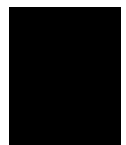


AN ASSESSMENT OF WORKFIRST POST-EMPLOYMENT SERVICES

**Steve Lerch, Ph.D.
Jim Mayfield**

June 2001



***Washington State
Institute for
Public Policy***

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Prepared under contract for the
Joint Legislative Audit and Review Committee

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CONTENTS

<i>Executive Summary</i>	<i>i</i>
<i>Introduction</i>	<i>1</i>
Key Findings.....	1
Approach.....	1
<i>Overview of Post-Employment Services</i>	<i>3</i>
WorkFirst Post-Employment Services	3
Employed WorkFirst Clients	4
The Impact of Post-Employment Services.....	5
<i>Outcomes Attributable to Post-Employment Services</i>	<i>7</i>
<i>Costs of Supporting WorkFirst Clients</i>	<i>11</i>
<i>Appendix A: Methodology for Outcomes Analysis</i>	<i>13</i>
<i>Appendix B: Post-Employment Services</i>	<i>15</i>
<i>Appendix C: WorkFirst Improves Employment Outcomes</i>	<i>17</i>
<i>Appendix D: Outcomes Examined and Supporting Tables</i>	<i>19</i>
<i>Appendix E: Expenditures Examined</i>	<i>23</i>

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EXECUTIVE SUMMARY

Since its enactment in 1997, WorkFirst has changed the nature of income assistance in Washington, replacing the Aid to Families with Dependent Children (AFDC) entitlement program. WorkFirst clients are required to participate in employment, job search, or other approved activities and face lifetime limits on welfare receipt.

WorkFirst provides post-employment services to help clients stay employed and achieve higher earnings. This report analyzes one-year employment outcomes associated with post-employment services. WorkFirst clients who were employed and either did or did not receive post-employment services in July, August, or September 1999 were followed from October 1999 through September 2000. Program costs associated with keeping clients employed are also summarized.

Key Findings

Clients who worked each quarter—including part-time—had an average of \$12,522 in earnings during the one-year follow-up. Employed WorkFirst clients receiving post-employment services are more likely to stay employed, have higher earnings, and work more hours.

- ❑ Clients who received post-employment services were 6.7 percent more likely to stay employed, earned \$247 more per quarter, and worked 18 more hours per quarter than clients who did not receive post-employment services.
- ❑ A more intensive and proactive model of post-employment services used in Spokane enrolled clients into post-employment services at a higher rate than the rest of the state.
- ❑ Those with post-employment services in Spokane had significantly better employment outcomes than clients in Spokane who did not receive post-employment services. However, the impact of post-employment services provided in Spokane was not significantly different from the impact of services offered elsewhere in the state.
- ❑ When providing post-employment services, WorkFirst agencies did not focus solely on clients who were more likely to have better employment outcomes. On average, clients who received post-employment services were more disadvantaged¹ at the time they received services than clients who did not receive services.
- ❑ It cost about as much (\$10,972 per year) to support a WorkFirst client—with or without post-employment services—who worked four quarters out of the year as it did to support a client who did not work (\$10,904).

¹ Disadvantaged clients are clients with less work experience, less education, a young child, or other characteristics that cause them to be less likely to be employed.

This report is part of an evaluation of WorkFirst mandated by the Washington State Legislature. The Joint Legislative Audit and Review Committee (JLARC) and the Washington State Institute for Public Policy (Institute) are collaboratively assessing “the success of the program in assisting clients to become employed and to reduce their use of temporary assistance for needy families” (RCW 44.28.155).

INTRODUCTION

This report provides a detailed analysis of employment outcomes associated with WorkFirst post-employment services. Clients who were employed and either did or did not receive post-employment services in July, August, or September 1999 were followed from October 1999 through September 2000. The report also summarizes program costs associated with keeping clients employed.

Key Findings

WorkFirst clients who worked each quarter—including part-time—had an average of \$12,522 in earnings during the one-year follow-up.

- ❑ Statewide, employed WorkFirst clients were more likely to stay employed, had higher earnings, and worked more hours over the year following post-employment services than clients who did not receive post-employment services.
- ❑ The more intensive model of post-employment services used in Spokane enrolled clients into beneficial post-employment services at a higher rate than the rest of the state.
- ❑ The effect of Spokane post-employment services was positive, but not significantly different from the rest of the state.
- ❑ When providing post-employment services, WorkFirst agencies did not focus solely on clients who were more likely to have better employment outcomes.
- ❑ It cost about as much to support a WorkFirst client—with or without post-employment services—who worked in every quarter of the year as it did to support a client who did not work.

Approach

These findings are based on a statistical comparison of two groups of employed WorkFirst clients. One group consists of adult female clients who were employed and who received post-employment services during July, August, or September 1999.² The other group includes adult female clients who were employed but did not receive post-employment services during the same period. The employment outcomes of the two groups are compared over the following year. A brief description of the methods used in this analysis is provided in Appendix A.

² Because women comprise the majority of the adult WorkFirst caseload, this report focuses only on the employment outcomes of female WorkFirst clients 20 years of age and older.

OVERVIEW OF POST-EMPLOYMENT SERVICES

WorkFirst Post-Employment Services³

Once WorkFirst clients become employed, the WorkFirst program provides post-employment services intended to help them remain employed and increase their earnings. These services are as diverse as client needs and include such things as:

- ❑ Information and referral;
- ❑ Assistance with adapting to the workplace;
- ❑ Child care subsidies;
- ❑ Transportation assistance;
- ❑ Clothing purchases; and
- ❑ Specialized training in a technical or community college.

