. Yet, the generosity of the financial incentive may have induced

participants to take up more than one job in order to qualify for the supplement. The overall increase in employment meant that SSP encouraged people to work in both one job and in multiple jobs, as the third panel of Table 4 shows. About 14 per cent of the program group and only 10 per cent of the control group worked in more than one job simultaneously after leaving IA.

Although SSP did increase multiple job holding by over 4 percentage points, the impact on the proportion working in only one job was over twice the size, at 10 percentage points. This would suggest that the incentive generated by SSP did not favour multiple job holding over working in one job.

This result also suggests that, on balance, SSP did not encourage people who would have worked in one job to take on another job in order to qualify for the supplement. If that were the case, a negative impact would be expected on employment in one job, coupled with a positive impact on multiple job holding.

Job duration

When SSP was conceived, there was hope that the financial incentive would encourage full-time work, and that having become employed, participants would advance in their jobs and eventually develop the resources to remain self-sufficient without the supplement. Unless individuals are sufficiently skilled to be able to advance through a series of new and better jobs, one of the best conduits to advancement is by accumulating human capital through job tenure. When individuals remain with employers they are able to develop skills that improve their productivity and might therefore lead to wage progression or promotion.

For this paper, job duration is defined as a period of continuous employment with a single employer that is uninterrupted by an unpaid break of more than two weeks in length. Job duration is difficult to measure accurately because the period over which participants are observed is finite. Some respondents left IA and found work earlier than others. For respondents who found work earlier, the study had a longer time horizon in which to observe their job duration. Thus, shorter job duration may be observed for some individuals, not because they ultimately would have worked for their employer for less time, but because they found work later in the follow-up period.

Because data are available for only three years after random assignment, the job durations are censored at the last interview date for which each participant was a survey respondent.[14] This means that if the respondent was currently working when she was interviewed then her job was assigned an end date equal to the interview date. The last panel of Table 4 shows that 13 per cent of the control group and 15 per cent of the program group worked in jobs that were censored. Of all the post-IA jobs held, 35 per cent were censored.

The fourth panel in Table 4 shows the impacts on post-IA jobs of various durations. Because the data are censored, these results must be interpreted with caution. SSP increased employment in jobs in all duration categories. The largest proportions of both groups worked for more than 12 months. Among the program group, 21.4 per cent worked for more than 12 months, compared with 16.6 per cent in the control group. This impact of 4.7 percentage points on jobs with durations longer than 12 months is the largest impact that SSP had on any duration category. This does not mean that SSP necessarily increased job durations. SSP did accelerate the

[14]The SSP study followed respondents for 54 months in total, but only 36-month data was available at the time this paper was written.

process of leaving IA and finding work. Because of this, researchers are likely to observe more employment and thus more job durations lasting more than 12 months.

While some participants may have lost their jobs, others may have left their jobs voluntarily. Program group members might have accepted the first job they were offered in order to initiate the supplement within the 12-month take-up window. They might then have subsequently searched for better employment. An analysis of jobs that followed the first post-IA job might determine whether job switching was responsible for the lower proportion of post-IA-employed program group members with job durations longer than 12 months. This is a question for future research to consider.

Job stability

Some industries and occupations can offer workers only temporary or seasonal work. Workers may experience spells of employment and unemployment as a part of their usual labour force participation. Typically, workers might rely on income from Employment Insurance (EI) during periods of unemployment. If SSP encouraged employment that was discontinuous and unstable, participants may become dependent on EI rather than become self-sufficient.

The SSP follow-up surveys collected information on the number of unpaid breaks in employment lasting longer than two weeks that participants experienced. Each unbroken period of employment with a single employer is called a spell. Respondents who had only one spell worked continuously without any unpaid breaks.

The final panel in Table 4 shows the proportion of program and control group members who left IA and worked in jobs with one, two, or three or more spells. SSP increased employment in jobs with either one spell or two spells. The vast majority of additional employment occurred in jobs with only one spell. Nearly 40 per cent of the program group worked in a job that had only one spell, compared with 27.4 per cent in the control group. A much smaller proportion (5.5 per cent) of the program group worked in a job with two spells. SSP was responsible for only 1.4 percentage points of this employment.

Impacts on employer-sponsored benefits

Workers can receive compensation for their labour in the form of wages and also employer-sponsored benefits. Such benefits may include pension plans, health or dental plans, and child-care arrangements.

