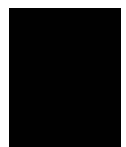


OUTCOME EVALUATIONS OF WASHINGTON STATE'S WORKFIRST PROGRAM:

Key Findings

**Jim Mayfield
With
Wei Yen**

December 2004



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

Outcome Evaluations of Washington State's WorkFirst Program: Key Findings

**Jim Mayfield
With
Wei Yen**

December 2004

Washington State Institute for Public Policy

110 East Fifth Avenue, Suite 214

Post Office Box 40999

Olympia, Washington 98504-0999

Telephone: (360) 586-2677

FAX: (360) 586-2793

URL: <http://www.wsipp.wa.gov>

Document No. 04-12-3301

WASHINGTON STATE INSTITUTE FOR PUBLIC POLICY

Mission

The Washington Legislature created the Washington State Institute for Public Policy in 1983. A Board of Directors—representing the legislature, the governor, and public universities—governs the Institute, hires the director, and guides the development of all activities.

The Institute's mission is to carry out practical research, at legislative direction, on issues of importance to Washington State. The Institute conducts research activities using its own policy analysts, academic specialists from universities, and consultants. New activities grow out of requests from the Washington legislature and executive branch agencies, often directed through legislation. Institute staff work closely with legislators, as well as legislative, executive, and state agency staff to define and conduct research on appropriate state public policy topics.

Current assignments include projects in welfare reform, criminal justice, education, youth violence, and social services.

Board of Directors

Senator Don Carlson
Senator Karen Fraser
Senator Linda Evans Parlette
Senator Betti Sheldon
Representative Don Cox
Representative Phyllis Kenney
Representative Cathy McMorris
Representative Helen Sommers

Dennis Braddock, Department of Social and Health Services
Marty Brown, Office of Financial Management
Sandra Archibald, University of Washington
Douglas Baker, Washington State University
Stephen Jordan, Eastern Washington University
Thomas L. "Les" Purce, The Evergreen State College
Ken Conte, House Office of Program Research
Stan Pynch, Senate Committee Services

Staff

Roxanne Lieb, Director
Steve Aos, Associate Director

CONTENTS

Executive Summary.....	1
From Welfare to WorkFirst: An Overview.....	3
Impact Evaluations of WorkFirst.....	5
What the Studies Conclude About WorkFirst.....	7
Bibliography.....	21
Appendix A: Analyses Discussed in This Report.....	27
Appendix B: WorkFirst Activities and Services.....	29

The authors wish to acknowledge the following individuals for their assistance with this project: Debbie Zeidenberg with the Office of Financial Management compiled a comprehensive bibliography of the WorkFirst research reviewed for this study and provided information about WorkFirst programs; Marieka Klawitter of the University of Washington assisted with our interpretation of results from the WorkFirst Longitudinal Study; and Debra Fabritius, Institute staff, helped revise and edit the final report.

EXECUTIVE SUMMARY

WorkFirst, Washington State's implementation of Temporary Assistance for Needy Families (TANF), began in April 1997. TANF is a major change in how the state assists low-income families. The changes instituted when WorkFirst replaced the previous welfare program include participation requirements, the ability for recipients to retain more of their earnings, mandatory job search, and lifetime limits on welfare. Under WorkFirst, assistance to low-income families is tied to participation in approved employment-focused activities. The program helps parents look for work and provides employment-specific training and basic education opportunities. WorkFirst also provides child care, transportation assistance, and other employment-related support services.

This report summarizes the research regarding Washington State's program that considers the net impacts of WorkFirst and its component programs on employment, earnings, and other outcomes. A number of independent analyses have attempted to estimate outcomes directly attributable to the overall WorkFirst program or to specific program activities, such as Job Search, Community Jobs, Customized Job Skills Training, and Post-Employment Services. Key findings from this review are as follows:

