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The Cost and Benefit of Supported Employment in Minnesota: A Social Policy Analysis

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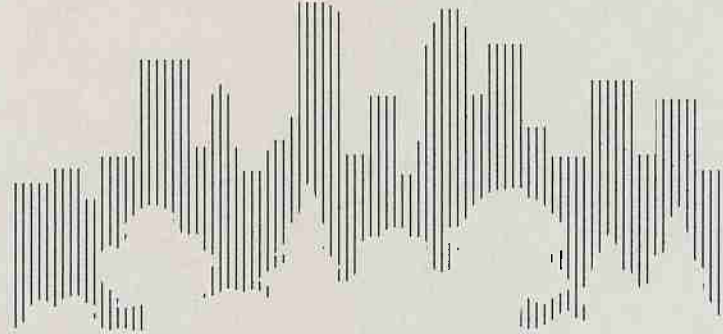
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MASTERS IN SOCIAL WORK THESIS

Robert Schwartz

**MSW
Thesis**

**The Cost and Benefit of Supported Employment
in Minnesota: A Social Policy Analysis**

Thesis
Schwar

1997

The Cost and Benefit of Supported Employment in Minnesota:
a Social Policy Analysis

Rob Schwartz

Submitted in partial fulfillment of
the requirement for the degree of
Master of Social Work

AUGSBURG COLLEGE
MINNEAPOLIS, MINNESOTA

1997

MASTER OF SOCIAL WORK
AUGSBURG COLLEGE
MINNEAPOLIS, MINNESOTA

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For my best friend Lisa Reavlin, who also happens to be my beloved.

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ABSTRACT

THE COST AND BENEFIT OF SUPPORTED EMPLOYMENT IN MINNESOTA: A SOCIAL POLICY ANALYSIS

A COST/BENEFIT FEASIBILITY STUDY OF SUPPORTED EMPLOYMENT

ROB SCHWARTZ

1997

Content Description: This study analyzed the economic feasibility of supported employment for people with mental illness using a cost/benefit framework and outcome data from the Institute on Community Integration (ICI) at the University of Minnesota. A purposive sample was chosen of three programs offering community-based individual supported employment for people with mental illness. Using the ICI framework and a Goeller Scorecard, programs were evaluated for cost/benefit. Findings indicate that when viewed from the ICI model, two of the three programs demonstrated positive cost/benefit ratios.

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Statement of the problem.

Introduction

A major part of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), is that welfare recipients are expected to work (Personal Responsibility and Work Opportunity Reconciliation Act of 1996). However, some AFDC recipients face challenges in their ability to work due to physical or mental disabilities or because they have a family member who has a disability and requires care (Loprest & Acs, 1996). It is those people who are on AFDC with the mental disability of mental illness that are the focal population of this study.

This paper is an attempt to analyze the cost/benefit of supported employment as a social policy, to determine suitability for funding by the Jewish Community Foundation. It includes a partial analysis of work done at the Institute on Community Integration at the University of Minnesota. Thus, supported employment is looked at in terms of three frameworks: a policy framework by the authors Patten and Sawicki (1993); the Jewish Community Foundation

funding criteria; and the Institute on Community Integration's cost/benefit research. It is hoped that this study will be the basis of expanded Jewish Community Foundation funding of supported employment training for unemployed people with mental illness on AFDC.

Additionally, this research and analysis is being done for personal reasons and out of this researcher's experience working in supported employment organizations that trained and employed people with chronic mental illness. Added to this was the experience of growing up with a family member who has chronic mental illness and moved in and out of jobs unremittingly, finding that between the government, market, community, and family there were not enough options to meet his needs. He would have to leave his family and community to take part in a work program that would support him during his occasional psychotic episodes and give him a modicum of self-sufficiency.

The history of work for people with mental illness has changed recently. In the past, people with mental illness who could not

participate in the competitive workplace either were taken care of by family or institutionalized (Trattner, 1994). Often, they did little to no competitive work, meaning they did not work at jobs in the community that were separate from the institution or agency they were living at or receiving social services from. More recently, such individuals received government and community support to live in the community and if they worked it was often at special activity centers where they did not work competitively (Sullivan, 1995). It is only since the mid 1980's, that large numbers of people with mental illness have received Federal government help to work at competitive jobs, earning a wage through an employer in the larger community, with the goal of eventually being able to work independent of special supports (Sullivan, 1995). It is propitious to study supported employment at a time when welfare benefits are being cut if recipients do not work, because for people with mental illness on AFDC who need help in order to work, the alternative to work support could be the equivalent of doing nothing. Doing nothing could have the consequence of many people in Hennepin County losing not only government benefits but also a possibility of becoming economically self-sufficient enough to not need social

service supports or avoid becoming destitute. Helping people on AFDC with mental illness to become economically self-sufficient, could be more cost beneficial for society than doing nothing.

Definitions and Terms

This section includes definitions of several terms used throughout this study.

Community-based individual supported employment is “employment held by a consumer individually placed and receiving support services (job coaching, transportation, etc.) from a service provider, but working full- or part-time in a community-based employment site which is not owned or operated by the consumer’s service provider” (Lewis, Johnson, Bruininks, Kallsen, and Guillery, 1991).

Competitive employment: Employment held by a consumer placed individually in a community-based employment site, for at least minimum wage, where support services (job coaching, transportation, etc.) from a service provider are not made available or required (Lewis et al., 1991, p.9).

Condition is a general term that includes any specific illness, injury, or impairment. Chronic conditions or impairments refer to long-term or permanent illnesses or defects resulting in the loss or abnormality of mental or physical functioning of a body system. Examples of impairments include the absence of a limb or body part

or blindness. Examples of chronic conditions include diabetes, heart conditions, or arthritis (Loprest & Acs, 1995, p. 2).

Cost-benefit analysis is an assessment of program efficiency in which an attempt is made to monetize the benefits associated with a program's outcome, to see if those monetary benefits exceed program costs" whereas "*Cost-effectiveness analysis* is an assessment of program efficiency in which the only monetary considerations are the costs of the program; the monetary benefits of the program's effects are not assessed. Cost-effectiveness analysis looks at the cost per unit of outcome, without monetizing the outcome. (Rubin & Babbie, 1993, p.696).

Disability results from chronic conditions, impairments, or limitations resulting in the inability to perform expected social roles. (Acs & Loprest, 1996, p.3).

Functional limitations exist when a person is limited in their ability to perform certain activities or tasks. Examples include walking, dressing, bathing, or lifting objects (Loprest & Acs, 1995, p. 2).

Group employment with support: Employment held by consumers placed in small groups of two or more individuals, receiving support services (job coaching, transportation, etc.) from a service provider, but working full- or part-time in a community-based employment site which is not owned or operated by the consumer's service provider (Lewis et al., 1991, p.9).

Habilitation training: Training (daily living, personal and social, communication skills, etc.) received by a consumer on-site within a facility owned and operated by a service

Supported Employment

provider or in the community conducted under the auspices of primary service provider staff, for which the consumer receives no wages and is not considered to be employed (Lewis et al., 1991, p.9).