While on social assistance, parents are usually eligible for drug and dental benefits and other supplemental health services. These benefits might represent an important source of income, particularly for children who require expensive drugs or dental treatments.[15] Upon leaving social assistance, some SSP participants could lose such benefits. Finding a job that offered these benefits could have made an important difference to whether welfare recipients decided to leave IA.

Since all members of the sample were lone parents at random assignment, employer-provided child-care arrangements or subsidies could have helped SSP participants move from welfare to

[15]Effective April 1996, British Columbia extended some dental and vision care benefits to children under the age 12 living in low-income working families that were not covered by federal or employer-sponsored programs. In 1997 these benefits were further extended to children 18 years of age and younger. In New Brunswick some welfare recipients retain their benefits for a limited period of time after beginning work. However IA case managers report that these extended benefits are not well advertised. Qualitative evidence suggests that having extended health and dental benefits is important for participants in both British Columbia and New Brunswick (Bancroft & Currie Vernon 1995).

work. While members of both research groups may have been eligible for provincial child-care subsidies, employer-sponsored benefits could have provided additional support. Such child-care benefits might also have helped parents maintain their employment, particularly if the benefits increased the stability of care. For example, access to an on-site child-care facility with operational hours that coincided with work hours might have provided parents with more consistent and stable child-care.

Of the various types of employer-sponsored benefits, pension benefits perhaps offered the least support in the transition from welfare to work. Pensions could, however, offer substantial additional income for a population for whom saving is typically difficult.

While no element of SSP was designed to affect the incidence of benefit receipt, the different ways that the supplement treated sources of income may have altered participants' preferences for benefits. Total gross earnings and other income reported on pay stubs were considered in the supplement payments. If some benefits were reported on pay stubs as large, one-time taxable benefits, this could raise a participant's income above the supplement threshold. Participants might have avoided such benefits because of the potential of the benefits to reduce supplement payments.

Table 5 shows that virtually all of the additional post-IA employment generated by SSP occurred in jobs that did not offer any benefits. SSP increased employment in jobs without any benefits by over 11 percentage points, compared with an impact of 3 percentage points on jobs with at least one employer-sponsored benefit.

Table 5: SSP Impacts on Employer-Sponsored Benefits and Union Membership in the First Job Held After Leaving IA

Outcome (% in each category)	Program Group	Control Group	Difference (Impact)	Standard Error
Any employer-sponsored benefits				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Self-employed	3.5	3.9	-0.4	(0.5)
Working but did not report benefits	5.5	5.3	0.2	(0.6)
Any employer-sponsored benefits	7.8	5.1	2.7 ***	(0.7)
No employer-sponsored benefits	30.6	19.4	11.2 ***	(1.2)
Employer-sponsored health benefits[a]				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Self-employed	3.5	3.9	-0.4	(0.5)
Working but did not report health benefits	5.7	5.3	0.3	(0.6)
Employer-sponsored health benefits	5.9	3.9	2.0 ***	(0.6)
No employer-sponsored health benefits	32.3	20.5	11.8 ***	(1.2)
Employer-sponsored dental benefits				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Self-employed	3.5	3.9	-0.4	(0.5)
Working but did not report dental benefits	5.8	5.3	0.4	(0.6)
Employer-sponsored dental benefits	5.8	3.5	2.2 ***	(0.6)
No employer-sponsored dental benefits	32.4	20.9	11.6 ***	(1.2)

(continued)

Table 5: SSP Impacts on Employer-Sponsored Benefits and Union Membership in the First Job Held After Leaving IA (Cont'd)

Outcome (% in each category)	Program Group	Control Group	Difference (Impact)	Standard Error
Employer-sponsored pension benefits				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Self-employed	3.5	3.9	-0.4	(0.5)
Working but did not report pension benefits	6.0	5.8	0.3	(0.7)
Employer-sponsored pension benefits	3.9	3.0	0.9 *	(0.5)
No employer-sponsored pension benefits	34.0	21.0	13.0 ***	(1.3)
Employer-sponsored child-care benefits[b]				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Self-employed	3.5	3.9	-0.4	(0.5)
Working but did not report child-care benefits	5.6	5.3	0.3	(0.6)
Employer-sponsored child-care benefits	0.2	0.4	-0.2	(0.2)
No employer-sponsored child-care benefits	38.1	24.0	14.1 ***	(1.3)
Union membership				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Self-employed	3.5	3.9	-0.4	(0.5)
Working but did not report union status	5.9	5.9	0.0	(0.7)
Member of a union	2.4	2.3	0.0	(0.4)
Not a member of a union	35.7	21.6	14.2 ***	(1.3)
Sample	**2,503**	**2,458**		

Base: All sample members.

