Social Science Foundation of the Pathways to Prosperity & Wellbeing Pilot Program

Dr. Jodi R. Sandfort, Dr. Robin Phinney, & Weston Merrick

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This report was completed to support the development of an integrated services pilot program developed by two Minnesota Counties to better serve young families. Pathways to Prosperity and Well-Being is an ambitious initiative to remake the publicly-funded human services system. Its vision is supported by ongoing conversations convened by the American Public Human Services Association, particularly their ‘locals council.’

We would like to thank Warren Lowell, Kathleen Simon, Leigh Durbahn, and others in both Dakota and Olmsted Counties who provided ‘leads’ to the research summarized in this document. It is our hope that it provides a foundation of evidence useful for both refining collective understanding of the Pathway pilot program during its development and supporting other jurisdictions as they consider whether or not an integrative services approach is appropriate for the communities they serve. For more information about focus, target population, goals, and program theory of the initiative, please see Appendix A.
Executive Summary

The short-term goal of Pathways to Prosperity & Wellbeing is to develop, implement, and test a two-generational pilot program in local public human service agencies. This program offers customized responses to the needs of young families, integrating publicly-funded services to build their capacities and reduce the consequences of generational poverty.

To achieve this goal, Olmsted and Dakota counties are trying to operationally create a new services system, defined as “a configuration of people, technologies, and other resources that...create mutual value,” (Vargo and Lusch 2016, 11). In that regard, this is an initiative that seeks both operational and administrative integration to develop new system capacity; it is both an effort to decrease barriers to service access and motivate larger changes in the public administrative rules and policies.

In 2018, both counties launched a human-centered design process. This has required exploring changes in organizational operations, new coordination of staff expertise, development of new tools, and articulation of frontline and supervisory practice models.

To complement the HCD process, we have scanned the social science literature to articulate the ‘logic of change’ underlying this intervention. This helps to ensure that we are designing an evidence-informed service system. This document provides a summary of that scan which is continuing to be enhanced, as the research literature in these areas is voluminous.

This review is organized around some key questions:

- What is known about what needs to change in the provision of human services to create a new services system?
- What is known about young families’ economic security?
- What is known about the stressors experienced by young families living with low-incomes?

After consideration of each body of research, this report includes a section that provides our initial take on the implications of this literature for the Pathways to Prosperity & Wellbeing pilot program. Some highlights include:

1. The frontline ‘practice model’ encourages frontline staff to use their knowledge and skills to help families access publicly-funded services and benefits; it will challenge a long-standing public administration approach of rationing this access through program administration.

2. The supervisory methods that support frontline staff in this work is critically important in implementing the model; we must acknowledge and respond to the emotional labor frontline staff will encounter when carrying out this approach.

3. There is no empirical evidence that integrating public-human services will change short-term employment or self-sufficiency for vulnerable families. Research suggests that stable employment and income transfers – such as a unified benefit or expanded EITC – is necessary to significantly improve economic outcomes.
4. There are though significant stressors that families experience for which the service system is poised to address.

In July 2019, the two counties start serving families with this new intervention, drawing upon the lessons from this body of research and the human-centered design process undertaken by the staff and managers in these counties. This ambitious change effort requires pooling a vast array of knowledge and expertise to develop an approach that is most effective for the families being served.
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A New Service System that Enhances Public Value

Families economic well-being is fundamentally driven by larger, economic factors. The poverty rate fell dramatically and steadily from post-WWII to the early 1970s. But if that trend line had continued, the poverty rate would have approached zero by 2000 (See Figure one). In fact, poverty rates have risen annually since the Great Recession. Even with the use of new measures, such as the supplemental poverty measure, 15-20 percent of people live in poverty. In the last two decades, intergenerational income mobility has continued to decrease (AEI/Brookings, 2015). Olmsted and Dakota county leaders were motivated to create the Pathways to Prosperity & Wellbeing intervention because of their desire to mobilize the publicly-funded social welfare system to more effectively try to intervene in these macro-forces. Working with national peers, they articulated clearly that current operations in publicly-funded services are driven by regulatory compliance with narrow programs, incrementally adopted since the 1970s. The “health & human services value curve” (Oftelie 2014) provides a framework to describe how the existing system has over-subscribed to people processing technologies, rather than those focused upon people-changing or coproduction (Hasenfeld 1983; Bovaird 2007; Sandfort 2010a). As a result, county leaders believe the current system needs to be redesigned to recognize families essential roles in generating their service experience.