Mental illness is “impaired psychosocial or cognitive functioning due to disturbances in any one or more of the following processes: biological, chemical, physiological, genetic, psychological, or social...The major forms of mental disorders include mood disorders, psychosis, personality disorders, organic mental disorders, and anxiety disorder” (Barker, 1995, p.231).

On-going support services means services that are—

- “(i) Needed to support and maintain an individual with the most severe disabilities in supported employment;
- (ii) Based on a determination by the designated State unit of the individual’s need as specified in an individualized written rehabilitation program; and
- (iii) Furnished by the designated State unit from the time of job placement until transition to extended services, except as provided in § 363.4(c)(3) and, following transition, by one or more extended services providers throughout the individual’s term of employment in a particular job placement or multiple placements if those placements are being provided under a program of transitional employment. On-going support services must include, at a minimum, twice-monthly monitoring at the work site of each individual in supported employment to assess employment stability, unless under special circumstances, especially at the request of the individual, the individualized written rehabilitation program provides for off-site monitoring, and, based upon the assessment, the coordination or provision of specific services at or away from the work

site, that are needed to maintain employment stability. If off-site monitoring is determined to be appropriate, it must, at a minimum, consist of two meetings with the individual and one contact with the employer each month. On-going support services consist of —

- (A) Any particularized assessment needed to supplement the comprehensive assessment of rehabilitation needs;
- (B) The provision of skilled job trainers who accompany the individual for intensive job skill training at the work site;
- (C) Job development and placement;
- (D) Social skills training;
- (E) Regular observation or supervision of the individual;
- (F) Follow-up services such as regular contact with the employers, the individuals, the parents, family members, guardians, advocates or authorized representatives of the individuals, and other suitable professional and informed advisors, in order to reinforce and stabilize the job placement;
- (G) Facilitation of natural supports at the work site;
- (H) Any other service identified in the scope of rehabilitation services described in 34 CFR part 361; and
- (I) Any service similar to the foregoing services (EDGAR Definitions, 1996 [emphasis added]).

On-site Employment: Employment held by a consumer who works full- or part time within a facility owned and operated by a sponsoring day habilitation, rehabilitation, mental health or special education (work experience) service provider (Lewis et al., 1991, p.9).

Supported employment means—

(i)(A) Competitive work in integrated work settings for individuals with the most severe disabilities—

(1) For whom competitive employment has not traditionally occurred; or

(2) For whom competitive employment has been interrupted or intermittent as a result of a severe disability; and

(B) Who, because of the nature and severity of their disability, need intensive supported employment services from the designated State unit and extended services after transition in order to perform this work. (Code of Federal Regulations, 1996, p.345).

Vocational Rehabilitation: Training people who are physically or mentally disabled so they can do useful work, become more self-sufficient, and be less reliant on public financial assistance (Baker, 1995, p.403).

Introduction to the problem

This section is an exploration of the growing interdictions on welfare from government and the increasing engagement in supported employment by people with disabilities which is creating demand in excess of available program slots. Additionally, this chapter advances this study's question: can supported employment programs be appropriate for Jewish Community Foundation funding given the grantmaker's criteria of cost/benefit?

Starting in July 1997, greater control of welfare systems will switch from the federal government to the states under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Personal Responsibility, 1996). With few exceptions, all federally funded benefits to low income people will be provided to individuals based on their doing work (Personal Responsibility, 1996).

Additionally, in July 1997, it appears that Hennepin County, Minnesota will have chosen one of three policies for addressing people with disabilities who will be losing welfare benefits: 1) individuals might be required to work but will be given some support; or 2) they will be exempted from work requirements and given financial support; or 3) the less likely option that they will be required to work and given no support by Hennepin County (B. Johnson, Manager, Hennepin Division of Rehabilitation Services, personal communication, April 14, 1997).

Although some people advocate work over welfare for people with disabilities, there are indications that special accommodations will be needed in order for many people on AFDC with disabilities to be able

to work (Loprest & Acs, 1996). One of the criticisms of some welfare-to-work programs (see Terms and Definitions, p. 34) is that they are set up in such a way that recipients are forced into a role of dependency on the state (Murray, 1984; Marmor, 1990). Similarly questioned is the way people with disabilities are required to fulfill a dependent role in order to participate in support programs offering employment and other services (Asch & Murdrick, 1995; Wolfensberger, 1975). Still, people with mental illness are increasingly participating in the set of employment programs known as supported employment (Wehman, Revell, & Kregel, 1996).

Employment programs are “Programs at the federal, state, and local government levels, and in private industry designed to secure more jobs for people and to ensure that those jobs include decent wages and benefits and equal opportunities (Barker, 1995, p.120).” In the United States these programs have included: Work Experience Programs; Work Incentive Program; Community Work Experience Program; JOBS Program; and Job Opportunities and Basic Skills Training (JOBS). While these programs provide different kinds of support to participants, they generally do not offer accommodations

for people with disabilities (Adler, 1993).

There are a number of different vocational programs in operation for people with mental illness (for most of the following programs listed, a more detailed description is available in the Definitions and Terms section on page 9). Employment programs (sometimes referred to as vocational programs) for people with mental illness usually fall into four categories: group supported employment; on-site employment; habilitation training; and individual supported employment (Sullivan, 1995). Habilitation training are jobs without wages and is usually within a mental health agency. On-site employment usually consists of either “sheltered employment” or “clubhouse programs” both of which are employment programs within the mental health agency. Group supported employment which is often used at mental health centers, includes “job crews” which work at different settings, or an “enclave model” which is a single setting, both of which train crews to perform specific tasks such as landscaping. Individual supported employment is when people are placed individually at wage earning jobs in the community separate from the agency.

In this study, the researcher focuses on supported employment as an alternative for people with disabilities about to lose welfare benefits who need support to work. See the section Definitions and Terms on page 9 for complete definition. Generally, supported employment (SE) is “competitive employment in an integrated work setting for individuals who, because of their handicaps, need ongoing support services to perform that work” (Federal Register, 1987, p. 30546). “The supported employment method eschews notions that one can predict with great certainty who will succeed or fail in naturalized work settings and that persons must be symptom free before they can work” (Sullivan, 1995, p.1959).

The need for expanded supported employment programs in Hennepin County is evidenced by several issues. First, the possible work requirements mentioned on page 3. Secondly, the poll of 1,000 individuals with disabilities without full time employment, of whom 23 percent said that they would need accommodations to help them work (Harris and Associates, as cited in Blanck, 1993). Third, is a demand for services beyond that which some supported employment programs are providing as indicated by full capacities and waiting

lists for supported employment at a number of sites throughout Hennepin County and Minnesota (Lewis et al., 1991). Fourth, the evidence, presented on page 9, that people with mental illness are increasing their participation in supported employment which could further stretch capacity of programs (Wehman, Revell, & Kregel, 1996). Finally, the testimony of a program administrator that in Hennepin County demand among individuals with mental illness outstrips available program slots for supported employment (L. Greenbaum, Director, Jewish Vocational Service, personal communications, April, 1997).