Post-employment services are also available to employed clients who leave the caseload. This report focuses on the experiences of clients who were employed in July, August, or September 1999, some of whom received post-employment services. Appendix B provides a more detailed definition of post-employment services.

Participation in Post-Employment Services. Participation in post-employment services is voluntary. The voluntary nature of these services and their gradual implementation contributed to relatively low enrollment rates during early stages of the WorkFirst program.⁴ The low number of participants early in the program limited the length of the follow-up period over which post-employment services impacts could be evaluated. This analysis examined the employment outcomes of clients who received post-employment services during July, August, or September 1999 (see Exhibit 1) and compared them with outcomes of similar clients who did not receive such services during the same period.

³ A more detailed examination of the implementation of WorkFirst post-employment services is provided in *WorkFirst Evaluation Phase III Post-Employment Services*, Report 00-4 (Olympia, WA: Joint Legislative Audit and Review Committee, June 28, 2000).

⁴ Less than 2 percent of WorkFirst clients were coded as receiving post-employment services during the period from July, August, or September 1998, one year after WorkFirst began. From July, August, or September 1999, the period when services are examined in this study, over 8 percent of clients received post-employment services.

Exhibit 1
Employed Clients With Post-Employment Services*
July, August, or September 1999

	STATEWIDE (EXCLUDING SPOKANE)	SPOKANE	TOTAL
EMPLOYED	14,326	1,858	16,184
EMPLOYED WITH POST-EMPLOYMENT SERVICES	1,914	318	2,232
POST-EMPLOYMENT SERVICES RATE	13.4%	17.1%	13.8%

*Clients with multiple services are counted only once. Does not include unemployed follow-up clients, duplicated services, or codes associated with "Loss of Contact."

Spokane Local Planning Area Post-Employment Services Model. During 1999, Spokane provided its own version of post-employment services. The Spokane Employment Security Department (ESD) Post-Employment Team, under contract with the Department of Social and Health Services (DSHS), offered a more intensive and pro-active version of WorkFirst post-employment services that emphasized early contact with employed clients and employers and consistently enrolled a larger fraction of WorkFirst clients into the program compared with other parts of the state (see Exhibit 1 and Appendix B).

Since the period studied for this analysis, post-employment services have grown in terms of enrollment rates and types of services provided. For instance, WorkFirst has implemented the statewide Job Success Coach program based partly on the Spokane model of post-employment services. The program focuses on clients deemed most likely to have problems maintaining employment, communicates with clients early in the job-hunting process, encourages the use of participation in a client's individual responsibility plan,⁵ and makes services available for two years after a client leaves the caseload.⁶

Employed WorkFirst Clients

This analysis builds on previous work by examining the employment outcomes associated with WorkFirst post-employment services. (See Appendix C for a review of previous analyses.)

The employment outcomes of all employed WorkFirst clients were examined. Of the 35,200 adult female clients on the caseload in June 1999, 16,184 worked in the following quarter—

⁵ The client's individual responsibility plan (IRP) is created by a case manager when the client first enters WorkFirst and is updated when the client's circumstances or progress change. The Job Success Coach program uses the IRP to identify long-term employment goals.

⁶ The Job Success Coach program is the subject of an ESD evaluation scheduled for completion in 2004.

July, August, or September 1999.⁷ The employment outcomes of these clients were followed for one year beginning October 1999.⁸ Employment outcomes examined are presented in more detail in Appendix D.

During the one-year follow-up of 16,184 employed WorkFirst clients...

- ❑ 73 percent were employed in any given quarter.
- ❑ Employed clients earned \$2,692 per quarter.
- ❑ Employed clients worked 314 hours per quarter.
- ❑ Half of the employed clients earned \$7.67 or more per hour.
- ❑ 25 percent of employed clients worked full-time.
- ❑ 51 percent were continuously employed (6 percent full-time).
- ❑ 9 percent were continuously unemployed.
- ❑ 23 percent had multiple employers.

Of the clients described above, some received post-employment services and others did not. The following analysis examines what impacts, if any, may be attributed to WorkFirst post-employment services.

The Impact of Post-Employment Services

After accounting for differences in client characteristics and economic conditions, post-employment services have a statistically significant impact on the key employment outcomes over the follow-up year:

- ❑ Clients who received post-employment services had higher rates of employment, higher quarterly earnings, and worked more hours each quarter.
- ❑ The impact of post-employment services provided in Spokane were positive but not significantly different from the average impact of post-employment services offered elsewhere in the state.
- ❑ Spokane enrolled clients into post-employment services at a higher rate than the rest of the state.
- ❑ On average, clients who received post-employment services were more disadvantaged⁹ at the time they received services than persons who did not receive post-employment services.

⁷ *On the caseload* means the client received a Temporary Assistance for Needy Families (TANF) grant for June 1999.

⁸ A “buffer” of one quarter (July, August, and September 1999) was used to identify clients who were employed and enrolled in post-employment services before beginning the one-year follow-up period.

⁹ Disadvantaged clients are clients with less work experience, less education, a young child, or other characteristics that cause them to be less likely to be employed.

Average Outcomes With and Without Post-Employment Services. Within the group of employed clients, 2,232 were identified as receiving post-employment services during the July through September 1999 period. A comparison of the one-year employment outcomes of clients with and without post-employment services during the follow-up period is presented in Exhibit 2. Post-employment services provided in the quarter preceding the follow-up year are associated with better employment outcomes over the year.