- **From Welfare to WorkFirst.** One early study of 130,244 adults on welfare concluded that, compared with the previous welfare program, WorkFirst cost-effectively increases participant employment rates by 56 percent, hours worked by 34 percent, and earnings by 48 percent in addition to substantially reducing welfare use (21 percent).
- **Job Search.** Job Search is the initial activity of most WorkFirst participants. Several independent studies estimate that, on average, Job Search improves employment rates by 9 to 15 percent. Job Search also helps participants find work, and clients earn up to \$512 more per quarter. Evidence suggests Job Search is most effective for new welfare clients who lack recent work experience. It is less effective for those who have participated in previous episodes of Job Search, and it may be ineffective for some clients with recent work experience.
- **Customized Job Skills Training (CJST).** This program, formerly known as Pre-Employment Training, provides training for unskilled WorkFirst participants. Evidence from several analyses indicates that CJST boosts participant employment rates by up to 16 percent and monthly earnings by up to \$876 per quarter. These findings, however, have not been consistent over time and should be regarded cautiously. Per participant, CJST costs about three times as much as Job Search.
- **Community Jobs.** Community Jobs subsidizes employment to reduce barriers participants face in obtaining work. The existing research has some promising results but remains inconclusive about the impact of Community Jobs on participant employment or welfare outcomes. This program costs approximately eight times as much as Job Search per participant.
- **Post-Employment Services.** These services, such as child care, transportation, job-related training, and referral, are intended to help participants remain employed and find

better-paying jobs. Such services appear to have significant positive impacts on participant employment, earnings, and hours worked. WPLEX, the state program that informs WorkFirst participants about Post-Employment Services, is linked to an increase in the use of these services. But evidence regarding the direct impact of WPLEX on employment is inconclusive. Per participant, Post-Employment Services cost about as much as Job Search.

These studies indicate that the policies and employment emphasis of the WorkFirst program, not just the economy, resulted in improved employment and welfare outcomes for low-income families. Job Search, the most common WorkFirst activity, has been repeatedly studied and shown to be a productive activity for many WorkFirst participants. Other WorkFirst program elements, such as Post-Employment Services, improve the employment outcomes of current and former WorkFirst clients.

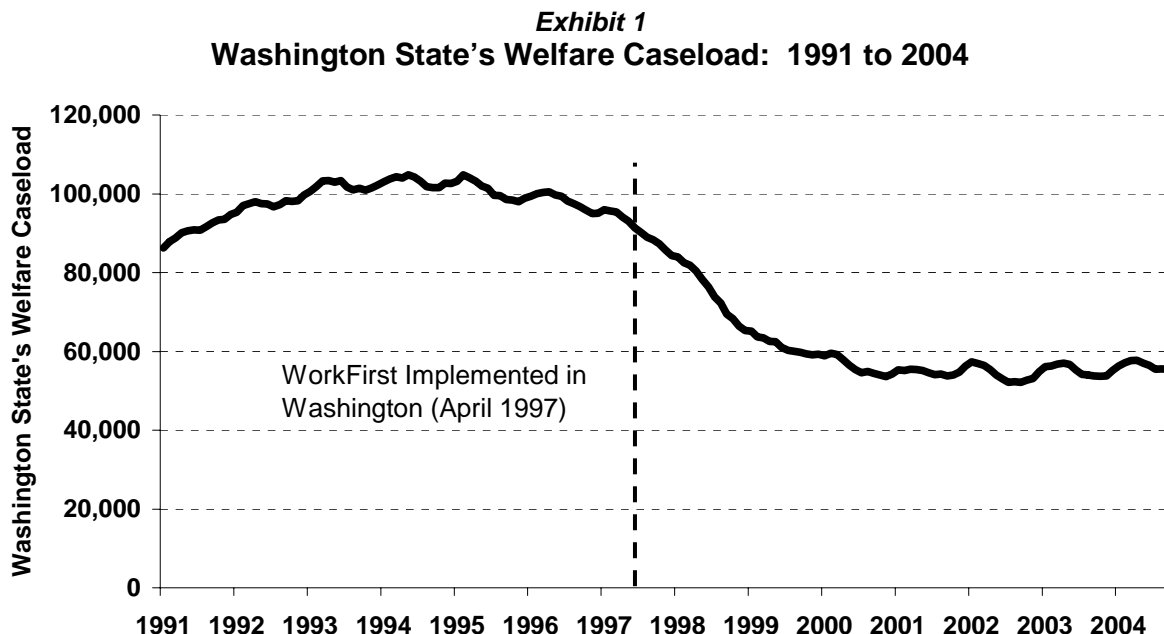
Customized Job Skills Training appears to improve employment outcomes, but analyses of this program have been inconsistent over time. Research on WPLEX and Community Jobs has also generated inconclusive results regarding employment outcomes. These inconsistent or inconclusive findings, however, do not mean that the programs are not working. The findings may be, instead, attributable to the methodological limitations facing researchers.