Introduction to framework

This study is in the format of a Prescriptive Policy Analysis, which uses “the assumption that the analyst understands the client’s values, goals and objectives” (Patton & Sawicki, p.24). A prescriptive policy analysis basically involves “displaying the results of analysis and making a recommendation” (Patton & Sawicki, 1993, p.24). The analysis includes forecasting what needs people may have in the future that are relevant to the policy under discussion (Patton & Sawicki, 1993).

For the purposes of this study, the client/agency being considered is the Jewish Community Foundation (JCF), an organization which grants supplementary funds to beneficiary agencies of the Minneapolis Federation for Jewish Service, for new Jewish social service projects in Hennepin County, Minnesota. The Minneapolis Federation for Jewish Service is one of the main grant allocation organizations for Jewish programs in Minneapolis. The Jewish Community Foundation funds programs that it argues are cost-beneficial (see p.9 for definition) and enhance employability of the previously unemployed. For example, one of the agencies the Jewish Community Foundation funds is the Jewish Vocational Service. "In 1995/96, the Jewish Vocational Service found jobs for employable adults realizing over \$2 million in wages with a savings of over \$750,000 in annualized welfare payments" ("New Welfare Reform", 1997, p.1). The JCF also operates the Women's Endowment Fund "Providing grants to non-profit organizations to fund programs, projects, and/or services that enhance Jewish women's economic self-sufficiency in our local community" ("Women's Endowment Fund," 1997, p.1).

Given the goals of Jewish Community Foundation, the potential requirement of work from people/Jewish women with disabilities to get benefits, and the growing participation in SE by people with mental illness, this writer will investigate supported employment as a possible option for use of Jewish Community Foundation funds.

The laws affecting the problem

Three pieces of legislation will affect the people with disabilities who are potential recipients of JCF funds; the laws are AFDC (Aid to Families with Dependent Children), MFIP-S (Minnesota Family Investment Plan—State), and TANF (Temporary Assistance to Needy Families). The law about to be repealed, AFDC (Public Law, No. 271 Title IV of the 1935 Social Security Act) is a federal law;

To provide for the general welfare by establishing a system of Federal old-age benefits, and by enabling the several States to make more adequate provision for aged persons, blind persons, dependent and crippled children, maternal and child welfare, public health, and the administration of their unemployment compensation laws; to establish a Social Security Board; to raise revenue; and for other purposes. (Social Security Act of 1935, p. 627-629)

Supported Employment

AFDC recipients in Hennepin County who did not qualify for disability insurance and who do not have a disabled parent or child in their care and do not have a serious disability, are estimated to be 5% of the AFDC case load (B. Johnson, Manager, Hennepin Division of Rehabilitation Services, personal communication, April 14, 1997). Currently, Hennepin County does not have documented corresponding percentages.

In August 1996, President Clinton signed Public Law 104-193 entitled the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), ending the AFDC program. PRWORA is a nine part law that includes Title I, Temporary Assistance to Needy Families (TANF) the section that replaces AFDC. TANF provides block grants to states to:

increase the flexibility of States in operating a program designed to-

- (1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- (2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

(3) prevent and reduce the incidence of out of wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

(4) encourage the formation and maintenance of two parent families.

(b) NO INDIVIDUAL ENTITLEMENT.- This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part (Personal Responsibility and Work Opportunity Reconciliation Act, 1996, sec. 401).

Unlike AFDC, PRWORA allows states to develop their own welfare programs provided it conforms to TANF guidelines. For example, TANF mandates states to restrict the length of time people can receive financial assistance and requires those who do get financial assistance to work. Also, TANF aid is restricted to 60 months (continuous or not) in an adult's lifetime (Personal Responsibility and Work Opportunity Reconciliation Act, 1996). This 60 month restriction will commence when Minnesota begins its welfare program, most likely July 1, 1997. The 60 month restriction will not include AFDC benefits received before the Minnesota program is set in motion (Compton, Hanzlik, and Healy, 1997).

Starting July of 1997, AFDC will be discontinued and instead of TANF, Minnesota will be operating its own welfare program: the Minnesota Family Investment Plan-State (MFIP-S). MFIP-S is a law that at the time of this writing was being deliberated in the legislature. As mentioned, while the exact wording of the legislation and the subsequent rules are not final yet, the mandates for continued state/federal financial participation (FFP) are clear. It is assumed State legislation and rules will adhere to federal guidelines within the Personal Responsibility and Work Opportunity Reconciliation Act (Compton, et al. 1997).

The Minnesota Family Investment Program-State (MFIP-S), will be a “work to welfare” law based on the prototype program being run in Minnesota on a trial basis called Minnesota Family Investment Plan (Public Law 101-239, 1989). Minnesota will receive a waiver from the federal government to use MFIP-S in place of TANF while getting the same federal funds (Minnesota Department of Human Services [DHS], 1997). Currently, “Federal, State, and local funds that would otherwise be allocated for assistance to families for AFDC, food stamp, and general assistance programs must be transferred to the

Minnesota Family Investment Plan” (MFIP, 1997, section 256.034).

Minnesota is attempting to obtain from the federal government the maximum funding for the statewide MFIP-S program (DHS, 1997).

Currently, MFIP permits families to add together their cash assistance and job pay until their income is greater than the poverty level. Also, TANF benefits and Food Stamps are combined into one cash grant. Recipients are required to work, but they are guaranteed medical coverage and child care which would not be guaranteed under the federal program (Minnesota Family Investment Plan, 1989).

Forces behind the laws

According to some policy practitioners, the policy makers involved in the creation of TANF were influenced by a dialectic, Universalism versus New Federalism (Dear, 1995). Universalism is the belief that federal government intervention in issues like public welfare are necessary to keep market forces and local oversight in check (Dear, 1995).

The opposite view, New Federalism (sometimes called Localism), is the belief that federal entitlements such as welfare, create dependency and the very conditions among the poor that cement their poverty (Gingrich, 1996). The assertion is that interference from the government inhibits market growth which is an individual's best shot at self-reliance, thereby saving them from welfare (Dear, 1995). In his book: To Renew America, Newt Gingrich, who is one of the authors of PROWA, references his ideas to Charles Murray, and Milton Friedman (Gingrich, 1995, pp. 78, 79, 102).

People affected by the laws

While there are people on AFDC who can work, not all those individuals who are eligible for benefits will actually be able to work. Some AFDC recipients have disabilities that prevent them from holding down a job, even with multiple work opportunities. Although 20% of recipients under TANF can be exempted from the work requirements (Personal Responsibility and Work Opportunity Reconciliation Act of 1996), several estimates are that 30% of the recipients may be unable to hold down a job (Adler, 1993; Loprest & Acs, 1996). There are indications in Hennepin County that between

150 and 200 people on AFDC with disabilities would benefit from supportive employment (B. Johnson, Manager, Division of Rehabilitation Services, Hennepin County, personal communications, April 14, 1997). However, in this writer's opinion this is a conservative estimate because of the figure given by the Jewish Vocational Service of 150-200 Jewish people on AFDC with mental illness that could benefit from supported employment even though Jews represent approximately 5% of the population in Hennepin County (L. Greenbaum, Jewish Vocational Service, personal communications, April, 1997). This writer was unable to find numbers for participation of people with mental illness in Vocational Rehabilitation, and other programs in Hennepin County.