Another way to articulate this vision is that the current human services system needs to be redesigned to create better public value. (J. M. Bryson, Crosby, and Bloomberg 2014; Bozeman and Moulton 2011). The health and human services value curve visually denote tensions between efficiency and effectiveness.

- **Efficiency** refers to using the minimum expenditure to accomplish an output. While important, if this is the only focus of public provision, we miss broader social goals (Bozeman 2002; Moynihan and Herd 2010).
- **Effectiveness** refers to creating desirable outcomes, but it’s left to administrators what outcomes should be emphasized. At the core of Pathways to Prosperity & Wellbeing pilot are some key concepts:
- **Fairness.** Administration of social welfare programs must be fair, treating people impartially in relation to criteria that are legitimate. Services should not be triggered by favoritism, bias or discrimination.
- **Responsive.** If no two family circumstances are exactly alike, then the Pathways intervention must
attend to the specifics of needs and circumstances. Effective engagement and development of trust are essential to delivering responsive services. Frontline staff must have a level of flexibility that enables them to respond to the specifics in particular cases.

- **Respect.** Families should not have to disclose information that reduces their self-respect, subject themselves to insults or position themselves as unable to make decisions for themselves. Interactions should not demean or infantilize them.

Research about service design stresses that, intentionally or not, value is created by the nature of the exchange experienced. Service beneficiaries, in this case, families, have an important role to play in both integrating resources provided and determining the value it has in their lives (Vargo and Lusch 2016; Osborne and Strokosch 2013). Because this value will always be relative to other factors in their lives, such as past treatment by the public service system, it might take some time for families to report a positive experience with the publicly-funded system.

Said another way, the Pathways to Prosperity & Wellbeing pilot will be working to change the historical experience of a fragmented, inconsistent, and punitive system that many families experience with then turn to the publicly-funded social welfare system in the U.S. As such, we need to take care in crafting purposive strategies and rapidly assessing their effect to assure our efforts to change the service experience are hitting the mark. To that end, we can learn from a vast body of interdisciplinary research and evaluation.

### What is known from social science about what needs to change to create a new services system?

In the last fifty years, both ‘people processing’ and ‘people changing’ programs have developed under the umbrella of county-based human services (Hasenfeld 1983). In both, the interactions between people seeking support and frontline staff are significant. The siloed structure of public organizations and contracted service providers become how the service experience is structured and public policy experienced by our most vulnerable citizens (Sandfort, 2010b). Supervision, management and organizational operation are significant in shaping what occurs.

Yet, reforming the system requires that we design a new service experience from the bottom up (Elmore 1980). While staff are the face of public policy implementation for vulnerable families, their behavior is directly a result of how organizational managers structure policy delivery. In other words, how managers and supervisors develop operational procedures matters significantly.

#### Families Seeking Support

Interactions with government leave lasting impressions on families. The supervisory nature of means-tested programs tends to produce negative feelings, like shame, feelings of lost autonomy, and a lack of procedural justice (Lipsky 1980; Soss 1999; Moynihan, Herd, and Harvey 2014).

- **Administrative burdens** are the psychological, learning, and compliance costs necessary to participate in public programs (Moynihan, Herd, and Harvey 2014). These sometimes result from poor design and siloed units of governments. Other times, they are intentionally raised as a form of "hidden politics", whereby an increase in burden undermines program participation in a way that is not otherwise
politically or technically possible (Moynihan and Herd 2010; Heinrich 2015; Heinrich 2018; Elster 1992; Hacker 2004).

- For instance, the shift from AFDC to TANF resulted in a 70 percent reduction in participation in cash assistance for eligible residents. Formal program requirements--like lifetime limits and work requirements--account only a portion of that reduction (Edin and Shaefer 2015). As important was the stigmatizing rhetorical shift. When the program moved from an entitlement to work support and performance measurement regime, it incentivized reduced participation because of the addition of compliance costs (Zacka 2017; Soss, Fording, and Schram 2011b). As one contemporary client explained of cash assistance, “they ain’t giving it out anymore” (Edin and Shaefer 2015). Perversely, these procedural exits tend to be higher disadvantaged clients, like those with less education, lower cognitive ability, and in deep poverty (Cherlin et al. 2002; Kuye, Frank, and McWilliams 2013; Brodkin and Majmundar 2010).

- When the system or frontline workers "otherize" claimants, or separate them from the mainstream, we add stigma and reduce claims (Maynard-Moody and Musheno 2003; Pinard et al. 2017; Moynihan, Herd, and Harvey 2014; Edin and Shaefer 2015).