Exhibit 2
**Quarterly Employment Outcomes Over a One-Year Follow-up:
 With and Without Post-Employment Services**

EMPLOYMENT STATUS	WITHOUT POST- EMPLOYMENT SERVICES (N=13,952)	WITH POST- EMPLOYMENT SERVICES (N=2,232)
PERCENT EMPLOYED	72%	79%
OF THOSE CLIENTS EMPLOYED DURING THE QUARTER:		
AVERAGE EARNINGS	\$2,664	\$2,870
AVERAGE HOURS WORKED	311	326

The regression analysis used to estimate the impact of post-employment services uses a 75 percent sample of clients. The average earnings and hours reported here are based on that sample but are not significantly different than the population means.

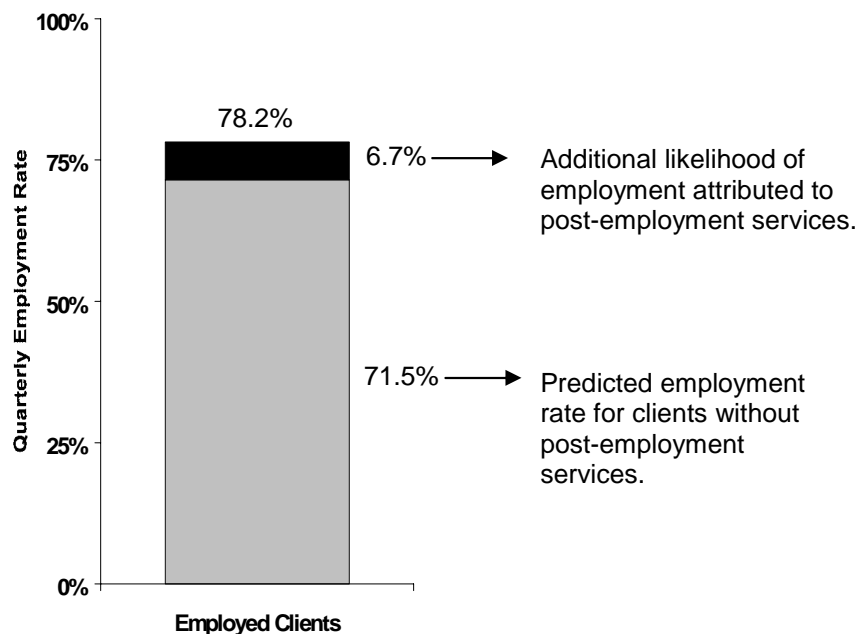
OUTCOMES ATTRIBUTABLE TO POST-EMPLOYMENT SERVICES

As shown in Exhibit 2, clients who received post-employment services earned an average of \$206 more per quarter than clients who did not receive these services. However, factors other than post-employment services may account for this difference. Regression models were developed to examine the impact of post-employment services on the likelihood of being employed, earnings, and hours worked.

To estimate the impact of post-employment services on employment, earnings, and hours worked, we examined these outcomes after controlling for client characteristics and other influential factors. After doing so, we were able to say what impacts, if any, may be attributed to post-employment services (see Exhibits 3–5.)

Employment. Clients who received post-employment services were almost 7 percent more likely to stay employed than clients who did not receive services (see Exhibit 3)¹⁰.

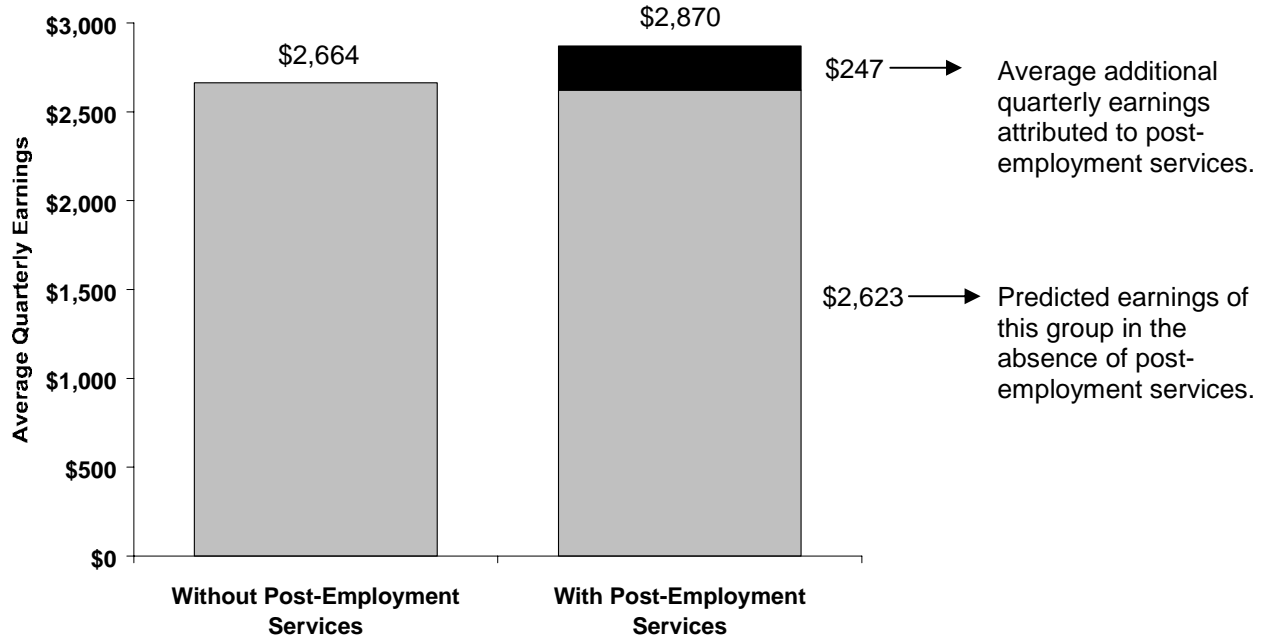
Exhibit 3
Increases Attributed to Post-Employment Services



¹⁰ The percentages in Exhibit 3 do not correspond exactly with those shown in Exhibit 2 because they are based on statistically adjusted employment rates of all clients who were employed in July, August, or September 1999.