AFDC Recipients

Historically, people with disabilities who did not qualify for SSI tended to end up getting AFDC (Adler, 1993). Now that TANF is replacing AFDC, all recipients will be limited to 5 years of federal assistance throughout their lifetime. The only exception to this is that states will be allowed to exempt 20% of their recipients from the five year limit. However, this exemption is likely to shrink with

the federally required annual increases in the number recipients who must become work participants. After 5 years recipients have to either become economically self supporting, or get assistance from state or local government, family or charity (Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

When researchers write about AFDC and disability, several different concepts are used such as the terms *disability*, *functional limitation*, *condition*, and *impairment* (see page 9 for complete definition). The definition of disability quoted on page 9 stresses the interaction of impairments, conditions, and functional limitations with a social situation. For example, a person is considered disabled only if we expect them to do a task for a job or as part of daily living and they are unable to carry out the task. Also, disability changes with age as expected social roles change. Limitations for an infant will be evaluated differently from limitations in an adult to determine disability (Acs & Loprest, 1996). Therefore, assessing the interaction between mental and physical limitations and the social situation can be a fairly subjective process. There is little available data about what could be the even more ambiguous case of individuals on AFDC

with mental or emotional disorders that impair the ability to do activities (Acs & Loprest, 1996).

The varying work ability among recipients with disabilities is not an issue covered by PRWORA or the law's principle author (see for example Gingrich, 1995; 1996). Recent literature regarding disabled people on AFDC has varying population numbers, but generally puts it close to 20%. For example, Adler's (1993) findings were that 19% of women AFDC recipients between the ages of 15 and 45 have a disability compared with 10% of the total U.S. female population.

Loprest and Acs' (1996) study of the 1990 Survey of Income and Program Participation (SIPP) along with the National Health Interview Survey (NHIS) and the National Longitudinal Survey of Youth (NLSY) found that 18% of the women receiving AFDC have a work limiting disability and about 7% of these have a serious disability that makes basic day to day activities difficult, such as dressing, eating and moving about the house. In California, researchers put the rate of AFDC recipients with work limiting disabilities at 43% (Meyers, Lukemeyer & Smeeding, 1996). And in

Adler's quasi-experimental longitudinal study, it was demonstrated that disabilities are significantly correlated with an AFDC recipients not finding work (Adler, 1993). These findings suggest that a significant portion of low income, unemployed people with disabilities will either need additional support in obtaining and holding onto employment or continued economic support if they remain unemployed.

However, policy writers who argue for New Federalism seemed to say that government support can harm more than help people getting disability benefits. Consider Newt Gingrich's argument that income support jeopardizes low income people's attachment to the world of work (Gingrich, 1995), which contrasts with the argument that financial assistance is necessary for people to develop skills to enter the work force (Burtless, 1994).

In other examples, authors contended that the availability of federal welfare, such as AFDC, had the effect of increasing the number of people willing to give up work in place of benefits (Anderson, 1971; Gilder, 1981); and one writer stated that the availability of disability

insurance increased the number of people claiming they were disabled (Murray, 1984). On the other end were researchers pointing out that before disability insurance was made available by the federal government, many people with disabilities had living conditions which caused great hardship and death (Trattner, 1994; Abramovitz, 1988). However, both sets of these same writers tended to overlook evidence about what people with disabilities want or need with regard to work.

Although Newt Gingrich, one of the principle creators of PRWORA, asserts that “disability programs should be recast as adult learning” programs he gives little consideration about how to navigate the process with regard to the special limitations of people with disabilities (Gingrich, 1995, p.148). Similarly, the literature that is credited with informing the writers of PRWORA (Dear, 1995; Marmor, Mashaw & Harvey, 1995; Gingrich, 1995) preserves this gap in consideration over AFDC recipients with disabilities. Although, Martin Anderson contends that the average American will only financially support the needy who cannot work, his argument is largely theoretical and he offers no delineation of the amount of

effort that should be expected from a person with disabilities before they are assessed unable to work (Anderson, 1978).

Like those who write about localism, proponents of universalist positions attended to the need for welfare but seemed to neglect discussion of how people with disabilities can become self-sufficient. One group of authors refute claims such as “welfare causes dependency” by pointing out that “incentives are not behaviors” (Marmor, Mashaw & Harvey, 1990, p.219), and that focusing only on increases in welfare rates ignores confounding variables such as layoffs due to America’s shift from an industrial to service economy. However, these same writers did not acknowledge the demographic information that, although some can’t, there are people with disabilities who can and want to work.

Employment programs

Although there is literature on supported employment, the coverage on evaluation of supported employment tends to be quite limited and outdated and programs are reluctant to give out evaluation results (Johnson & Lewis, 1993; Lewis, Johnson, Bruininks, Kallsen, &

Guillery, 1991; J. Gardner, Dir. Council on Quality & Leadership for Supports of People With Disability, personal communications, May, 1997; T. Freeman, Dir. Association for Persons in Supported Employment, personal communications, May, 1997). Therefore, because of gaps in information about supported employment, this review will be augmented with literature from welfare employment programs.

Regarding the general “welfare to work” employment programs that are separate from supported employment, there is limited information available regarding cost/benefit or cost effectiveness (see for example Orthner & Kirk, 1995). However, some welfare to work programs geared to people without disabilities report modest to large employment gains and savings to taxpayers (Liem & Liem, 1978).

In terms of evaluating the success of employment programs researchers tended to favor criteria focusing on cost-effectiveness although a few used cost-benefit criteria. One program reporting modest cost benefit savings, serving people with or without

disabilities, was the Manpower Demonstration Project, a five year work requirement program for AFDC recipients (Gueron, 1989).

Another study that was not limited to people with disabilities was Massachusetts' program, Employment Training ("ET") which produced findings of very high cost benefit savings: "Eighty six per cent of those who came off the welfare ranks as a result of participation in ET were still off the ranks a year later, and ET has saved taxpayers \$60 million in welfare benefits" (Atkins, 1986, p.1). In California, the Employment Preparation Program (EPP) was evaluated using the cost benefit framework and produced findings that for every \$1.00 spent EEP had saved \$2.00 in avoided welfare benefits (Bacon, 1986).

Several authors who pointed to the need for further study of the barriers to successful outcomes in supported employment (Scheid & Anderson, 1993; Fabian, Marcia, & Wiedefeld, 1989). A few programs specifically for people mental illness reported success in terms of some life quality improvements but it was rare to find research using cost-benefit criteria.