- This has other negative consequences. When program participants feel their claims are not treated fairly, they participate less often, have lower trust in government, and are less civically engaged (Eubanks 2018; Moynihan, Herd, and Harvey 2014; Weaver and Lerman 2016; Justice and Meares 2014; Soss 2005; Soss and Moynihan 2014; Lind and Tyler 1988). Research documents the negative effects of administrative actions, like determining eligibility with intrusive interviews and assessments or fingerprinting and drug tests (Soss 1999; Eubanks 2018; Brodkin 1990; Bartlett, Burstein, and Hamilton 2004).

- Increasing empirical evidence documents that state and local administrative processes around recertification of eligibility directly affects and suppresses families access to child care subsidy (Davis, Krafft, and Forry 2017; Fuller 2002; Shlay et al 2004) and supplemental nutrition programs (Kabbani and Wilde 2003; Quint, Widom, and Moore 2001).

- Overall, recertification are dangerous periods for sustaining program participation. Exits from the program were 5 to 6 times more likely during recertification periods (Ribar, 2008).

- The way policy is implemented – how it is executive and explained --significantly influences the families' experience. For example, in studies of the impact of stop and frisk policing in poor communities, the character of contact with the officers, rather than frequency of contact shaped people’s feelings of the initiative (Lerman and Weaver 2014). Promoting understanding of why certain procedural hurdles are necessary can mitigate negative client feelings (Kauffman and Tummers 2017). When clients have a good rapport with their caseworkers, these lead to greater program participation and reduced psychological distress (Aizer and Currie 2004; Hill and Cain 2012).

**Frontline Staff in Public Agencies**

There is a long-standing concern with both the legitimacy and inevitability of street-level discretion in public administration (Lipsky 1980; Maynard-Moody and Musheno 2003; Maynard-Moody and Portillo 2010; Sandfort 2000). In conventional thinking, discretion alters the distribution of services and sanctions, and as such is it
should be constrained by law and standards of reasonableness (including peer norms) (Brehm and Gates 1999; Maynard-Moody and Musheno 2003).

• Discretion has been particularly investigated in the provision of cash assistance programs because of client’s low power and the politically charged moral nature of the state making determinations on the economic subsistence of families (Brodkin 1990; Riccio and Hasenfeld 1996; Watkins-Hayes 2011; Soss 2005; Sandfort 2000; Auyero 2012)

• Who provides a service also matters, as clients may perceive services the government offers through contract nonprofits differently than service provided directly by government (Kissane 2010; Kissane 2008). The former feels like charity and the latter is an entitlement. This matters for clients’ self-appraisal, including their claims to rights and due process.

• The complexity of frontline service delivery and conflicting mandates means discretion is inevitable (Maynard-Moody and Musheno 2003; Zacka 2017; Sandfort 2000). When the rules exceed the ability of people to comprehend them, judgment is inevitably placed in the hands of frontline staff.

• Increasingly, research is noting the desirability of frontline discretion for it enables customization. Said another way, there is agreement that ‘relationship-based practice’ is essential for engaging families in co-producing their own service experience (Bovaird 2007). In this view, frontline’s staff knowledge and their desire to implement services are essential in improving public value (Thomann, van Engen, and Tummers 2018; Keiser 1999).

• Research in other service industries documents the critical role of staff in the service encounter (Ashforth and Humphrey 1993). They represent the organization (and policy in this case) to customers, engage face-to-face, and respond constantly to uncertainty. There is an ‘emotional labor’ that is core to this work and it fundamentally shapes the resources staff have available to respond (Guy et al. 2010; Ashforth and Humphrey, 1993). The expectations of the demonstration of this labor are significantly shaped by how the staff is supervised within the organization.

• The activities of frontline staff directly shape program take-up. One study found that for individuals that visited the ACA marketplace, half of the enrollees that got assistance from navigators got insurance, but only one-third of those that did not have navigators joined (Dorn 2014). This was, in fact, the biggest predictor in determining whether a person that visited the marketplace got coverage was whether they had assistance. Another study found that for SNAP, application assistance was associated with an 80 percent increase in participation, relative to groups that received information only (Schanzenbach 2009).

**Supervision, management and organizational culture**

In social work, there is wide recognition of the tension between supervisory activities that support family-centered practice and those which stress accountability, what some term the “surveillance of vulnerable populations” (Bogo and Dill 2008; Bourn and Hafford-Letchfield 2011; Carpenter et al. 2012; Ingram, 2013).