Due to gaps in research, little is known about the relative effectiveness of specific WorkFirst services such as child care, transportation, and tuition assistance. Early research that indicated job search activities may be ineffective for some clients has not been re-examined to determine if subsequent adjustments to that component have had an effect. Other elements of the WorkFirst program, such as those intended to resolve issues that make it difficult for a participant to engage in job search or employment have not been evaluated.

The state is in the fortunate position of having reliable administrative data with millions of observations of client WorkFirst activities, demographics, welfare use, and employment outcomes. Many questions can be investigated using these readily available data. Use of administrative data offers a relatively inexpensive alternative to controlled studies and survey-based approaches. Assuming the research designs incorporate adequate control groups and statistical controls, such studies can yield useful results.

FROM WELFARE TO WORKFIRST: AN OVERVIEW

WorkFirst represents Washington State's implementation of welfare reform under the federal Temporary Assistance for Needy Families (TANF) program. Under WorkFirst, assistance is tied to participation in approved activities that are directly related to finding and keeping a job. Participants who fail to meet minimum participation requirements are subject to financial sanctions. Since WorkFirst was implemented in April 1997, the number of cases served each month has fallen significantly (see Exhibit 1).



WSIPP 2004

Source: Office of Financial Management and the Department of Social and Health Services

Compared with the previous welfare program, Aid to Families with Dependent Children (AFDC), TANF represents a major change in how the state provides financial assistance to low-income families. In addition to ongoing participation requirements, most new and returning TANF applicants are directed immediately to job search activities, are able to keep a greater percentage of earnings, and are limited to five years of welfare receipt.¹

Approximately 35 percent of WorkFirst cases comprise children living with relatives or other caretakers, and another 10 percent are adults who are not required to participate due to extenuating circumstances. The remaining WorkFirst cases include adults who must meet the program's participation requirements, which for most clients consists of 32 hours a week of approved activities (Zeidenberg and Came, 2004).

¹ While there is a five-year limit on lifetime receipt of TANF, families who meet participation requirements may have their limits extended, and those who do not may still receive reduced child-only grants.

In addition to imposing participation requirements, WorkFirst helps parents look for work, provides employment-specific training and basic education, and provides subsidized employment opportunities for hard-to-employ clients. Once parents find work, WorkFirst provides services such as child care, transportation assistance, education, and other information and services to help participants stay employed and improve their employment status.

Like welfare reform in other states, Washington's WorkFirst program has been the subject of considerable investigative analysis and ongoing performance monitoring by state agencies. Research conducted over the first seven years of WorkFirst includes several outcome evaluations examining the effects of its component programs on participant employment, earnings, and welfare use. Several of these studies rely on rigorous study designs, thereby increasing the reliability of their findings. This report summarizes the key findings of this body of work.²

² The Washington State Institute for Public Policy's Board of Directors elected to undertake this study following a request by the Washington State Office of Financial Management.

IMPACT EVALUATIONS OF WORKFIRST

Impact Evaluations Versus Descriptive Research

A considerable amount of research has been conducted on Washington's WorkFirst program (see Appendix A). Much of this work provides great detail about the characteristics, activities, and status of WorkFirst clients. Although this research includes valuable information, it is not summarized in this report. Our direction was to focus instead on impact evaluations, that is, studies that examine the influence of WorkFirst on participant employment and welfare outcomes.

The Gold Standard: Random Assignment

The ideal, but often impractical, method for estimating program effects is the random assignment study. Studies using this method identify a group of eligible individuals and then randomly assign some to participate in the program (the *treatment* group); those not assigned to the program become the *comparison* group. This design, when implemented properly, ensures that the treatment and comparison groups are statistically identical with respect to demographic characteristics and their willingness and ability to participate in the program. Subsequent differences in outcomes between the groups represent *net impact* of the program. WorkFirst has not been subject to this type of evaluation. Instead, researchers have relied on alternative evaluation methods.

The Next Best Thing: Studies With Adequate Comparison Groups

In the absence of random assignment, researchers frequently compare outcomes of program participants with those of a group of non-participants identified by the research staff (a quasi-experimental design). The reliability of such analyses depends on the comparability of the groups being studied; the fewer differences between the groups, the better. Another key consideration is the ability of evaluators to control for pre-existing differences between the treatment and comparison groups. Studies that employ multivariate statistical techniques to control for differences in client characteristics and choices are superior to those that disregard or fail to control for such differences.