McManus chose the criteria of cost-benefit analysis of vocational rehabilitation services for people with developmental disabilities and determined that the Disability Trust fund was saved between \$1.39 and \$2.72 per \$1.00 of cost (McManus, 1981). But a few authors argued that supported employment programs were more unpredictable with participants who had mental illness versus participants with developmental disabilities and therefore more complicated to manage. For example Scheid and Anderson's (1993) interviews with supported employment participants discovered that while they found it important to be doing something purposeful with their time, their work experiences were stressful to them and caused them to lose confidence about their ability to remain employed. These authors called for more investigation into the possibility that the job place requires emotional expressiveness that is a challenge for people with mental illness to meet (Scheid & Anderson, 1993).

Further, Collignon and Noble (1987) argue that the variability in the needs of people with mental illness may create conflict between vocational rehabilitation counselors and mental health practitioners attempting to collaborate on supported employment programming

(Collignon & Noble, 1987). In a study done at the Department of Human Services at George Washington University, 47% of participants with mental illness held onto their job for the first 6 months compared to rates nearly double this for people with developmental disabilities in similar programs. Additionally, the authors point out the need for further study into the cost-benefits of all supportive employment programs and the investigation of the challenges involved with job coaches for people with mental illness (Fabian, Marcia, & Wiedefeld, 1989).

The Center for Psychiatric Rehabilitation in Boston, Massachusetts measured success in terms of participant's life quality. Their evaluation showed that subjects' use of mental health services decreased during periods of employment and increased during periods of unemployment (Rogers, et al. 1995). Similarly, Christie (1993) determined that psychiatric problems related to isolation decreased during periods the study's subjects were involved in supported employment and the reverse occurred during periods of their unemployment (Christie, 1993). One researcher from Canada asserted that business success is an irrelevant measure of

employment programs for people with disabilities because sheltered workshops should be preserved as a social service (Hum, 1986).

Finally, O'Brien argued for analysis that focuses on both participant and organization cost-benefit outcomes (O'Brien, 1990).

Summary

Although writers indicate the need to evaluate supported employment on criteria of meaningful jobs and life quality improvements, there also is some evidence that supported employment needs additional assessment in terms of costs and benefits.

“Center-stage in supported employment’s short history has been the need for ongoing evaluations of its social and economic benefits and outcomes. Reliable and complete outcome and cost information are fast becoming an essential aspect of federal, state, and local decision making, and a necessity for planning and improving supported employment programs and services” (Johnson & Lewis, 1993, p.19).

Methodology and Findings

Introduction

The methodology used in this study was adapted from the framework “Basic Analysis” which was developed by Patton & Sawicki, (1993). Five basic steps guided this study: (1) defining the problem, (2) listing goals and objectives (3) establishing evaluation criteria, (4) assessing future continuance of current circumstances, (5) displaying and evaluating programs (Patton & Sawicki, 1993).

Defining the problem

The problem being considered in this study is: *Can supported employment programs be cost-beneficial for both tax-payers and participants with mental illness?* Although some authors assert that programs should be evaluated on quality of life issues (O’Brien, 1990; Johnson & Lewis, 1993) no such completed evaluations were available to this author at the time of this writing. In addition, research indicates that funding of supported employment is increasingly being predicated on cost-benefit scenarios that consider both tax payers and participants (Johnson & Lewis, 1993; Revell,

West, & Chang, 1997). Moreover, Basic Analysis talks about the importance of using the client's criteria for making judgments because in the end the client makes the decision. In this case the Jewish Community Foundation (JCF) has expressed interest in a rudimentary cost-benefit framework (N. Frank, Dir. JCF, personal communications, May 12, 1997).

Goals and objectives

The major goal of this study is to investigate supported employment for people with mental illness to determine the viability of such programs for funding by the Jewish Community Foundation(JCF).

More definitively, the major objective of this analysis is to evaluate the cost-benefit aspects of several community-based individual supported employment programs with services for people with mental illness for the purpose of funding decisions by the JCF.

Evaluation method

The cost-benefit criteria used in this study to evaluate SE programs came from cost-benefit research on SE programs done by the

Institute for Community Integration(ICI). The ICI at the College of Education at the University of Minnesota, is a research organization for “improving community services and social supports for persons with disabilities and their families.” (Lewis, Johnson, Bruininks, Kallsen, and Guillery, 1991). Following will be a summary of their methods for the costs and benefits research that this study works from.

The ICI conducted research of cost-benefit at 11 supported employment programs in Minnesota. The sample of agencies was drawn purposively from five Minnesota counties and included five day activity centers, three of which had community-based individual supported employment programs for people with mental illness. All data used in the ICI study were collected with permission between January 1, 1989 through December 31, 1989, from files of agencies under whose auspices supported employment was being arranged.

The ICI framework for research was based on special education cost studies done by the researchers (Lewis, Bruininks, & Thurlow, 1989) and other cost/benefit supported employment studies (see for

example Kerachsky, Thornton, Bloomenthal, Maynard, & Stevens, 1985). Although there was not enough reliable data on quality of life at the supported employment programs, ICI followed the recommendations of Thornton and Maynard by indicating the existence of criteria that will require the collection of appropriate data in the future.

The program data were tabulated taking into consideration three points of view: the participant/family; other taxpayers, and society. The study designers' rationale for the three perspectives was to get data on the global effects the programs might have. Additionally, data was collected along four criteria for benefits and three criteria for costs using the Thornton and Maynard (1989) and Noble (1977) frameworks which furnishes an organized means of identifying, measuring, and valuing a spectrum of costs and benefits of supported employment services (Lewis, 1991).

Criteria

Following are the four criteria for benefits and three criteria for costs used in the ICI research of supported employment programs:

“Increased Productivity” has two criteria: *Additional Earned Income*, and *Additional Fringe Benefits*. Additional earned income was estimated from individual wages and work performance data for participants in each of the programs. The data were compiled from agency files and accounted for in terms of hourly wage rates.

Fringe Benefits, were estimated based on internal records of agencies who, acting as the contracted employers’ representative, paid participants’ wages and fringe.

Reduced Use of Alternative Programs were estimated by averaging costs per person and per hour as separate from the cost analysis for each of the alternative programs within the agency.

Decreased Government Subsidies which were estimated for each participant using their monthly wages were then reported as annualized average reductions in income.

Costs of the Agency Program were estimated by averaging costs per

individual per hour.

Targeted Job Tax Credits (TJTC) are tax credits employers receive for hiring individuals with disabilities. Targeted Job Tax Credit amounts were estimated by gathering TJTC data on each participant and averaging the result. Because TJTC is a subsidy to employers for additional costs they might bring on as a result of participating with an SE program, the criteria is framed as a transfer payment to employers from taxpayers.

Increased Taxes Paid by Consumer, was estimated to be 14% of additional earned income following a study finding that taxes for very low wage earners ranged between 11% and 18% (Pechman, as reported in Lewis, 1991).

Net Benefits are simply the difference between total benefits and total costs.