• There is, however, little research that documents a direct relationship between supervisory practices and outcomes for families in either social work or other professions like medicine (Kilminster and Jolly 2000; Mor Barak, et al 2009). Most studies look at how supervision affects worker outcomes, such as
job satisfaction and performance, tasks assistance, and other indicators of well-being (Carpenter, et al 2012; Mor Barak et al. 2009).

- However, it is also true that supervisors clearly have essential roles in offering guidance, providing emotional and social support to staff, and influencing daily practices. A meta-analysis of studies of child welfare, social workers and mental health workers documents that supervisors can positively enhance the work experiences of staff and indirectly improve client outcomes (Barak, et al 2009). Other models stress the critical role of social work supervisors in creating ‘emotionally intelligent’ frontline practitioners (Ingram, 2013).

- Public administration research is documenting the need for more responsive service delivery (Ansell and Torfing 2014; Bryson, Crosby, and Bloomberg 2015). Fueled by their service experiences in the market economy, many citizens increasingly expect a responsive state (Zacka 2017; Kumlin and Rothstein 2005; Osborne and Strokosch 2013).

Our Response: What to Keep in Mind

The Pathways to Prosperity and Wellbeing pilot project is attempting to create a new services system. We are trying to redesign the county services to create more continuity in policy, values, operations, and outcomes.

The frontline ‘practice model’ encourages frontline staff to use their knowledge and skills to help families access publicly-funded services and benefits (cash assistance, child care subsidy, housing subsidy, employment training, health care, mental health treatment). It will challenge long-standing public administration practices of rationing this access (Lipsky 1980; Hasenfeld 1983; Smith and Donovan 2003). It is attempting to overcome a system failure.

When there is a disconnect between our policies and values, frontline worker default position can shift from siding with clients in their claims for assistance to adopting a more skeptical and regulatory orientation (Soss 1999; Mettler 2005; Edin and Shaefer 2015). Yet, clients often differentiate between the frontline staff and the “system.” Even when clients don’t feel their claims were fairly met, clients still often hold kind frontline workers in high regard and recognize the system forced their hand (Barnes and Henly 2018).

- For instance, a review of job training programs found they required participants to attend an 8 am daily check-in dressed in “professional attire” (Anderson and Hoy 2006). No skills were taught at these meetings and the jobs available to these clients do not require professional attire. Interestingly, most clients still viewed the programs positively; largely because the staff was friendly. When they are dismissive or unkind, however, clients put the locus of the problem on the frontline staff and not the system (Snyder 2006; Barnes and Henly 2018).

The research on frontline supervision stress distinction dimensions in the role that we need to keep in mind:

- Administrative supervision (mediating between the organization and staff member in compliance with policy and agency regulations) is the dominant form supported by the ‘regulatory’ business model;

- Supervision for professional development (stressing application of clinical skills and research-based evidence) is common in some program areas;
• Supportive supervision that tries to reduce the emotional labor of human services work and enable frontline staff to make compassionate decisions that also adhere to professional boundaries (Guy, et al 2010; Menzies-Lyth, 1988; Stevenson, 1999) will be particularly important in the new practice model. Reflective supervision will be equally important given the wide range of needs that families may well demonstrate (Ruch 2005; 2012). In this approach, supervisors work to express the why of practice, not only the how and the what.

We need to take care in creating supervisory methods that support frontline staff in this work, to acknowledge the emotional labor of this approach. A responsive, customized frontline caseworker is more demanding for supervisors than merely ensuring compliance with administrative rules. Implementing supportive and reflective supervision hinges upon the quality of the relationships between staff and management (Kilminster and Jolly 2000; Kadushin 2002). In studies of behavioral health, when relationships are strong, treatment engagement and retention increases (Martin, Garske, and Davis 2000; Meier, Barrowclough, and Donmall 2005). Yet, this type of casework can take an emotional toll and supervisors and co-workers become critically important sources of support (Guy et al. 2010; Ruch, 2004).

To ensure additional frontline discretion leads to better client outcomes, the Pathways to Prosperity pilot program must carefully support the effective supervision of frontline staff consistent with the desired outcomes for families.

What is known from social science about young families’ economic security?

In spite of a strong labor market, real wages have stagnated in the last forty-five years in such indicators as average hourly and usual weekly earnings for non-supervisory employees (Pew Research Center, 2018). The topic of wage stagnation has been the focus of considerable economic analysis, particularly as the top ten percent of earners have seen a significant increase over that period. There is no question, income and asset inequality have dramatically increased in the United States in the last forty-five years (Pew Research Center, 2018b). There is also bipartisan agreement that public policies are not very effective in dealing with these challenges (AEI/Brookings, 2015).