Sources: Calculations from administrative records, baseline survey data, and 18-month and 36-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]Health benefits include any health benefits or drug plan benefits.
[b]A respondent was considered to have employer-sponsored child-care benefits if she responded "yes" to the question, "Does this employer provide daycare?"

Among the additional employment that offered benefits, health or dental benefits were offered more often than pension or child-care benefits. SSP increased employment in jobs that offered health or dental benefits by two percentage points. The impact on jobs that offered pension benefits was statistically significant but very small, at less than one percentage point. SSP had no effect on the proportion working in jobs that offered child-care benefits.

Impacts on Union Membership

Membership in a union can generate many benefits for workers. The collective bargaining activities in which unions engage are associated with wage premiums that can be particularly high for low-skilled workers (Simpson, 1985). Unions are also associated with non-wage work benefits, including sick leave, vacation, and some of the employer-sponsored benefits discussed earlier. In the past, unionized work environments tended to have better safety regulations and worker grievance procedures than non-unionized counterparts. The advantages of a unionized environment may have diminished over time, however, as provincial legislation has been extended to protect all workers from unsafe environments and from harassment and discrimination. Yet, within the narrow range of occupations and industries in which social assistance recipients find jobs, it is possible that unionized jobs are better than non-unionized jobs.

The final panel of Table 5 shows that union work is relatively rare among welfare leavers. Only about two per cent of both the program and control groups left IA and worked in a unionized job; SSP had no impact on those proportions. All of the additional employment that SSP created was in non-unionized jobs. Nearly 36 per cent of the program group worked in non-unionized jobs, compared with about 22 per cent in the control group, leading to an impact of 14 percentage points.

Impacts on Job Quality

As established from the literature, making objective observations about the quality of a job is a difficult task. Yet only when dimensions of quality are identified does it become possible to draw conclusions about which jobs might be better than others. Thus, developing measures of job quality is a useful endeavour. This final section of this paper attempts to do so.

As was noted previously, three different dimensions of job quality can be identified from the literature: the nature of the work, future job prospects, and compensation. Although all three of these dimensions entail some form of subjective assessment, this is particularly true of the first aspect of quality. Because of the subjectivity required to describe the nature of one's work, this analysis does not attempt to identify any such measures of quality. The authors recognize that subjective notions of quality, while not easily measured, might nonetheless be important.

This paper, drawing from the second and third dimensions of quality, suggests some job characteristics that can be considered positive: job duration, wages, hours, and employer-sponsored benefits.

With respect to future job prospects, this paper considers measures of job duration. In so far as it can be linked to wage growth, job duration can be used to gauge quality. If jobs that last longer are better, then how long is long enough for a job to be considered of reasonable quality?

When workers have accumulated enough hours of paid work, the Employment Insurance (EI) program insures their employment. A full-time, full-month worker would have to work for six months before her employment was insurable.[16] For this reason, the following analysis adopts durations of at least six months as a positive job characteristic.

In terms of compensation, this paper examines wages, hours, and employer-sponsored benefits. Holding other aspects of the job constant, a higher wage could certainly be considered better than a lower wage. The question remains, however, about what wage level can be called a positive job characteristic. Because many social assistance recipients experience very low incomes, a positive job attribute might be a wage that pays enough so that a full-time, full-year worker would earn at least as much as Statistics Canada's low income cut-off (LICO).[17]

Earnings are determined not only by wages, but also by the hours worked. Full-time hours are considered a positive job characteristic for this reason. In the SSP study, full-time work is defined as 30 or more hours per week.

Employer-sponsored benefits are another form of compensation. Some individuals might value some benefits more highly than others. For example, a parent whose child is asthmatic might prefer health benefits to dental benefits. It would not be appropriate to suggest that some benefits are better than others. Instead, for the following analysis the availability of any benefits is considered to be a positive job characteristic.