Benefit-Cost Ratio is the ratio between the sum of all benefits divided by the sum of all costs from each of the three perspectives within the

accounting framework. For every dollar invested to the program, the benefit-cost ratio is the amount that an individual or society can anticipate getting back. The model characterizes ratios greater than 1 as an efficient and productive use of resources by the SE program.

Displaying and evaluating program results

Taking ICI's research about cost and benefit results for each of the programs, this researcher's next step involved displaying the results and evaluating them. For this step a Goeller (scorecard) display system was used (Patton, 1993). The scorecard system allows the consideration of multiple attributes and multiple-criterion for programs. The scorecard approach aided in identifying which programs met evaluation criteria. The Goeller scorecard (see appendix D) shows results for each policy in "natural" units, e.g., money, time, and other quantifiable measures.

Out of the SE programs ICI collected cost benefit data on, three programs were chosen for this study (see appendices A, B, & C). Using a purposive sample the criteria for choosing the three programs in this analysis included the following: The programs

selected offered a uniformity in service delivery type; community-based individual supported employment (see page 9).

Using a sample of programs with the same type of service delivery helps rule out the possibility that compounding issues affected the results (Rubin & Babbie, 1993), i.e. “apples were being compared with oranges.”

Additionally, the three programs chosen were the only ones within community-based individual SE that serviced a substantial number of people with mental illness, 10% (Table 1-A).

The analysis section will include a discussion of possible future needs-what is the likely need for supported employment?-and the analysis of cost-benefit among the programs selected.

Analysis

Participation in SE nationally, has gone up from approximately 10,000 persons in 1986 to over 139,000 in 1995. Nationally, although numbers vary, evidence seems to show participation in

TABLE 1-A
DEMOGRAPHIC OF PARTICIPANTS OF INDIVIDUAL SUPPORTED
EMPLOYMENT PROGRAMS

Source: Lewis, et al., 1991

	A	B	C	D
1	DEMOGRAPHIC	RISE	DAC	KCQ
2	Average age (years and months)	35.7	35	36.8
3	% with mental illness	20	10	25
4	% with brain injury	4	0	0
5	% with cerebral palsy, epilepsy, autism	12	5	25
6	% Experiencing seizures	0	5.9	0
7	% Significant limitations in daily activities	0	15	0
8	% with limited mobility	0	5	0

Supported Employment

supported employment (SE) programs is rising among people with disabilities and especially those individuals with mental illness (Wehman, Revell & Kregel, 1996). The following percentages are

annual growth rates in SE;	1989—1990 43%
	1991—1993 8%
	1993—1995 16%.

Minnesota is ranked among the 11 states with the highest per capita rates of people participating in SE (Wehman, 1996).

Participation in supported employment among people with mental illness has also been growing in relation to those with developmental disabilities. In 1988 people with mental illness made up 16.7% of the people in supported employment. By 1995 people with mental illness constituted 26.0 % of the people in SE. Similarly, in Hennepin County the demand for supported employment among people with mental illness has also grown (L. Greenbaum, Director of Jewish Vocational Service, personal communication April, 1997).

Additionally, supported employment programs nationally are increasing financial benefits to participants. The mean hourly wage

for people in SE has been increasing over the last seven years. In 1988 the mean hourly wage in SE was \$3.38, in 1990 - \$3.87, 1991- \$4.45, 1993- \$ 4.53, 1995- \$ 4.70. Interestingly, the 1995 SE mean wage in Massachusetts was \$7.05.

Three Minnesota programs appear to have demonstrated that supported employment can improve benefits to participants and be cost beneficial to tax payers (see Appendix A). All three of these programs were evaluated by the Institute on Community Integration using a cost benefit framework from data based on the demographic characteristics and program outcomes of participants (Appendices A, B, & C). All three of the programs have participants that are roughly representative in their level of functioning to individuals in similar programs throughout the United States (Lewis, 1991). However, the three programs have varying numbers of participants with limited mobility, work limitations, and mental functioning (Table 1-A, p.40). It appears that Rice DAC has higher percentages of participants with work limitations and limited mobility than the other two programs. It is possible that a program trying to help participants with greater work limitations than other programs could yield lower cost/benefit

output.

The first program, RISE (Table 1.0 & Appendices C & D) has an average benefit to cost ratio of \$1.89 per hour. This means that extra money is generated after factoring in costs to run the program and benefits participants and taxpayers get from engaging in the program. At RISE per hour outlays by taxpayers for the program was \$3.86. The taxpayer costs were a combination of 3.74/hour costs for the agency to run the program, and a \$0.12/hour job tax credit that the employer received for the extra costs associated with hiring a person with a disability. Additionally, the participants paid extra taxes of \$0.28/hour on their increased income.

However increases in earnings and reductions in costs by the participant generated total benefits of \$7.28 per hour. The total benefits were a compilation of \$2.00/hour income earned and \$0.22/hour additional fringe benefits earned by the participants. In addition, taxpayers were saved \$5.06/hour in reduced use of the agency's alternative programs by participants. One drawback was that earned income at RISE was too insubstantial to decrease

TABLE 1.0
BENEFITS AND COSTS OF SUPPORTED EMPLOYMENT PER HOUR
SUPPORTED EMPLOYMENT AT RISE WITHIN A DAY ACTIVITY CENTER
Source: Lewis, et al., 1991.

	A	B	C	D
1	BENEFITS	social	consumer	taxpayer
2	INCREASED PRODUCTIVITY			
3	Additional Earned Income	2	2	0
4	Additional Fringe Benefits	0.22	0.22	0
5				
6	REDUCED USE OF ALTERNATIVE PROGRAMS			
7	Costs of Group SE	5.06	0	5.06
8				
9	DECREASED GOVERNMENT SUBSIDIES			
10	Reductions in SSI/MA Payments	0	-0.49	0.49
11				
12	OTHER BENEFITS			
13	Increased Community Integration			
14	Increased Quality of Life			
15	Increased Self Esteem			
16	TOTAL BENEFITS	7.28	1.73	5.55
17	COSTS			
18	COSTS OF AGENCY PROGRAM			
19	Costs of Individual SE	3.74	0	3.74
20				
21	TARGETED JOB TAX CREDIT	0.12	0	0.12
22	INCREASED TAXES PAID BY CONSUMER	0	0.28	-0.28
23	TOTAL COSTS	3.86	0.28	3.58
24				
25	NET BENEFITS	3.42	1.45	1.97
26				
27	BENEFIT/COST RATIO	1.89	6.18	1.55

TABLE 1.2
BENEFITS AND COSTS OF SUPPORTED EMPLOYMENT PER HOUR
SUPPORTED EMPLOYMENT AT RICE WITHIN A DAY ACTIVITY CENTER
Source: Lewis, et al., 1991.