• The risk of food insecurity is particularly high among households with children under age 18 (16.5%). Key factors that shape food insecurity include marital status, household composition, race and ethnicity, age, education, income, homeownership, type of health insurance, and SNAP enrollment (Ziliak and Gundersen 2018; Steiner et al 2018; Gundersen and Ziliak 2015; Goldberg and Mawn 2014).

• There is increasing evidence that earnings and income variability have increased significantly for low-income populations (Hill et al 2017). There is also more documentation of the negative consequence of income instability on a range of measures of family well-being (Lambert, Fugiel, and Henly, 2014; Hill et al 2017). Income shocks and other changes in family composition are consistent triggers for increases on material hardship (Gennetian, et al 2015; Heflin, 2016; Leete and Bania, 2010; Hardy, 2014).

In the mid-1990s, national welfare policy changed to focus on rapid labor-market attachment for people receiving cash assistance rather than education and training. The policy change was studied extensively and
analysts are in almost complete agreement that this change neither addressed poverty nor reflect what is now better known about the low-wage labor market:

- The National Evaluation of Welfare-to-Work strategies merged analysis of eleven welfare-to-work programs across six states in which randomized-control trials were done and families tracked for a five-year period (Hamilton 2002; Michalopoulos, Schwartz, and Adams-Ciardullo 2000). The conclusions where that while dependence upon cash assistance decreased, programs did not help raise overall family income.

- Further analysis of California’s GAIN program also raises questions about the effectiveness of a labor-market attachment approach adopted as national policy in the Temporary Assistance for Needy Families (TANF) program. Although the initial of the four-county program motivated the turn towards employment-first (Riccio, et al 1994), the longer-term analysis revealed that the labor-market attachment model was less effective (Hotz, Imbens, and Klerman 2006). In fact, when reanalyzing data that extended nine years from program participation, researchers conclude the longer-term economic outcomes for training programs “can be sizable.” (Hotz, et al, 2006: 564) Such findings are echoed by other studies (Dyke et al. 2006).

- Over the last decade, job quality has continued to decline for low-wage workers. Globalization, technological advances, deregulation, and changes in financial markets have increased pressure on employers, leading many to cut the wages and benefits of non-college workers (Appelbaum, Bernhardt, and Murnane 2003).

- Such changes have led to the rise of nonstandard jobs, which includes part-time, temporary, and contract jobs in what some call the ‘gig’ economy. These employment arrangements have lower wages and more limited benefits than full-time jobs (Kalleberg, Reskin, and Hudson 2000). Moreover, workers in both standard (i.e. regular full-time) and nonstandard jobs are increasingly vulnerable to fluctuating work hours and unpredictable schedules, which can have significant negative consequences for worker wellbeing (Henly and Lambert 2014; Lambert, Fugiel, and Henly 2014; Halpern-Meekin, et al 2015).

- Yet there is a complex relationship between earnings and public policy. Receiving EITC (due to work-based income) has positive effects on measurable effects on child health (Baughman 2012; Strully, Rehkopf, and Xuan 2010; Dahl and Lochner 2012), and educational attainment (Dahl and Lochner 2012; Michelmore 2013). Between 1993-1999, EITC explains 34 percent of the increase in single women labor force participation, compared to the 19 percent attributed to welfare cuts (Grogger 2003). It is the single largest antipoverty program in America; along with the refundable child tax credit, it pushes more families above the official poverty line than either SNAP or housing subsidies when counted as income.
  - Additionally, one study also found that every additional $1K in EITC results in a 7 percentage point increase in employment for single mothers (H. W. Hoynes and Patel 2015).
  - EITC also has positive non-economic benefits, including reinforcing pride in work, and a sense of entitlement that the government has a legitimate role in “make work pay.” The funds come in a lump sum that allows parents to have control on how they direct their

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1 These analysis include data from the seven counties that did the initial MFIP trials that started in 1994.
resources for savings or paying off the inevitable debt that accrues throughout the year when trying to make ends meet on low-wage work (Halpern-Meekin, et al 2015).

- However, high unemployment exists, even in a strong economy for some groups. While Minnesota employers are struggling to find workers, particularly in industries with a large number of non-college jobs, not everyone can find work. For example, the unemployment rate in December 2017 was 5 percent for Hispanics and 7.5 percent for Blacks – well above the state’s average of 3.1 percent.²

- Many poor families have low levels of educational attainment and employment experience, which can limit economic prospects. Surveys of TANF recipients have found that 4 in 10 recipients lack a high school degree and 2 in 10 have little work experience (Hauan and Douglas 2004). In addition, more than a quarter have work-limiting disabilities and over thirty-five percent have mental health problems (Loprest 2009; Seefeldt 2008).