Earnings. Clients who received post-employment services had an average of \$247 more in earnings per quarter than they would have had if they had not participated in post-employment services (see Exhibit 4). The statistically adjusted estimate exceeds the unadjusted difference in earnings (\$206) derived from Exhibit 2. Therefore, clients with post-employment services were more disadvantaged at the time they received these services than clients without post-employment services.¹¹

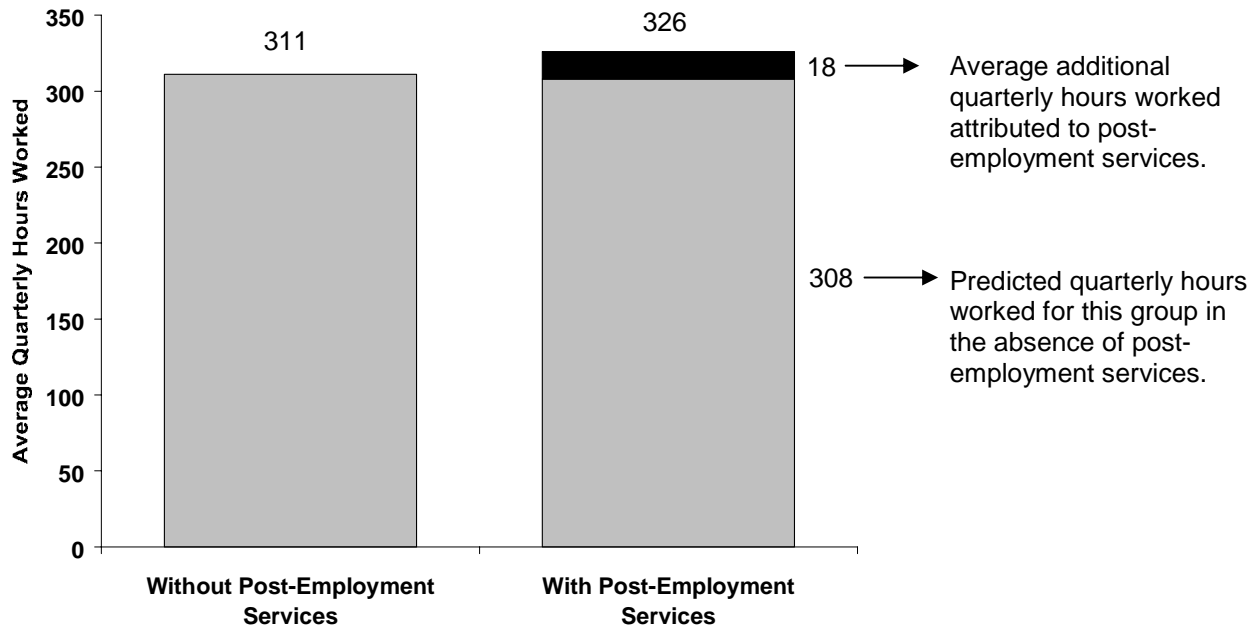
Exhibit 4
Increase in Earnings Attributed to Post-Employment Services



¹¹ Disadvantaged in terms of individual characteristics and local economic conditions.

Hours Worked. Clients who received post-employment services worked 18 more hours per quarter than they would have had they not participated in post-employment services. As was true for the earnings estimate, the statistically adjusted impact of post-employment services on hours exceeds the unadjusted difference (15 hours) indicated in Exhibit 2. Recipients of post-employment services were, on average, more disadvantaged than persons who did not receive post-employment services.

Exhibit 5
Increase in Hours Attributed to Post-Employment Services



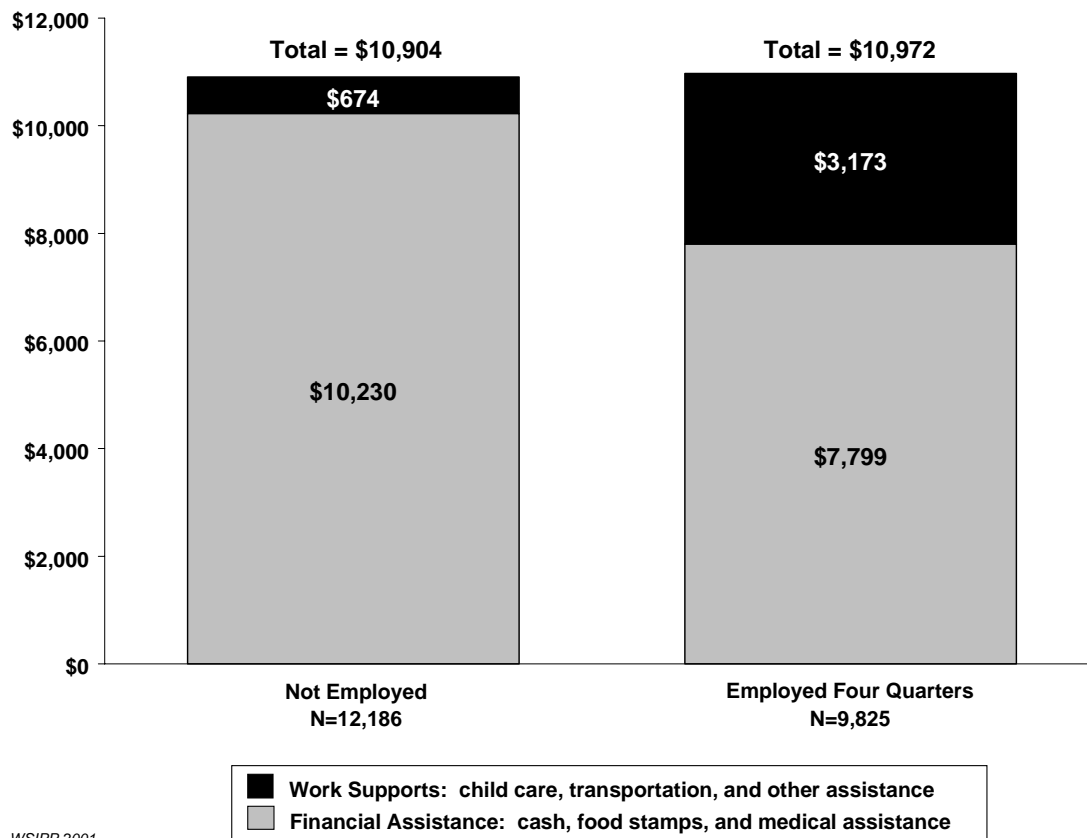
The Impact of Spokane Post-Employment Services. Employed clients in the Spokane Local Planning Area were examined to determine if the services offered under the Spokane post-employment services model had different effects than post-employment services offered elsewhere in the state.¹² After controlling for local economic conditions and differences in client characteristics, for an average client, post-employment services offered in Spokane were no more or less effective than the services provided throughout the rest of the state. However, an employed client in the Spokane Local Planning Area was more likely to be enrolled in these services than were clients elsewhere in the state (see Exhibit 1).