	A	B	C	D
1	BENEFITS	social	consumer	taxpayer
2	INCREASED PRODUCTIVITY			
3	Additional Earned Income	2.55	2.55	0
4	Additional Fringe Benefits	0.28	0.28	0
5				
6	REDUCED USE OF ALTERNATIVE PROGRAMS			
7	Costs of Group SE	8.32	0	8.32
8				
9	DECREASED GOVERNMENT SUBSIDIES			
10	Reductions in SSI/MA Payments	0	0	0
11				
12	OTHER BENEFITS			
13	Increased Community Integration			
14	Increased Quality of Life			
15	Increased Self Esteem			
16	TOTAL BENEFITS	11.15	2.83	8.32
17	COSTS			
18	COSTS OF AGENCY PROGRAM			
19	Costs of Individual SE	18.39	0	18.39
20				
21	TARGETED JOB TAX CREDIT	0	0	0
22	INCREASED TAXES PAID BY CONSUMER	0	0.36	-0.36
23	TOTAL COSTS	18.39	0.36	18.03
24				
25	NET BENEFITS	-7.24	2.47	-9.71
26				
27	BENEFIT/COST RATIO	0.61	7.86	0.46

TABLE 1.1
 BENEFITS AND COSTS OF SUPPORTED EMPLOYMENT PER HOUR
 SUPPORTED EMPLOYMENT AT KCQ WITHIN A DAY ACTIVITY CENTER
 Source: Lewis, et al., 1991.

	A	B	C	D
1	BENEFITS	social	consumer	taxpayer
2	INCREASED PRODUCTIVITY			
3	Additional Earned Income	0.95	0.95	0
4	Additional Fringe Benefits	0.1	0.1	0
5				
6	REDUCED USE OF ALTERNATIVE PROGRAMS			
7	Costs of Group SE	7.2	0	7.2
8				
9	DECREASED GOVERNMENT SUBSIDIES			
10	Reductions in SSI/MA Payments	0	-0.4	0.4
11				
12	OTHER BENEFITS			
13	Increased Community Integration			
14	Increased Quality of Life			
15	Increased Self Esteem			
16	TOTAL BENEFITS	8.25	0.65	7.6
17	COSTS			
18	COSTS OF AGENCY PROGRAM			
19	Costs of Individual SE	2.41	0	2.41
20				
21	TARGETED JOB TAX CREDIT	0.26	0	0.26
22	INCREASED TAXES PAID BY CONSUMER	0	0.13	-0.13
23	TOTAL COSTS	2.67	0.13	2.54
24				
25	NET BENEFITS	5.58	0.52	5.06
26				
27	BENEFIT/COST RATIO	3.09	5	2.99

government subsidies and taxpayers continued to be assessed \$.049/hour for SSI/MA payments to participants.

Participants at RISE earned an average wage rate of \$3.97/hour minus fringe and taxes. RISE appears to have created a program that successfully provides benefits to both the participant and taxpayers in excess of the costs for services. Although government subsidies were not reduced the increased participant productivity carried with it a variety of benefits due to their involvement in SE.

A second program, Rice Developmental Achievement Center (DAC), has figures of social cost benefit that are \$0.68/hour (Table 1.2 & Appendices B & D), suggesting that costs exceeded benefits when viewed from the ICI cost/benefit framework. The costs to taxpayers for running the program was \$18.39/hour and although there was no tax credit given costs included a \$0.36/hour tax increase to participants which brought the total costs up to \$18.39/hour.

Benefits such as \$2.25/hour additional earned income and \$0.28/hour fringe were added to \$8.32/hour in reduced use of the

alternative programs offered by the organization. With no decrease in SSI/MA payments the total benefits were \$11.15/hour leaving a net benefit of -\$7.24 which accounts for the less than satisfactory performance of Rice DAC in terms of cost-benefit issues.

A third program, KCQ (Table 1.1 & Appendices A, & D), has the highest cost-benefit ratio of the three programs at \$3.09/hour. The costs to taxpayers for program implementation was \$2.41/hour with an additional \$0.26/hour paid out for the job tax credit. Also, \$0.13/hour was paid by the participant in additional taxes bringing total costs to \$2.67/hour.

Benefits included additional earned income of \$0.95/hour and fringe of \$0.10/hour gained by the participant. Moreover the participants in this program reduced their use of the alternative programs reducing costs \$7.20/hour. Finally, participants were able to reduce outlays of in SSI/MA by \$0.40/hour bringing total benefits of the KCQ program to \$8.25/hour. The total benefits well outweighed the costs at KCQ producing net benefits of \$5.58/hour which accounts for the \$3.09/hour cost benefit performance.

Discussion

The findings suggest that in two of three cases looked at above, the benefits to participants as well as taxpayers through supported employment outweigh the costs incurred by both parties. Although the financial costs to taxpayers outweighed the financial benefits they reaped with one of the programs, participants in all three SE programs increased their earned income and fringe benefits.

Additionally, the participants in all three programs reduced their use of alternative programs substantially during their involvement in supported employment resulting in financial savings. In two of the programs the increased monthly incomes for participants led to a small reduction in SSI/MA payments.

Although additional studies are needed to determine whether these programs increased participants quality of life, which is the most important aspect of whether supported employment is worth while, the above studies point to financial successes about which future funders can be optimistic. The results in this study seem to endorse community-based individual SE for Jewish Community Foundation

funds on the following basis:

- 1) the estimates that there are currently in Hennepin County, 150 to 200 people/Jewish women with mental illness who are losing AFDC and would benefit from supported employment. These are women the JCF is charged with helping become economically self-sufficient. Doing nothing for these people could impoverish them.
- 2) There is considerable evidence that people with mental illness want to work.
- 3) There is evidence that people with mental illness are increasingly choosing to participate in supported employment
- 4) Within Minnesota there are several supported employment programs that seem to have improved participants ability to earn income and fringe benefits, and reduce use of alternative programs while being cost-beneficial to larger community.
- 5) Within Hennepin County there is at least one program

interested in expanding its supported employment program for people with mental illness, but lacks the funding to do so (L. Greenbaum, Dir. JVS, personal communication, April 4, 1997).

Limitations and need for further study

There were several limitations to this study and implications for future research. First, due to the limited availability of evaluations on supported employment for people with mental illness the study had a limited scope of programs from which to choose a sample. The lack of research into SE has been encountered by quite a few investigators (P. Andrew; J. Gardner; T. Johnson, May 15, personal communications); (Johnson & Lewis, 1993). Without more evaluations available on other programs it is difficult to know how representative the programs in this study are with regard to other supported employment programs nationally. Therefore it could be more or less difficult for other programs to get the same results as were achieved by the programs in this study.

Second, if differences in the way programs are managed cause

variations in evaluation results, there needs to be further examination of those management differences in order to understand which techniques can lead to increased program effectiveness. The variability between the three program's and their participants work limitations and abilities may have impacted the cost/benefit outcomes represented in this study. Further research controlling for variations in the selected sample is needed.

Finally, because of the limited amount of quality data, this study did not assess SE programs on their improvement of participants quality of life which is the primary purpose of supported employment.