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[16]The number of hours required to qualify for EI depends on the local unemployment rate. This measure assumes an unemployment rate up to six per cent. In areas with high unemployment rates, fewer hours would be required to qualify for EI.

[17]Low income cut-offs are a measure of low income created by Statistics Canada and vary depending on family size and the population of the region in which the person lives.

Table 6 shows the impact that SSP had on jobs with the four positive job characteristics, which are

1) at least one employer-sponsored benefit;

2) hourly wage high enough for a full-time, full-year worker to earn the equivalent of the LICO;

3) full-time work; and

4) job duration at least six months.

Table 6: Experimental Impacts on Positive Characteristics of the First Job Held After Leaving IA

Outcome (% in each category)	Program Group	Control Group	Difference (Impact)	Standard Error
Positive characteristics				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Worked after leaving IA	47.4	33.6	13.8 ***	(1.4)
Worked in a job with any employer-sponsored benefits	7.8	5.1	2.7 ***	(0.7)
Worked in a job with no employer-sponsored benefits	30.6	19.4	11.2 ***	(1.2)
Worked 30 or more hours per week	32.4	19.2	13.2 ***	(1.2)
Worked fewer than 30 hours per week	14.0	12.9	1.1	(1.0)
Worked in a job with an hourly wage high enough to earn the equivalent of the LICO[a]	3.6	3.9	-0.2	(0.5)
Worked in a job with an hourly wage not high enough to earn the equivalent of the LICO	41.4	26.6	14.8 ***	(1.3)
Worked in a job with a current spell duration at least 6 months long[b]	30.1	20.2	9.9 ***	(1.2)
Worked in a job with a current spell duration shorter than 6 months	14.9	10.7	4.3 ***	(0.9)
Number of positive job characteristics				
Never left IA	38.9	48.5	-9.6 ***	(1.4)
Left IA but did not work	13.7	17.9	-4.2 ***	(1.0)
Worked after leaving IA	47.4	33.6	13.8 ***	(1.4)
Worked in a job with no positive characteristics	5.2	5.2	0.0	(0.6)
Worked in a job with 1 positive characteristic	17.2	13.6	3.6 ***	(1.0)
Worked in a job with 2 positive characteristics	18.8	10.3	8.5 ***	(1.0)
Worked in a job with 3 or 4 positive characteristics	6.2	4.5	1.7 ***	(0.6)
Sample	**2,503**	**2,458**		

Base: All sample members.

Sources: Calculations from administrative records, baseline survey data, and 18-month and 36-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]Hourly wage is high enough so that a person who worked 30 hours per week, 50 weeks per year would earn an amount equivalent to the low income cut-off calculated for her family at the 18-month follow-up.
[b]If an individual worked 30 hours per week, four weeks per month, within six months she would qualify for Employment Insurance in a region with an unemployment rate of up to six per cent.

SSP had an uneven effect on positive job characteristics. The additional employment generated by SSP tended to exhibit some positive characteristics but not others. As was reported earlier, SSP primarily increased employment in jobs that did not offer benefits. Of the 13.8 percentage point increase in the proportion of program group members that left IA and worked, only 2.7 percentage points of the impact was on work in jobs that offered any benefits.

Table 4 showed that most SSP participants earned relatively low wages. Table 6 shows that only four per cent of control group members left IA and went to work in a job that, had they worked full-time, full-year, would have allowed them to earn the equivalent of the LICO.[18] SSP had no impact on employment in such jobs. Virtually all of the individuals who left IA and went to work because of SSP found jobs that would not have allowed them to earn as much as the LICO.

Yet, SSP did have a large impact on full-time work. Nearly one third of the program group left IA and went to work in a full-time job, compared with only 19 per cent of the control group. While 14 per cent of the program group left IA for part-time jobs, SSP did not encourage any additional employment in these kinds of post-IA jobs. Given that the financial incentive only rewarded full-time work, this result is evidence that the incentive worked.

The additional jobs SSP generated also tended to possess another positive job characteristic; they had longer durations. The impact that SSP had on the proportion of program group members who left IA and went to work in jobs that lasted at least six months was over twice as large as the impact on jobs with shorter durations. Because the data was censored, it is possible more control group members would have experienced post-IA job durations longer than six months if observed over a longer study period.