- Gaps in academic achievement and school completion between high and lower-income families are rising over time (AEI and Brookings 2015). This has significant implications for the country and for particular communities and is quite visible in both Dakota and Olmsted counties.

- The incidents of the extreme poverty, people living on less than $2 a day, has increased since 1996 (Havenman, et al 2015; Shaefer and Edin, 2013). These families are no longer turning to the publicly funded system for support because of their perception that it is no longer available. Instead, they focus on survival strategies, taking advantage of public spaces and private charities, do almost anything to generate cash – including selling things like their own plasma, and making do with less (Edin and Shaefer, 2015).

- A randomized control trial in Oregon found participating in Medicaid had a significant positive impact on financial strain and bankruptcy, as well as depression (Baicker et al. 2013). The research did not, however, find an impact on physical health outcomes. Yet there are other important outcomes: a follow-up study showed those that received Medicaid were 7 percent more likely to vote (Baicker and Finkelstein 2018).

**Our Response: What to Keep in Mind**

These long-term changes in the labor market mean that some families will struggle more than others to achieve income stability and economic security. Studies of welfare-reform interventions that focused upon moving TANF recipients into jobs do not point to easy strategies. Examining findings from rigorous impact evaluations, there are also no clear directions about how economic outcomes might be affected by Pathways.

- Few programs combine financial support with enhanced social work. One exception is an impact evaluation of a community college-based intervention in Texas. One treatment was comprehensive case management and financial assistance, another was just the financial assistance, with a final control group. Analysis of the program from 2013-2016 finds that among women, those who experienced the case management and financial assistance had 31% more completed associates degrees (Evans, et al, 2017).

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Since the mid-1980s, the U.S. Department of Housing and Urban Development have implemented a program called “Family Self-Sufficiency (FSS) program to increase employment and earnings and reduce reliance on government subsidies among recipients of housing subsidies. It involves both case management, housing vouchers and financial incentives for training, work, and financial savings. MDRC, who will likely be conducting the impact evaluation on our Pathways pilot program, conducted the most rigorous evaluation of the New York City program. Six years after enrollment only 1/3rd of those encouraged to save their rent savings did so, although the connection to mainstream financial institutions increased. Neither intervention created statistically different improvement in labor-market outcomes when compared to those in the control group. The changes in economic security were only significant for those not working when they enrolled in the program (Verma, et al 2017).³

Family Rewards was a program developed in New York City to offer conditional cash transfers to families when they achieved certain criteria related to family health, work, and children’s education; initial results were promising. A second version of the program was launched in 2011 with altered financial incentives and, MDRC again conducted a randomized control trial evaluation and presented results after four years. On average, the program transferred about $2,000 annually to each family and had some positive outcomes but left many unchanged (Miller et al, 2016).

In total, these studies suggest that stable employment and customized service packaging is necessary to improve conditions for vulnerable families. But it is unclear if economic outcomes will be positively affected without a significant and differently structured and significant investment in income support, such as a unified benefit set. Care should be taken in how these benefits are structured.

Although the EITC and other refundable tax credits are effective in lifting families out of poverty, the market has also responded with predatory practices. For-profit tax preparers charge high fees and interest if families want to access their refund quickly. In this market, nonprofit tax preparers and financial institutions have important roles to play and might be effective community partners to help us achieve our outcome of greater income security.

Even then, it seems that mechanisms other than economic incentives guide parents’ decision making.

What is known from social science about the stressors experienced by young families living with low-incomes?⁴

In the last twenty years, considerable research has explored the consequences of stress and trauma experience earlier in life. Adverse Childhood Experiences (ACEs) such as physical or sexual assault, gang violence, domestic voices, serious accidents, sudden or violent loss of a loved one and natural disaster can lead to ‘toxic stress responses’ that can have long-term psychological and health consequences into adulthood (Silverman, et al 2008; Felitti et al, 1998).