Further research in supported employment specific to people with mental illness should address the large gap in current evaluation of programs using a cost benefit framework. Moreover, in conversations this writer has had with officials in charge of employment programs at Hennepin County as well as directors of employment programs in Minneapolis, there was an eagerness to learn about the SE efforts throughout Minnesota (Hennepin County Welfare Round table Meeting, 1997). In addition to expanding the

knowledge base, disseminating research would make possible the creation of lines of communication about proven employment programs for people with disabilities. Most importantly, future studies will be needed that address quality of life and cost-benefit factors both reliably and validly.

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Appendix A

KCQ, Inc.
201 SOUTH LYNDAL, SUITE A
FAIRBAULT, MN 55021
(507) 334-4347

Study Site Code: E
Year Founded: 1984
Executive Director: Emile Comeaux
Other Locations: None

■ Type of Agency

Nonprofit Day Activity Center; C.A.R.F. accredited.

■ Overview Description of Agency

KCQ, Inc., located in Faribault, Minnesota, provides job placement and supported employment services. A staff of approximately ten full and part-time employees provide counseling, on-site training, and follow-up services. Consumers have been placed into a variety of positions including janitorial, housekeeping, food service, and production work.

■ Employment Related Services

individual supported employment
enclaves

■ Description of Supported Employment Services

In 1984 KCQ, Inc. was chartered to provide supported employment services to individuals with disabilities. This has continued to be the primary focus of this organization to the current date. Supported employment initiatives have been successful with a variety of community employers. Examples include Pizza Hut, Northern States Power, Best Western, Motel 6, and Red Carpet Car Wash. From July 1, 1989 through June 30, 1990 seventy-five consumers were served in the programs which were evaluated. Thirty-two were served in group employment with support and forty-five were served in individual employment with support.

■ Waiting Lists

	<u>services provided (Y/N)</u>	<u>waiting list (Y/N)</u>	<u># of people on list</u>
Habilitation Training	No		
On-Site Employment	Yes	No	
Group Employment with Support	Yes	No	
Individual Employment with Support	Yes	No	
Competitive Employment	Yes	No	

■ Sources of Revenue for Programs Sampled

Subcontract Income
State Revenue
United Way Contribution
SEMIF Grant Income
Other Private Grants
County Revenue

RICE COUNTY DAY ACTIVITY CENTER
21 NORTHEAST 10TH STREET
FAIRBAULT, MN 55021
(507) 334-2231

Study Site Code: D
Year Founded: 1963
Executive Director: Don Benson
Other Locations: None

■ Type of Agency

Nonprofit Day Activity Center; C.A.R.F. accredited.

■ Overview Description of Agency

Rice County Activity Center, located in Faribault, Minnesota, offers specialized training and habilitation services to individuals with mental, physical, and/or emotional disabilities. During the past year approximately forty full and part-time staff were employed. The primary focus of this organization is to provide an array of employment opportunities such as clerical, assembly, custodial, and manufacturing work.

■ Employment Related Services

on-site employment
 group employment
 individual employment
 assessment of clients
 public awareness

■ Description of Supported Employment Services

The agency's desire to expand community integration opportunities to consumers, grant incentives from the government, and issues associated with licensure were the major influences leading to the initiation of supported employment services in May, 1989. During fiscal year 1987, sixty consumers were served in the programs which were evaluated. Fifty-eight were served in habilitation and training; forty-nine were served in on-site employment; thirty-four were served in group employment with support; and two were served in individual employment with support. Some examples of job sites include Super 8 Motels, Minnesota Electric, Faribault Manor Nursing Home, and Outdoor Sports.

■ Waiting Lists

	<u>services provided (Y/N)</u>	<u>waiting list (Y/N)</u>	<u># of people on list</u>
Habilitation Training	Yes	No	
On-Site Employment	Yes	No	
Group Employment with Support	Yes	No	
Individual Employment with Support	Yes	No	
Competitive Employment	Yes	No	

■ Sources of Revenue for Programs Sampled

Subcontract Income
 Private Revenue
 County Purchase of Service - MA and Rice County
 State Revenue
 United Way

RISE, INC.
8406 SUNSET ROAD, N.E.
MINNEAPOLIS, MN 55432
(612) 786-8334

Study Site Code: A
Year Founded: 1971
Executive Director: John Barrett
Other Locations: None

■ Type of Agency

Nonprofit Day Activity Center; C.A.R.F accredited.

■ Overview Description of Agency

Rise, Inc., based in Minneapolis, Minnesota, assists people with physical, mental, emotional, and learning disabilities in achieving the highest level of vocational independence and self-sufficiency possible. Rise employs over one-hundred staff. In excess of 1,500 consumers were served in 1989. Examples of employment/training opportunities which have been available through Rise include packaging, assembly, food service, and housekeeping.

■ Employment Related Services

vocational evaluation
work activity
extended employment
supported employment

■ Description of Supported Employment Services

Rise first began offering supported employment programs in 1977. Hundreds of individuals with disabilities have been served since these programs were initiated. Placements have occurred with a variety of large, mid-sized and small employers. During fiscal year 1989, seventy-four consumers were served in the programs which were evaluated. Eleven were served in on-site employment; fifty-two were served in group employment with support; and seventeen were served in individual employment with support.

■ Waiting Lists

	<u>services provided (Y/N)</u>	<u>waiting list (Y/N)</u>	<u># of people on list</u>
Habilitation Training	Yes	.	
On-Site Employment	Yes	.	
Group Employment with Support	Yes	.	
Individual Employment with Support	Yes	.	
Competitive Employment	Yes	.	

*specific data are not available regarding waiting list size for these programs.

■ Sources of Revenue for Programs Sampled

Subcontract Income
Private Grants
County-Transportation & DAC Support
State-Services for Blind & Evaluation
Medical Assistance & Local Transportation

Appendix D

BENEFITS AND COSTS OF SUPPORTED EMPLOYMENT PER HOUR SUPPORTED EMPLOYMENT WITHIN DAY ACTIVITY CENTERS

	A	B	C	D
1	BENEFITS	RISE	DAC	KCQ
2	INCREASED PRODUCTIVITY			
3	Additional Earned Income	2	2.55	0.95
4	Additional Fringe Benefits	0.22	0.28	0.1
5				
6	REDUCED USE OF ALTERNATIVE PROGRAMS			
7	Costs of Group SE	5.06	8.32	7.2
8				
9	DECREASED GOVERNMENT SUBSIDIES			
10	Reductions in SSI/MA Payments	0	0	0
11				
12	OTHER BENEFITS			
13	Increased Community Integration			
14	Increased Quality of Life			
15	Increased Self Esteem			
16	TOTAL BENEFITS	7.28	11.15	8.25
17	COSTS			
18	COSTS OF AGENCY PROGRAM			
19	Costs of Individual SE	3.74	18.39	2.41
20				
21	TARGETED JOB TAX CREDIT	0.12	0	0.26
22	INCREASED TAXES PAID BY CONSUMER	0	0	0
23	TOTAL COSTS	3.86	18.39	2.67
24				
25	NET BENEFITS	3.42	-7.24	5.58
26				
27	BENEFIT/COST RATIO	1.89	0.61	3.09