¹² A comparison of the employment outcomes of Spokane clients with and without post-employment services is provided in Exhibit D-3 in Appendix D.

COSTS OF SUPPORTING WORKFIRST CLIENTS

A comparison of annual expenditures on recent WorkFirst clients who worked all four quarters during the one-year follow-up with those who did not work reveals negligible differences in the total cost of financial assistance and work supports provided by the public. When compared with clients who did not work (see Exhibit 6), clients working all four quarters over the follow-up year had lower financial assistance costs but incurred higher costs in child care and other publicly paid work expenses.

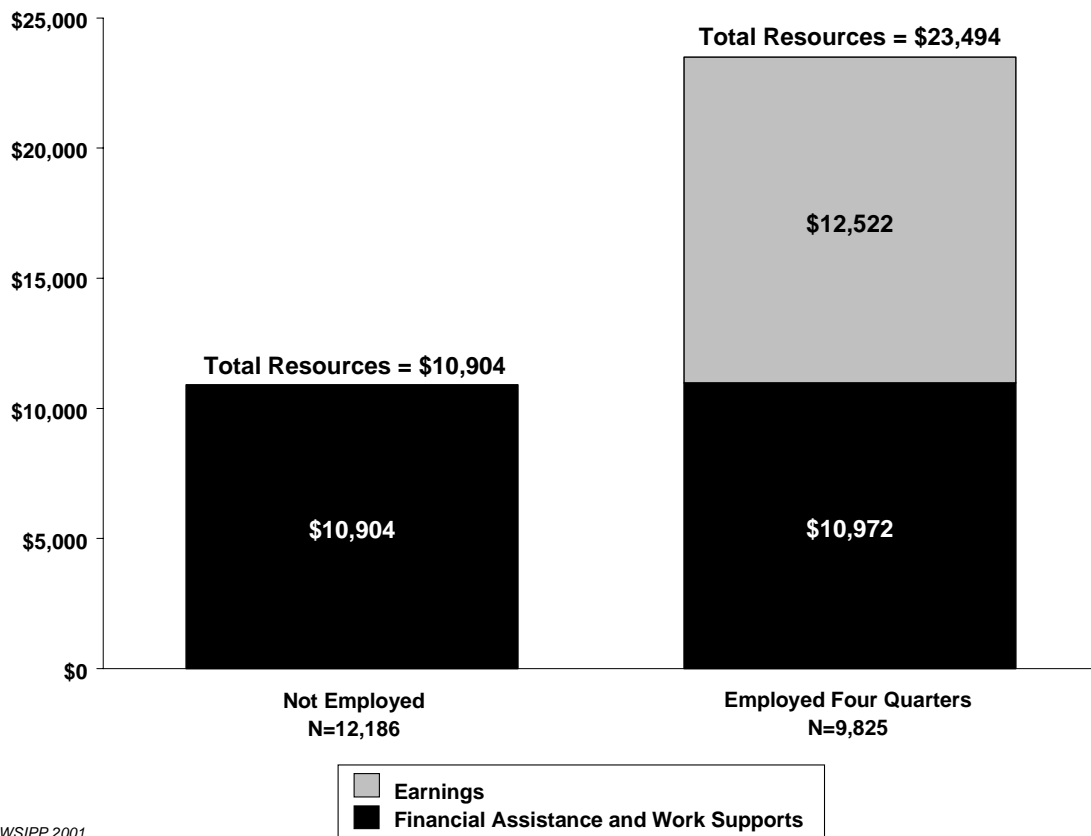
Exhibit 6
Annual Per-Client Costs for Employed and Unemployed Clients
 October 1999 through September 2000



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Working and non-working clients receive similar amounts of public resources. However, clients who worked at least part of every quarter during the follow-up period had higher total resources than clients who did not work. Clients who worked each quarter earned an average income of \$12,522 over the entire year.¹³ This income, when combined with financial assistance and work supports, more than doubles the resources available to WorkFirst clients (see Exhibit 7).