³ MDRC also is currently evaluating the program in California, Florida, Maryland, Missouri, New Jersey, Ohio and Texas over 18 housing authorities.
⁴ Leaders in Dakota and Olmsted counties often refer to these factors as the ‘social determinants of health.’ They are domains included in the Integrative Services Assessment Tool (ISAT).
• Many children, youth and adults in need of mental health treatment either do not receive services or, when they do, receive services that are inadequate or ineffective, unsupported by evidence (Burns, et al, 1995; Kataoka et al, 2002)

• Housing instability is a significant problem (Mojtabai 2005). Navigating the housing market requires potential movers to gather information about the private housing market or housing assistance programs (Popkin, Cunningham, and Burt 2005). Individuals with low educational achievement or human capital barriers may face difficulty locating available units in the private market or may be unaware of private or public programs that help households identify or secure new housing arrangements. These barriers may also limit an individual’s ability to access the information or resources necessary to prevent an eviction or the need to double-up (Phinney et al. 2007).

• Research finds that children experiencing homelessness and housing mobility face higher risks in development due to “greater stress exposure and fewer resources” as well as “disrupted friendships and more school changes” in comparison to low-income children with housing (Masten et al. 1993). The experiences create unique stresses such as loss of privacy, lack of control, isolation from needed support people, and loss of self-esteem (Swick & Williams 2006).

• As a result of these risks, students aged 6-11 who experience homelessness are more likely to underperform in school in subjects like reading, spelling, and math in comparison to stably housed children on average (Rubin et al. 1996). Children experiencing homelessness are also at high risk for developing behavioral and emotional problems as well as developmental delays (Brinamen et al. 2012). These children also are exposed to higher health risks, and 70% are found to experience at least one or more chronic health condition including vision problems, asthma, persistent ear infections, and learning disorders (Barnes et al. 2017). Homeless families face also some of the largest risks of going without early childhood services (Masten 2015)

• This dynamic is particularly acute in tight housing markets; Olmsted County, for example, is particularly confronting a difficult housing market. According to the 2016 analysis, vacancy rates are extremely low, rents are increasingly unaffordable (the average market rent is $957 per month). Both counties, however, report similar rates of cost-burden for housing among owners and renters, according to Census data (Minnesota Compass, 2017).

• Research suggests that substance use and physical and mental health problems tend to be more common for TANF mothers relative to other mothers (Lennon, Blome, and English 2002; Metsch and Pollack 2005). Such problems can limit self-sufficiency by disrupting work activity (Danziger et al. 2000).

During this same period time, there has been a significant expansion in home-visiting programs in which trained nurses and social work staff visit young families in their homes regularly during the first months and years of life. A number of models exist and since 2009, the federal government has invested significant resources in documenting proven practices through empirical research.

• In a recent review, there have been 395 studies of home visiting identified by the national evaluation firm (Sama-Miller et al, 2018). There are over 20 distinct home visiting models that meet the federal

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5 Greater Minnesota Housing Fund (2016) supported the county, Mayo clinic, and Rochester Area Foundation in trying to proactively plan to for a response given the economic growth anticipated by the development of the Destination Medical Center.
criteria for evidence-based early childhood home visiting service delivery model. Each has positive impacts on different desirable outcomes for a diverse array of families, and most have numerous positive results, yet replication of the results in other target groups is not common. And additional twenty-six models are also reviewed and the evidence base for these approaches in being built.

Our Response: What to Keep in Mind

As we know, publicly funded social welfare services are charged with combatting trauma in all its forms. While the lifelong impact of childhood mental illness and trauma is well documented, many people do not receive the mental health treatment or social support they need to become resilient and able to secure stability for their families.

There is a vast literature in this area that we have not yet been able to systematically review; for this project, we simply do not have the resources. However, we have discovered evidence that accessing public programs in these areas can make a significant difference in families’ lives.

- Studies show that SNAP reduces food security for low-income families. Participating in SNAP for 6 months was associated with a decrease in food insecurity by 5 to 10 percentage points (Mabli et al. 2013). Participation has shown positive impacts on birth outcomes and birth weights (Almond, Hoynes, and Schanzenbach 2011). Other studies have shown children with access to food stamps as an adult see both reductions in obesity, high blood pressure, and diabetes in adulthood, and an increase in economic self-sufficiency (H. Hoynes, Schanzenbach, and Almond 2016). Research also connects access to SNAP participation with reductions in criminal recidivism (Tuttle 2018).
- Other studies have shown that improved access to health care and improvements in early childhood health lead to higher educational test scores and longer-term labor market earnings (Almond, Chay, and Greenstone 2006; Chay, Guryan, and Mazumder 2014).
- “Trauma-informed” care is being advanced in some fields, like child welfare and mental health and lessons from these approaches can inform our training and supervisory support for staff in the Pathways to Prosperity & Wellbeing intervention.