In summary, when SSP encouraged people to leave IA and take up work, the jobs they found had at least one positive characteristic. SSP had no impact on work in jobs with no positive characteristics. This result is probably driven by the full-time work requirement. Most of the employment generated by SSP was full-time work, which is a positive job characteristic. There is evidence, however, that SSP also encouraged employment in jobs with other positive characteristics.

While SSP increased employment in post-IA jobs with one positive characteristic by four percentage points, the impact on jobs with two positive characteristics was more than double that. Nearly 19 per cent of the program group went to work in jobs with two positive characteristics after leaving IA, compared with only 10 per cent in the control group. SSP also had an impact on employment in jobs with three or four positive characteristics, but it was much smaller, at less than two percentage points.

[18]This does not mean that only four per cent of the control group had income that was at least as high as the LICO. Other important sources of income such as the Child Tax Benefit are not accounted for in this measure.

Conclusion

This paper has demonstrated that when social assistance recipients leave welfare and take up work, they tend to find jobs in a relatively narrow range of occupations and industries. Their jobs are concentrated in sales, service, and clerical occupations. Evidence reported in this paper showed that a generous earnings supplement increased overall employment but did little to increase the range of occupations and industries in which welfare "leavers" first worked.

The earnings supplement offered to SSP program group members seems to have encouraged participants to choose work as an alternative to welfare. However, SSP had comparatively little effect on the kind of work that participants found. There is little evidence that SSP encouraged individuals who would have worked in the absence of the program to select lower quality jobs. Instead, SSP encouraged employment in the jobs that were most common among welfare leavers. SSP generated employment in jobs that offered low wages and few if any benefits. On the other hand, participants who left IA and found work because of SSP did tend to work in full-time jobs and experienced longer observed job durations.

The finding that SSP increased employment in jobs that were no worse than the jobs that participants might have taken in the absence of the program could be a result of the unique features of the program. For example SSP was voluntary. Participants were not required to work, and if they did choose to work, they could return to IA at any time. Other programs with different features such as mandating employment might not produce the same results.

Improving the quality of the jobs that welfare recipients obtain when they leave welfare is important for several reasons. Some aspects of the jobs may be related to family and child well-being. It is also possible that the quality of the first post-IA job is related to social assistance recidivism. More generally, if the alternative to welfare is more attractive, more people may be able to move from dependence on social assistance to self-sufficiency.

Generally, however, the findings in this paper suggest that there are some aspects of job quality that can be improved by interventions that directly target employment in jobs with particular characteristics. SSP increased employment in full-time jobs because the financial incentive was structured to reward only that kind of work. If other job characteristics were identified as positive, interventions may find success by targeting those types of jobs. For example, policy-makers could choose to target union work or jobs in some industries and occupations.

That strategy, however, has its limitations. Although some jobs might be better than others within the narrow range of jobs that welfare recipients can typically access, this strategy does nothing to broaden the array of opportunities for welfare recipients. On the whole, the jobs that are realistic alternatives to welfare are worse than the jobs that most Canadians hold. Even some of the best jobs among those that welfare leavers obtain provide earnings well below the national average.

In focus groups that were part of the SSP evaluation, some members of the program group cited the lack of good job opportunities as an important reason that they did not take up the supplement. One participant commented, "I don't have education or skills where I'm able to get a nice job. You know, I'm just, like [a] minimum-wage type, and I feel guilty, but I don't want to do that, I cannot see myself working down at the mall for $5.50 an hour." (Bancroft & Currie Vernon, 1995, p. 33). Other non-takers in the program group felt that any job they found would be a dead-end job that would ultimately lead back to IA, as one participant explained, "if you

have Grade 7 education, there's no way you're bettering yourself in your job. So three years down the road, after having all this money, you're going to go back to welfare and say, 'I can't make it. Give me my welfare back.'" (p. 33)

To combat the discouraging job prospects available to most welfare recipients, a policy strategy might seek to improve the opportunities that are available to social assistance recipients when they leave welfare. Offering incentives to undertake training or education that improves individuals' qualifications may broaden the array of occupations and industries in which welfare recipients obtain jobs. Further experimental research might also reveal how other employment services might assist welfare recipients compete for better jobs or seek advancement within their jobs.