Studies without adequate comparison groups are unable to provide strong conclusions about program impacts. For example, some researchers use *pre-post* studies where outcomes are observed before and after participation in a specific activity; in these analyses, changes in outcomes are attributed to the activity regardless of other factors that may influence the outcome over the same time period. Similarly, studies that compare outcomes of program completers with program dropouts are unable to disentangle program effects from the characteristics that make individuals more likely to complete a program. (In studies making such comparisons, completers almost always outperform dropouts.) We give little weight to the findings of such studies.

Studies Summarized in This Review

Of the dozens of WorkFirst program analyses reviewed for this study, the following discuss employment or welfare outcomes attributable to WorkFirst. Depending on their methods, some studies are more informative than others. As we summarize the results in the next section, key differences in methodology will be revealed.³

- ✓ **The University of Washington WorkFirst Longitudinal Study** undertook multiple analyses examining employment outcomes related to WorkFirst Job Search, the Job Search Workshop, Community Jobs, and Customized Job Skills Training. This report summarizes results from Klawitter (2001a, September 2001, and September 2002) and Klawitter and Christiansen (May 2004b).
- ✓ **The Joint Legislative Audit and Review Committee and Washington State Institute for Public Policy WorkFirst Evaluation (JLARC-WSIPP)** performed multiple analyses of the overall welfare and employment impacts of the WorkFirst program, Job Search, and Post-Employment Services. This report summarizes results from WSIPP and Chen (1999), Lerch et al. (2000) and Lerch and Mayfield (2001).
- ✓ **The University of Southern California and Washington State Employment Security Department Job Search Analysis (USC-ESD)** examined the effectiveness of single and multiple episodes of WorkFirst Job Search services on participant employment rates. This report uses information from Hsiao et al. (2002 and 2004).
- ✓ **The Lewin Group WorkFirst Post-Employment Labor Exchange (WPLEX) Study** examined employment, welfare, and other outcomes associated with WPLEX. Farrell et al. (2003) is the primary source for this review.
- ✓ **The Economic Opportunity Institute (EOI) Community Jobs Evaluation** examined employment and welfare outcomes associated with participation in the WorkFirst Community Jobs program. Burchfield (2002), Burchfield and Yatsko (2002), and Case (2000 September) are the sources summarized in this review.
- ✓ **The State Board for Community and Technical Colleges (SBCTC)** produces annual accountability reports examining the employment and welfare outcomes of Customized Job Skills Training participants and other WorkFirst education components. The most recent report (Education Services Division, 2004 January) is used in this review.

³ These evaluations are described in greater detail in Appendix A.

WHAT THE STUDIES CONCLUDE ABOUT WORKFIRST

This review is organized according to the activities evaluated: the overall WorkFirst program (the change from AFDC to WorkFirst), Job Search, Customized Job Skills Training, Community Jobs, and Post-Employment Services. Findings from these studies suggest:

- Overall, the WorkFirst program cost-effectively increases employment and earnings of its participants and reduces their use of welfare.
- Job Search activities supported by WorkFirst can improve employment rates and help clients find better-paying jobs. The effectiveness of Job Search may vary with client employment and welfare history and previous Job Search episodes.
- Evidence suggests that employment rates and earnings increase as a result of Customized Job Skills Training.
- At this time, there is no conclusive evidence regarding the effect of Community Jobs on participant outcomes.
- Some Post-Employment Services provided under WorkFirst appear to have significant positive impacts on participant employment, earnings, and hours worked. The state program that informs WorkFirst participants about Post-Employment Services is linked to increased use of financial assistance and support services related to employment.

The Change From Welfare to WorkFirst

A JLARC-WSIPP analysis (Washington State Institute for Public Policy and Chen, 1999) measured the overall impact of the WorkFirst program on employment and welfare use. The study compared the experiences of 69,759 adults who were on the AFDC caseload during the first quarter of 1996 with 60,485 adult TANF recipients who were on the caseload during the corresponding quarter in 1998.

The analysis statistically controlled for differences in client characteristics such as education level and work experience, as well as local economic conditions such as employment growth. After doing so, the following significant differences in outcomes were attributed to the policy shift from AFDC to WorkFirst.⁴

- WorkFirst increased the likelihood of employment by 56 percent compared with similar clients who received AFDC.
- WorkFirst increased average quarterly earnings by \$284 (48 percent) compared with similar clients who received AFDC.⁵

⁴ The two groups were pulled from first quarter caseloads, and their outcomes were measured in the fourth quarter of the same year.

⁵ All dollar values in this report are expressed in constant 2003 dollars.

