

Table 1. Earnings comparisons and estimated training effects for the national supported work AFDC participants using comparison groups from the PSID and the CPS-SSA*

| Name of comparison group | Comparison group earnings growth 1975-1979 (1) | NSW treatment earnings less comparison group earnings | | NSW treatment earnings less comparison group earnings | | Difference in differences: Difference in earnings growth 1975-1979 | |
|--------------------------|--|---|-----------------|---|-----------------|--|----------------|
| | | Unadjusted (2) | Adjusted† (3) | Unadjusted (4) | Adjusted‡ (5) | Treatments less comparisons Without age (6) | With age (7) |
| NSW Controls | 2,942§ (220) | -17 (122) | -22 (122) | 851 (307) | 861 (306) | 833 (323) | 833 (323) |
| PSID-1‡ | 713 (210) | -6,443 (326) | -4,882 (336) | -3,357 (403) | -2,143 (425) | 3,097 (317) | 2,657 (333) |
| PSID-2 | 1,242 (314) | -1,467 (216) | -1,515 (224) | 1,090 (468) | 870 (484) | 2,568 (473) | 2,392 (481) |
| PSID-3 | 665 (351) | -77 (202) | -100 (208) | 3,057 (532) | 2,915 (543) | 3,145 (557) | 3,020 (563) |
| PSID-4 | 928 (311) | -5,694 (306) | -4,976 (323) | -2,822 (460) | -2,268 (491) | 2,883 (417) | 2,655 (434) |

* The columns above present the estimated training effect for each econometric model and comparison group. The dependent variable is earnings in 1979. Based on the experimental data, an unbiased estimate of the impact of training presented in Column 4 is \$851. The first three columns present the difference between each comparison group's 1975 and 1979 earnings and the difference between the pre-training earnings of each comparison group and the NSW treatments.

† The exogenous variables used in the regression adjusted equations are age, age squared, years of schooling, high school dropout status, and race.

‡ The comparison groups are defined as follows: (i) PSID-1: all female household heads continuously from 1975 through 1979, who were between 20 and 55 years old and did not classify themselves as retired in 1975; (ii) PSID-2: selects from the PSID-1 group all women who received AFDC in 1975; (iii) PSID-3: selects from the PSID-2 all women who were not working when surveyed in 1976; (iv) PSID-4: selects from the PSID-1 group all women with children, none of whom are less than 5 years old.

§ Estimates are in 1982 Dollars. The numbers in parentheses are the standard errors.

Source: Robert J. LaLonde, "Evaluating the Econometric Evaluations of Training Programs with Experimental Data", Industrial Relations Section, Princeton University, Working Paper No. 183, November 1984.