Appendix A:
Jobs Held at the Time of Supplement Take-Up

Table A.1: Industry and Occupation of the Main Job Held When the Supplement Was Taken Up

Outcome (% in each category)		Standard Deviation
Industry[a]		
Worked but did not report industry	28.3	(45.1)
Manufacturing and primary industries[b]	6.9	(25.4)
Construction, transportation and storage, communications, and other utility industries	3.8	(19.1)
Wholesale and retail trade industries	16.3	(37.0)
Finance and insurance, real estate, and business services industries	6.3	(24.3)
Government and educational services industries	2.9	(16.8)
Health and social services industries	7.2	(25.8)
Accommodation, food and beverage services, and other services industries	28.1	(45.0)
Occupations[c]		
Worked but did not report occupation	28.3	(45.1)
Managerial administrative and related occupations	4.4	(20.4)
Occupations in science and social science[d]	1.5	(12.0)
Teaching and related occupations	0.4	(6.7)
Occupations in medicine and health	3.4	(18.0)
Clerical and related occupations	17.6	(38.1)
Sales occupations	8.6	(28.1)
Service occupations	25.8	(43.8)
Occupations in primary industries[e]	0.7	(8.2)
Manufacturing and construction occupations[f]	8.3	(27.6)
Other occupations[g]	1.0	(10.0)
Sample	**893**	

Base: All program group members that initiated the supplement.

Sources: Calculations from the SSP Program Management Information System, and 18-month and 36-month follow-up survey data.

Notes: Rounding may cause slight discrepancies in sums and differences.

The main job is the job with the most weekly hours.

[a]Industries are classified according to the Statistics Canada *1980 Standard Industrial Classification.*

[b]Primary industries include agricultural and related service industries, fishing and trapping industries, logging and forestry industries, and mining, quarrying, and oil well industries.

[c]Occupations are classified according to the Statistics Canada *1980 Standard Occupational Classification.*

[d]Occupations in science and social science include occupations in natural sciences, engineering and mathematics, and occupations in social sciences and related fields.

[e]Occupations in primary industries include farming, horticultural and animal husbandry occupations, fishing, trapping and related occupations, forestry and logging occupations, and mining and quarrying including oil and gas field occupations.

[f]Manufacturing and construction occupations include processing occupations, machining and related occupations, product fabricating, assembling and repairing occupations, construction trades occupations, transport equipment operating occupations, material handling and related occupations, and other crafts and equipment operating occupations.

[g]Other occupations include artistic, literary, recreational, and related occupations, and occupations in religion.

Table A.2: Multiple Job Holding and Wages, Hours, Duration, and Stability of the Main Job Held When the Supplement Was Taken Up

Outcome		Standard Deviation
Wages		
Mean hourly wage ($)	7.32	(2.76)
Hourly wage (% in each category)		
Worked but did not report a wage	6.0	(23.8)
Less than or equal to $0.99 above minimum wage[a]	43.1	(49.6)
Between $1.00 and 1.99 above minimum wage	21.9	(41.4)
Between $2.00 and 2.99 above minimum wage	10.8	(31.0)
$3.00 or more above minimum wage	17.9	(38.4)
Hours		
Mean hours worked per week	33.0	(10.5)
Hours worked per week (% in each category)		
Worked but did not report hours	4.7	(21.2)
Fewer than 30	18.0	(38.5)
30	18.6	(38.9)
31–34	7.8	(26.9)
35	12.1	(32.6)
36–39	7.3	(26.0)
40	23.9	(42.6)
More than 40	7.5	(26.4)
Multiple job holding		
Working but multiple job holding not calculable	4.3	(20.2)
Working at one job	60.4	(48.9)
Working at more than one job simultaneously	35.4	(47.8)
Job duration and stability		
Mean job spell duration (months)[b]	17.8	(19.0)
Duration of job spell (% in each category)		
Worked but did not have data to calculate duration	15.3	(36.1)
Less than or equal to 3 months	9.5	(29.4)
4–6 months	17.6	(38.1)
7–9 months	9.9	(29.8)
10–12 months	6.4	(24.5)
More than 12 months	41.2	(49.2)
Number of spells (% in each category)		
Worked but did not report number of spells	4.7	(21.2)
1 spell	80.2	(39.9)
2 spells	11.9	(32.4)
3 or more spells	3.1	(17.4)
Sample	**893**	

Base: All program group members who initiated the supplement.