Exhibit 7
Total Resources: Earnings, Financial Assistance, and Work Supports
of Working and Non-Working WorkFirst Clients¹⁴



Definitions of the costs included in this summary and cost details are provided in Appendix E. Agency administrative costs are not included in this analysis.

¹³ The \$12,522 average includes incomes of clients employed part-time or intermittently in any given quarter. About 1,000 clients who worked full-time throughout the year earned over \$20,000 on average.

¹⁴ Does not include the Earned Income Tax Credit. A description of all resources included in the analysis is provided in Appendix E.

APPENDIX A: METHODOLOGY FOR OUTCOMES ANALYSIS

The statewide implementation of the WorkFirst program ruled out an experimental (random assignment) design for analyzing the impact of post-employment services. Multivariate statistical techniques were employed to compensate for the lack of experimental data. Statistical models were developed to estimate employment rates, earnings, and hours worked of WorkFirst clients while accounting for client characteristics, local economic conditions, and program participation.

Statistical Controls. The analysis controlled for a variety of factors so that the employment impacts estimated for post-employment services did not simply reflect the effects attributable to client characteristics or the local economy. The analysis accounted for such things as client demographic characteristics (e.g., age and education level), household composition (family size and age of youngest child), local economic conditions (county unemployment rate), and client welfare and employment history.

Selection Bias. Despite accounting for factors mentioned above, it was possible that clients who participated in post-employment services did not reflect the average WorkFirst recipient. Therefore, the analysis used an additional statistical adjustment to correct for any potential selection bias associated with being included in the study population. A similar adjustment was used to account for a client's decision to participate in the labor force in each of the four follow-up quarters.

Study Population and Data. The Automated Client Eligibility System (ACES) was used to identify adult female welfare recipients, age 20 or older, who began the WorkFirst program between August 1997 and September 1999. ACES also provided data on client demographics, family composition, and welfare history. These records were matched with two other administrative information systems: (1) the JOBS Automated System (JAS) provided information on participation in post-employment services and additional demographic data, and (2) the Unemployment Insurance (UI) wage file provided information on quarterly earnings and quarterly hours worked.

The study population is limited to persons who were both on the WorkFirst caseload in June 1999 and working during the third quarter (July, August, or September) of 1999. The most recent available UI data covered employment activity during the third quarter of 2000. Therefore, by selecting clients who received or were eligible to receive post-employment services in the third quarter of 1999, it was possible to analyze outcomes over a complete one-year follow-up period (fourth quarter 1999 through third quarter 2000). Because post-employment services were available only to WorkFirst clients who were working, the design of the study group ensured that it included all persons who received post-employment services during the third quarter 1999 as well as those who were eligible for but did not receive such services.

APPENDIX B: POST-EMPLOYMENT SERVICES

WorkFirst Post-Employment Services

This report focuses on clients who received post-employment services in July, August, or September 1999. At that time, post-employment services were divided into two components, Job Retention and Wage Progression.

Job Retention services are intended to help clients stay employed. Work skills training, child care, transportation services, and working with an employer to forestall a firing are examples of Job Retention services. WorkFirst case managers may link clients directly to Job Retention services or refer them to contractors who report to the Department of Social and Health Services (DSHS).

Wage Progression services are intended to help clients improve skills and increase wages. The Employment Security Department's Washington Post-Employment Labor Exchange (WPLEX) call center contacts employed WorkFirst clients (who are working 20 or more hours per week) and informs them of wage progression services available to them, such as assessment and referrals to training opportunities and higher-paying jobs. Clients are called again over specified follow-up intervals.

WPLEX also reminds clients of their eligibility for child care and transportation assistance, food stamps, Medicaid, the Earned Income Tax Credit, and other services and incentives to help clients stay employed. Clients contacted by WPLEX who indicate they are having employment difficulties may also be referred to DSHS case managers.

It is important to note that during the summer of 2000, WorkFirst eliminated the division between Job Retention and Wage Progression services. However, the conclusions in this report reflect the services as they existed prior to these announced changes.

Characterizing Post-Employment Services for This Analysis. For the purpose of this outcomes analysis, Job Retention and Wage Progression services are referred to uniformly as post-employment services. At a minimum, clients coded as receiving post-employment services had at least one recorded contact with a WorkFirst agency or a contractor. While some clients may have received more intensive post-employment services than others, we could not identify from administrative data who these clients were.

Spokane Post-Employment Services Model¹⁵

During the period analyzed, the Spokane Local Planning Area's¹⁶ approach to post-employment services differed from the rest of the state. It focused on early contact with clients and greater involvement of local employers. Spokane initiated the program to provide specialized post-employment services to WorkFirst clients and employers and

¹⁵ *WorkFirst Evaluation Phase III Post-Employment Services*, Report 00-4 (Olympia, WA: Joint Legislative Audit and Review Committee, June 28, 2000), 7.

¹⁶ The Spokane Local Planning Area included Spokane County and parts of Lincoln County.

consistently enrolled the highest percentage of WorkFirst clients in post-employment services.

The Spokane Job Service Center of the Employment Security Department formed a Post-Employment Team under contract with the Department of Social and Health Services to provide an array of post-employment services. The team worked to engage clients in services before they became employed. The team also attempted to tailor services to both the clients and the employer. Activities included the following:

- ❑ Staff worked closely with case managers to receive client referrals.
- ❑ Staff attended the ESD Job Search workshop twice: first to introduce themselves and their services to the clients and later to recruit clients for services.
- ❑ Staff contacted clients who did not attend the workshop.
- ❑ Once a client obtained a job, employers received a letter informing them of post-employment services, availability of on-the-job training programs, and education and training provided by Spokane Community College.
- ❑ Employers were informed that they could be reimbursed up to 50 percent of the client's wages while the client was participating in on-the-job training and that they could receive a federal tax credit.
- ❑ Post-employment specialists visited the job site to check with both the employee and the employer on progress, issues, and needs. These visits provided opportunities to resolve conflict before it resulted in job loss and supported the relationship between the employer and the employee.
- ❑ Staff attempted to work closely with employers and market post-employment services through the Spokane Chamber of Commerce.

