

Case 45

Manpower Demonstration Research Corporation

Ford Foundation, 1974

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Background. The Great Society reforms of the 1960s tackled such social ills as poverty and homelessness head on. In so doing, President Lyndon Johnson's programs strengthened dramatically the social safety net in the United States, but their efficacy was difficult to establish. Liberals tended to exaggerate their usefulness, while conservatives derided them as reckless giveaways that caused more harm than good. In 1974, the Ford Foundation, in partnership with six government agencies, created an intermediary institution intended to enhance social innovation in the U.S. by designing experiments, and, more importantly, measuring and documenting meticulously the results achieved by new efforts to improve the lot of the American underclass.

Strategy. The Manpower Demonstration Research Corporation (MDRC) would use foundation as well as government dollars to test new social assistance programs. One of the earliest of these was, for example, an expansion of the promising Wildcat project of the Vera Institute of Justice, another Ford creation, and the subject of a separate case study in this volume. Wildcat was a training program that sought to rehabilitate former drug offenders into the workforce. Its results over a two-year period in New York City had shown potential, and MDRC evaluated it in thirteen different communities around the nation. Using sophisticated measurement techniques, MDRC was to document whether the program was really scalable, or whether it was just another entitlement program into which the government could sink tax dollars. Similarly, MDRC in the early 1980s conducted a major study of the Carter administration's \$240 million Youth Incentive Entitlement Project, a government-subsidized job creation pilot program. The value added by MDRC was in the evaluation and documentation of impact. MDRC also tested out its own demonstrations, such as a project in 1984 working with recent high school dropouts to encourage them to continue their education. The program employed two different strategies at four sites, in an attempt "to find out which model [worked] more effectively with hard-to-reach youth."⁹⁹⁹ The Ford Foundation provided ongoing financial and technical support to MDRC, both for general operating expenses and specific initiatives.

Outcomes. With this investment, MDRC was able to leverage major support from federal, state, and local governments. The U.S. Department of Housing and Urban Development, for instance, committed \$20.2 million in 1979 "for [the] development of tenant managed public housing in response to a \$600,000 commitment by the Ford Foundation."¹⁰⁰⁰ As the federal government shifted much of the impetus for public assistance to the states in the early 1980s, more and more states created site-specific welfare to work projects with the help of MDRC. In 1982, for example, the Ford Foundation gave the Corporation over \$2 million for the purpose of conducting such demonstrations.

These experiments did not all work as their proponents had intended. By 1980, it was apparent that the National Supported Work Demonstration project, which had been "one of [the] most extensive social experiments ever conducted in the U.S.," had shown only "limited success."¹⁰⁰¹ But MDRC could establish its credibility to point out worthy social investments only if it was also able to discredit flawed attempts. By introducing controlled, scientific data collection into social relief and reform efforts, MDRC helped the good programs to stand out all the more clearly. Indeed, the effective programs have been aided by MDRC's commitment to spreading the knowledge it gathers to the public and to relevant policymakers.¹⁰⁰² The Family Support Act of 1988 passed Congress on the strength of MDRC's "evaluations of the state efforts."¹⁰⁰³

The range of projects MDRC has pioneered or studied in its thirty-year history is too great for all to be considered here. It continues to apply rigorous evaluation techniques to innovative programs at the local, state, and federal level. Some half million people have participated directly in MDRC research over the years. The Ford Foundation continues to support its creation, and many other foundations have joined in. Today, MDRC has an annual budget of approximately \$32 million, about 39 percent of which comes from foundations and corporations.

Impact. Over seventy foundations have given funds to MDRC. But it would never have come into being without the Ford Foundation, which recognizes that its support of the Corporation has been well invested. The development of the Manpower Demonstration Research Corporation is an example of Ford creating an institution from the ground up, with both core and project support, followed up by endowment support to secure the institution's future. According to Susan Berresford, the Foundation's president, "[s]ometimes we are privileged to be part of something that succeeds beyond our wildest dreams. MDRC, a widely respected and effective social policy research organization, is one of these special success stories."⁷⁰⁴

Notes

699. Ford Foundation, *Annual Report*, 1984.

700. Richard Magat, *The Ford Foundation at Work: Philanthropic Choices, Methods, and Styles* (Plenum Press: New York, 1979).

701. William Serrin, Information Bank Abstracts, *New York Times*, 2/28/1980.

702. Congressman Clay Shaw, Jr. (D-FL) says, for instance, "In an area often dominated by politics and emotion, MDRC is a beacon of rigorous research and reliable analysis," available from <http://www.mdrc.org>.

703. Ford Foundation, *Annual Report*, 1989.

704. Available from <http://www.mdrc.org>.