Sources: Calculations from the SSP Program Management Information System, baseline survey data, and 18-month and 36-month follow-up survey data.

Notes: Rounding may cause slight discrepancies in sums and differences.
The main job is the job with the most weekly hours.
[a]In British Columbia the minimum wage was $5.50 per hour from the beginning of the random assignment period in November 1992 until April 1993, when it rose to $6.00. In March 1995 it was increased to $6.50, and in October 1995 it increased again to $7.00 per hour. In New Brunswick the minimum wage was $5.00 per hour from 1992 to 1995. In January 1996 it increased to $5.25 and in July 1996 it rose again to $5.50.
[b]A job spell is continuous employment with one employer with no unpaid breaks lasting longer than two weeks.

Table A.3: Employer-Sponsored Benefits and Union Membership in the Main Job Held When the Supplement Was Taken Up

Outcome (% in each category)		Standard Deviation
Any employer-sponsored benefits		
Self-employed	3.7	(18.9)
Working but did not report benefits	8.3	(27.6)
Any employer-sponsored benefits	18.6	(38.9)
No employer-sponsored benefits	69.4	(46.1)
Employer-sponsored pension benefits		
Self-employed	3.7	(18.9)
Worked but did not report pension benefits	9.6	(29.5)
Employer-sponsored pension benefits	8.7	(28.2)
No employer-sponsored pension benefits	77.8	(41.6)
Employer-sponsored health benefits [a]		
Self-employed	3.7	(18.9)
Working but did not report health benefits	8.3	(27.6)
Employer-sponsored health benefits	14.4	(35.2)
No employer-sponsored health benefits	73.2	(44.3)
Employer-sponsored child-care benefits		
Self-employed	3.7	(18.9)
Working but did not report child-care benefits	8.4	(27.8)
Employer-sponsored child-care benefits	0.6	(7.5)
No employer-sponsored child-care benefits	87.2	(33.4)
Union membership		
Self-employed	3.7	(18.9)
Working but did not report union status	9.1	(28.7)
Member of a union	4.6	(20.9)
Not a member of a union	82.5	(38.0)
Sample	**893**	

Base: All program group members who initiated the supplement.

Sources: Calculations from the SSP Program Management Information System, baseline survey data, and 18-month and 36-month follow-up survey data.

Notes: Rounding may cause slight discrepancies in sums and differences.
The main job is the job with the most weekly hours.
[a]Health benefits include any health benefits or drug plan benefits.

Appendix B:
Non-experimental Comparisons of the First Post-IA Jobs Held Within the First Year of Random Assignment

Table B.1: Non-experimental Comparison of Multiple Job Holding and Wages, Hours, Duration, and Stability of the First Post-IA Job Held Within 12 Months of Random Assignment, by Program and Control Group Members

Outcome	Program Group	Control Group	Difference		Standard Error
Wages					
Mean hourly wage ($)	7.39	7.92	-0.53	***	(0.19)
Hourly wage (% in each category)					
Worked but did not report a wage	2.4	5.1	-2.7	**	(1.1)
Less than or equal to $0.99 above minimum wage[a]	46.1	34.7	11.4	***	(2.9)
Between $1.00 and 1.99 above minimum wage	20.7	21.0	-0.3		(2.4)
Between $2.00 and 2.99 above minimum wage	10.3	8.0	2.4		(1.7)
$3.00 or more above minimum wage	20.3	30.3	-10.0	***	(2.5)
Hours					
Mean hours worked per week	31.4	29.5	1.9	**	(0.7)
Hours worked per week (% in each category)					
Worked but did not report hours	1.0	1.5	-0.6		(0.6)
Fewer than 30	26.4	40.5	-14.1	***	(2.7)
30	16.8	8.6	8.2	***	(2.0)
31–34	6.8	2.0	4.8	***	(1.3)
35	11.6	9.5	2.0		(1.8)
36–39	6.9	6.9	0.1		(1.5)
40	23.2	21.9	1.3		(2.5)
More than 40	7.3	9.1	-1.8		(1.6)
Multiple job holding					
Working but multiple job holding not calculable	0.0	0.0	0.0		
Working at one job	77.1	80.1	-3.0		(2.4)
Working at more than one job simultaneously	22.9	19.9	3.0		(2.4)
Job duration and stability					
Mean job spell duration (months)[b]	21.3	27.1	-5.8	***	(1.3)
Duration of job spell (% in each category)					
Worked but did not have data to calculate duration	2.8	3.5	-2.4		(1.0)
Less than or equal to 3 months	4.3	3.3	-2.9		(1.1)
4–6months	19.2	12.6	6.6	***	(2.2)
7–9months	10.1	7.5	2.6		(1.7)
10–12 months	7.9	4.2	3.7	**	(1.5)
More than 12 months	55.7	68.8	-13.1	***	(2.8)
Number of spells (% in each category)					
Worked but did not report number of spells	0.0	0.0	0.0		
1 spell	90.6	88.5	2.1		(1.8)
2 spells	7.9	9.1	-1.2		(1.6)
3 or more spells	1.5	2.4	-1.0		(0.8)
Sample	**822**	**452**			