Spokane employers spoke highly of the value of retention services to both the employer and to the employees.

APPENDIX C: WORKFIRST IMPROVES EMPLOYMENT OUTCOMES

Prior to examining the impact of post-employment services, it is useful to summarize previous research on employment outcomes conducted as part of the JLARC WorkFirst evaluation. The Institute compared WorkFirst with the previous welfare program, Aid to Families with Dependent Children (AFDC), evaluated the effectiveness of WorkFirst Job Search services in helping clients find work, and determined if the caseload is becoming harder to employ. All three analyses indicate that, after accounting for changes in economic conditions and client characteristics, WorkFirst has been successful in achieving its employment goals.

WorkFirst Outperforms AFDC.¹⁷ Within the first year of the program, WorkFirst clients experienced improved employment outcomes compared with clients in AFDC. In an analysis that accounted for changes in economic conditions and other factors, WorkFirst clients showed improvements in employment rates, earnings, and hours worked.

- ❑ *Employment:* WorkFirst clients were 56 percent more likely to be employed;
- ❑ *Earnings:* an average of \$263 more in quarterly earnings per client was attributed to WorkFirst; and
- ❑ *Hours Worked:* an average of 23 more hours worked each quarter per client was attributed to WorkFirst.

WorkFirst Helps Inexperienced Clients Find Work.¹⁸ Job Search, one of the key elements of WorkFirst, is aimed at getting clients employed. Whether they are new to welfare or returning to the caseload, all able-bodied clients working less than 20 hours per week are required to participate in Job Search, which may also include a formal workshop on how to find a job. Job Search has been more effective for some WorkFirst clients than for others.

- ❑ Job Search increases employment rates for clients without recent work experience.
- ❑ Job Search has limited impacts on clients with recent work experience, although it helps some find better-paying jobs.

WorkFirst Increases Valuable Work Experience.¹⁹ To answer the question, “Are WorkFirst clients becoming harder to employ,” the Institute tracked changes in key characteristics that affect employability: presence of a young child, lack of work experience, less than a high school education, and limited English-speaking ability.

¹⁷ Steve Lerch and Jim Mayfield, *Welfare and Employment Outcomes of the WorkFirst Program* (Olympia, WA: Washington State Institute for Public Policy, December 1999).

¹⁸ Steve Lerch, Jim Mayfield, and Mason Burley, *Evaluating WorkFirst: Analyses of Cost-Effectiveness, Barriers to Employment, and Job Search Services* (Olympia, WA: Washington State Institute for Public Policy, June 2000).

¹⁹ Ibid.

- From August 1997 to February 2000, the caseload experienced modest increases in the proportion of clients with a young child, less than a high school education, and limited English-speaking ability. However, there was a substantial increase in the proportion of clients with recent work experience.
- The positive impacts of recent work experience gained in the WorkFirst program tended to offset the increases in other barriers to employment. Therefore, on average, WorkFirst clients were no harder to employ in February 2000 than in August 1997.

APPENDIX D: OUTCOMES EXAMINED AND SUPPORTING TABLES

Employment Outcomes Examined

A number of employment outcomes calculated over the follow-up year (October 1999 through September 2000) are summarized in this report. The outcomes are defined as follows:

Key Outcomes for which statistically adjusted impacts are attributable to post-employment impacts:

- ❑ **Employment:** Clients with any earnings during a calendar quarter were considered employed.
- ❑ **Earnings:** The average quarterly earnings (from employment) averaged over the follow-up year. The average does not include zero earnings of unemployed clients. Earnings are expressed in inflation-adjusted 1999 dollars.
- ❑ **Hours worked:** The average hours worked per quarter calculated over the follow-up year. The average does not include the zero hours of unemployed clients.

Other Outcomes which are provided for descriptive purposes only:

- ❑ **Hourly wages:** An hourly wage calculated from quarterly earnings and quarterly hours worked. The hourly wage reported is the median; i.e., half of the employed clients earn that wage rate or more. Wages are expressed in inflation-adjusted 1999 dollars.
- ❑ **Working full-time:** Of the clients who are employed, those who work 35 or more hours a week, based on total hours worked in the quarter.²⁰
- ❑ **Continuously employed:** Clients are considered continuously employed if they are employed in every quarter of the follow-up year. This includes clients working full-time, part-time, and working on and off within a single quarter.
- ❑ **Intermittent employment:** Any employment during the follow-up year with at least one full intervening quarter of unemployment.
- ❑ **Continuously unemployed:** Clients who do not work in any quarter during the follow-up year.
- ❑ **Multiple employers:** Clients with more than one employer in any given quarter are described as having multiple employers. Due to the nature of the employment data, we cannot tell if a client has two or more employers at the same time or two or more employers at different times during the quarter. It is not assumed that having multiple employers is a positive or negative employment outcome.

²⁰ Because we are limited to quarterly employment data, we cannot, for example, distinguish between clients who work 35 hours a week for 4 weeks and those who work 40 hours a week for 3.5 weeks.