In Minnesota, a statewide “Results First” initiative led by the state’s Management and Budget office is helping to share information about these programs, as well as others that have a solid theoretical foundation; so far, assessments of adult mental health, criminal justice, substance abuse, child care, juvenile justice, and children’s mental health have been released. Local nonprofits face increased pressure to implement these approaches and, increasingly, more training opportunities in these models are available.

Given the reality of these stressors and their consequences, it is important that we think carefully about the outcomes we are expecting from the Pathways to Prosperity & Wellbeing pilot program. For example, one integrated services program (Manno & Treskon, 2016) conceives of its outcomes in terms of factors directly related to the interventions offered: recovery (an outcome of clinical services); resiliency (an outcome of early childhood and youth programming); and readiness for school, work and life (an outcome of the engagement of staff and families in their programming).

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6 For more access to the state inventory see: https://mn.gov/mmb/results-first/inventory/
We should consult the vast research on home-visiting programs and see if there is alignment across studies about common results that align with our Pathways logic model.

Additionally, as we work with the Integrated Services Assessment Tool (ISAT) in the Pathways pilot program, each county will learn more about common presenting issues for these families. Over time, that data can inform county investment in programming offered by community-based organizations, and help us hone the treatment experienced by the new service system that we are attempting to create in the public sector.
Pathways to Prosperity and Wellbeing pilot program

The Problem We’re Trying to Solve

There is a mismatch between the publicly-funded service delivery system and current social and economic conditions.
- There is increased volatility in the low-wage labor market that compounds difficulties families face in accessing support and complying with program rules.
- Public investment is not administered in ways consistent with stabilizing or supporting families who are economically vulnerable or unstable.

How We Are Trying To Solve It

Create a new services system* that builds the human and social capital of young families who turn to the county for support

*Defined as “a configuration of people, technologies, and policies that... create mutual value” (Vargo and Lusch, 2016, 11).
We are redesigning and implementing a new configuration that delivered more public value.

Details of the Pilot Program

Target Population
All young families with children (with at least one of the parents 30 years old or younger) eligible for or receiving: Child Care Assistance, SNAP, or Minnesota’s TANF-related program (DWP, Family Stabilization, or MFIP). It is likely that these families also are eligible for or receiving additional publicly-funded programs, as well.

Short-Term Goals
Develop, implement, and test a two-generational pilot program in local public service agencies. This program offers customized responses to the needs of young families, integrating publicly-funded services to leverage and apply their capacities and reduce the consequences of generational poverty.

Long-Term Goals
Adopt this new service system in the larger organization processes and routines of Olmsted and Dakota County so we can more effectively respond to all who seek support from us and serve those beyond the initial target population.
Act as a beacon for other jurisdictions interested in this model.
Contribute to larger discussions of the ‘integrated services business model’ throughout Minnesota and the nation.
Improve the lives of the families we serve.
**Program Theory**

**Activities**

- Coordinate entry access across county divisions
-Responsive and reflective supervision
- 2-Gen Tools of Assessment: ISAT & ESI
- Appropriate whole family supports and services:
  - Social capital
  - Economic assets
  - Early childhood education
  - Career pathways & postsecondary education
  - Health & wellbeing
- Frontline practice model that enables families to address their challenges
- Unified benefit set

**Changes in the System**

- IT Platforms that streamline communication
  - Case management
  - MFIP Connect
- Improved Service Delivery Experience
  - Decreased administrative burden
  - Decreased churn from caseloads
  - Improved abilities to advocate to address family needs
- Improved overall wellbeing
- Improved economic security
- Improved family functioning
- Improved social support as parents
- Improved income stability
- Improved social determinants of health
- Improved income stability
- Improved integrated service experience effectively delivered

**Medium-term Outcomes**

- Improved process for service delivery
  - Empowered frontline staff and supervisor decision-making
  - Change in state policy to support whole family outcomes
  - Refined frontline practice models
- Improved program integration and coordination
  - Change in state policy to support whole family outcomes
  - Integrated service experience effectively delivered

**Long-term Outcomes**

- Improved system ability to understand family needs and enable appropriate response
- Empowered frontline staff and supervisor decision-making
- Change in state program rules to support whole family outcomes

**Assumptions**

1. If the system improves, vulnerable young families will trust managers and staff to help them
2. Those employed by the county desire and are ready to implement the new service approach
3. Elected officials will not quash short-term increased demand for services when the quality of the service experience improves
4. State and national program managers and policy makers will respond to evidence from this pilot program
References


Snyder, Kathleen. 2006. “Parents’ Perspectives on Child Care Subsidies and Moving from Welfare to Work.” The Urban Institute.