(continued)

Table B.1: Non-experimental Comparison of Multiple Job Holding and Wages, Hours, Duration, and Stability of the First Post-IA Job Held Within 12 Months of Random Assignment, by Program and Control Group Members (Cont'd)

Base: All sample members who left IA and worked within 12 months after random assignment.

Sources: Calculations from administrative records, baseline survey data, and 18-month, 36-month, and 54-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]In British Columbia the minimum wage was $5.50 per hour from the beginning of the random assignment period in November 1992 until April 1993 when it rose to $6.00. In March 1995 it was increased to $6.50, and in October 1995 it increased again to $7.00 per hour. In New Brunswick the minimum wage was $5.00 per hour from 1992 to 1995. In January 1996 it increased to $5.25 and in July 1996 it rose again to $5.50.
[b]A job spell is continuous employment with one employer with no unpaid breaks lasting longer than two weeks.

Table B.2: Non-experimental Comparison of Employer-Sponsored Benefits and Union Membership in the First Post-IA Job Held Within 12 Months of Random Assignment, by Program and Control Group Members

Outcome (% in each category)	Program Group	Control Group	Difference		Standard Error
Any employer-sponsored benefits					
Self-employed	6.1	11.7	-5.6	***	(1.6)
Working but did not report benefits	4.0	5.1	-1.1		(1.2)
Any employer-sponsored benefits	18.7	20.8	-2.1		(2.3)
No employer-sponsored benefits	71.2	62.4	8.8	***	(2.7)
Employer-sponsored pension benefits					
Self-employed	6.1	11.7	-5.6	***	(1.6)
Worked but did not report pension benefits	5.1	6.6	-1.5		(1.4)
Employer-sponsored pension benefits	8.9	11.7	-2.8		(1.7)
No employer-sponsored benefits	79.9	69.9	10.0	***	(2.5)
Employer-sponsored health benefits[a]					
Self-employed	6.1	11.7	-5.6	***	(1.6)
Working but did not report health benefits	4.1	5.1	-1.0		(1.2)
Employer-sponsored health benefits	14.6	16.6	-2.0		(2.1)
No employer-sponsored health benefits	75.1	66.6	8.5	***	(2.6)
Employer-sponsored child-care benefits					
Self-employed	6.1	11.7	-5.6	***	(1.6)
Working but did not report child-care benefits	4.1	5.3	-1.2		(1.2)
Employer-sponsored child-care benefits	0.6	1.3	-0.7		(0.5)
No employer-sponsored child-care benefits	89.2	81.6	7.5	***	(2.0)
Union membership					
Self-employed	6.1	11.7	-5.6	***	(1.6)
Working but did not report union status	5.1	7.5	-2.4	*	(1.4)
Member of a union	5.5	8.4	-2.9	**	(1.4)
Not a member of a union	83.3	72.3	11.0	***	(2.3)
Sample	**822**	**452**			

Base: All sample members who left IA and worked within 12 months after random assignment.

Sources: Calculations from administrative records, baseline survey data, and 18-month and 36-month follow-up survey data.

Notes: Two-tailed t-tests were applied to differences between the outcomes for the program and control groups.
Statistical significance levels are indicated as: * = 10 per cent; ** = 5 per cent; *** = 1 per cent.
Rounding may cause slight discrepancies in sums and differences.
[a]Health benefits include any health benefits or drug plan benefits.

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