Exhibit D-1

**Quarterly Employment Outcomes Over a One-Year Follow-up Period:
Clients Employed Third Quarter 1999**

EMPLOYMENT STATUS	CLIENTS EMPLOYED THIRD QUARTER 1999 (N=16,184)
PERCENT EMPLOYED	73%
OF THOSE CLIENTS EMPLOYED DURING THE QUARTER:	
AVERAGE EARNINGS	\$2,692
AVERAGE HOURS WORKED	314
MEDIAN WAGE	\$7.67
PERCENT WORKING FULL-TIME	25%
PERCENT WITH MULTIPLE EMPLOYERS	23%

Exhibit D-2

**Other Employment Outcomes Over a One-Year Follow-up:
Employed WorkFirst Clients**

EMPLOYMENT OUTCOMES OVER THE ONE-YEAR FOLLOW-UP PERIOD	CLIENTS EMPLOYED THIRD QUARTER 1999 (N=16,184)
AVERAGE NUMBER OF QUARTERS EMPLOYED	2.9
PERCENT OF CLIENTS WITH...	
CONTINUOUS FULL-TIME EMPLOYMENT	5%
CONTINUOUS EMPLOYMENT OTHER THAN FULL-TIME	43%
INTERMITTENT EMPLOYMENT	37%
CONTINUOUS UNEMPLOYMENT	9%
DURING LAST QUARTER, PERCENT OF CLIENTS...	
WORKING FULL-TIME	19%
WORKING OTHER THAN FULL-TIME	49%
UNEMPLOYED	32%

Exhibit D-3

**Spokane: Quarterly Employment Outcomes Over a One-Year Follow-up:
With and Without Post-Employment Services**

EMPLOYMENT STATUS	WITHOUT POST- EMPLOYMENT SERVICES (N=1,540)	WITH POST- EMPLOYMENT SERVICES (N=318)
PERCENT EMPLOYED	78%	81%
OF THOSE CLIENTS EMPLOYED DURING THE QUARTER:		
AVERAGE EARNINGS	\$2,553	\$2,708
AVERAGE HOURS WORKED	313	332

APPENDIX E: EXPENDITURES EXAMINED

The costs examined for this analysis are welfare-related government expenditures over the follow-up period for clients who were on the caseload in June 1999.²¹ Expenditures span two categories: financial assistance and work supports.

Financial Assistance. Three sources of financial assistance are considered in this analysis:

- ❑ *Cash Grants:* The cash grant expenditure is the total dollar amount of welfare benefits paid to the case during the year. Clients are not necessarily on the welfare caseload during the entire follow-up period.
- ❑ *Food Stamps:* The food stamp expenditure is the total dollar amount awarded to the case during the year, including food stamps clients may continue to receive after they stop receiving a cash grant.
- ❑ *Medical Assistance:* The medical expenditure is the total cost of the case during the year, including any medical assistance provided to clients after they stop receiving a cash grant.²²

Work Supports. Work support costs are direct payments to clients or vendors for goods and services that help clients stay employed.²³ Work supports are provided to clients on welfare and, for a period of time, to those who leave the caseload. These services can be organized into seven categories:

- ❑ *Child Care:* cash payments for licensed and unlicensed child care.
- ❑ *Education:* tuition, fees, and supplies for approved vocational and academic programs (including GED and ESL).
- ❑ *Personal:* purchase of clothing, haircuts, and other personal goods or services.
- ❑ *Transportation:* bus passes, automobile repairs, reimbursement of fuel expenses, and other transportation assistance.
- ❑ *Wage Subsidy:* state-supported employment.
- ❑ *Work Readiness:* fees for licensing, certification, testing, uniforms, and other goods and services.
- ❑ *Other Services:* expenditures on items such as job skills assessment, counseling, and relocation.

²¹ Costs attributed to welfare and work supports are based on records of actual expenses recorded for each client. All expenditures are in constant 1999 dollars.

²² Medical assistance expenditures are based on DSHS blue book per-person averages for TANF, average family size, and months eligible over the follow-up period.

²³ Clients who do not work also receive support services to help them find a job or prepare for work.

Costs Not Included in the Analysis. This analysis does not include social costs²⁴ or other public expenditures that may be associated with employed and unemployed WorkFirst clients. The following are examples of public expenditures that are not included:

- ❑ Agency-provided WorkFirst services and overhead;
- ❑ Medical, child care, and other assistance used to divert eligible clients from welfare;
- ❑ General Assistance or Supplemental Security Income;
- ❑ The cost of services provided by other divisions within DSHS and other agencies, such as mental health care, substance abuse treatment, child protective services, state-funded student financial aid, or vocational rehabilitation;
- ❑ United States Department of Labor's Welfare-to-Work program; and
- ❑ Earned Income Tax Credit (EITC).

Exhibit E-1
**Annual Financial Assistance and Work Support Expenditures
 Per Employed and Unemployed WorkFirst Clients**

	OCTOBER 1999 THROUGH SEPTEMBER 2000	
	DID NOT WORK	WORKED FOUR QUARTERS
NUMBER OF CLIENTS	12,186	9,825
WORK SUPPORTS		
TRANSPORTATION	\$44	\$81
OTHER SUPPORTS	\$75	\$157
CHILD CARE	\$555	\$2,935
SUBTOTAL WORK SUPPORTS	<u>\$674</u>	<u>\$3,173</u>
FINANCIAL ASSISTANCE		
FOOD STAMPS	\$1,902	\$1,274
CASH GRANT	\$3,690	\$1,465
MEDICAID	\$4,638	\$5,060
SUBTOTAL FINANCIAL ASSISTANCE	<u>\$10,230</u>	<u>\$7,799</u>
TOTAL WORK SUPPORT AND FINANCIAL ASSISTANCE	<u>\$10,904</u>	<u>\$10,972</u>

²⁴ Social costs include such things as the client's cost of going to work or the foregone earnings of a client attending a workshop instead of working.