- Compared with similar AFDC clients, WorkFirst increased total hours worked by 23 hours (34 percent) each quarter.
- WorkFirst clients were 21 percent more likely to be off welfare by year's end than were similar AFDC clients.⁶

The JLARC-WSIPP evaluation also demonstrated that—due to increased agency expenditures, contracting costs, and employment support services—the average WorkFirst case costs the state 5 percent more than it would have under AFDC. Under WorkFirst, however, the state more than recoups those costs through a reduction in the caseload (Lerch, Mayfield, and Burley, 2000).

The JLARC-WSIPP evaluation reviewed WorkFirst during the first full year of implementation and did not consider the specific activities of individuals in the program. The outcomes attributed to WorkFirst in this analysis most likely represent the one-time impact of changing the rules and culture regarding welfare.

In addition to these overall program impacts, a number of evaluations of specific WorkFirst program activities have been conducted. These include evaluations of Job Search Services, Customized Job Skills Training, Community Jobs, and Post-Employment Services. Brief descriptions of these activities are provided in Appendix B.

Outcomes Attributable to Job Search Services

Multiple independent evaluations (the JLARC-WSIPP, the UW WorkFirst Longitudinal Study, and USC-ESD studies) have measured the impact of WorkFirst Job Search services on employment rates and participant earnings and found the following:

- Job Search improves employment rates. According to several of these studies, on average, participation in WorkFirst Job Search activities can increase employment rates by 9 to 15 percent.
- Job Search helps participants find higher-paying jobs. Several of the analyses measured significant positive impacts of Job Search participation on quarterly earnings ranging from \$292 to \$512.
- Job Search is more effective for some participants than others. Job Search may not be effective for those with recent work experience.
- Some evidence indicates that additional Job Search episodes are less effective. Second and third Job Search episodes have smaller impacts (2 and 1 percent, respectively) on participant employment rates.

⁶ A related analysis (Burley, Lerch, and Mayfield, 2001) showed the share of long-term welfare clients decreased after the implementation of WorkFirst and that more clients were cycling on and off the caseload with shorter average stays. The study did not, however, explain the degree to which these changes are a product of WorkFirst or other factors, such as the economy.

The Effects of Job Search on Employment and Earnings

In separate analyses of four time periods from 1997 through 2002, the UW WorkFirst Longitudinal Study evaluated employment and earnings outcomes associated with completing job search activities: Job Search only (without the Workshop) or Job Search with the Workshop.⁷ To compare the outcomes of clients participating in job search activities with those who did not participate, researchers conducted multivariate analysis to account for differences in client WorkFirst activities, employment history, and key demographic characteristics (Klawitter and Christensen, May 2004b, p. 4).

Job Search Employment Outcomes. Each of the four analyses revealed increases in employment rates attributable to job search activities (see Exhibit 2). Clients completing Job Search with the Workshop were 10 to 13 percent more likely to be employed, findings that were significant in every period examined. Those completing only Job Search (without the Workshop) were up to 15 percent more likely to be employed than those who did not complete this component, but significant results were not obtained in every time period.

Exhibit 2
Increase in Employment Attributable to Job Search Activities
UW WorkFirst Longitudinal Study

Increase in Employment Rates Attributed to:				
Activities Completed Between ...	Number of Completers	Job Search Only	Number of Completers	Job Search With Workshop
Prior to 10/1999	NA	NA	NA	+10%
3/1999 and 12/1999	242	+15%	284	+13%
10/2000 and 9/2001	221	+4%	112	+11%
10/2001 and 6/2002	286	+13%	123	+11%

Results in bold are significant at a 10 percent confidence level.

Sources: Klawitter 2001a; Klawitter, September 2001; Klawitter, September 2002; and Klawitter and Christiansen, May 2004b.

Job Search Earnings Outcomes. In each of the three time periods examined, the WorkFirst Longitudinal Study found significant increases in quarterly earnings—ranging from \$292 to \$353—that were attributable to completing a job search activity (see Exhibit 3).

The significance and size of earnings impact attributed to job search activities varied according to the analysis period and whether the client participated in Job Search only or Job Search and the Workshop. The analyses indicate that participation in the Workshop is associated with larger gains in earnings; however, the most recent analysis does not bear this out. It is also not clear that the estimates of earnings or employment outcomes reported for those attending the Workshop adequately account for the characteristics of the clients who elect to complete the Workshop. Therefore it is difficult to draw strong conclusions about the relative effectiveness of Job Search only and Job Search with the Workshop.

⁷ The Workshop is a structured 30-hour course where clients learn about goal setting, looking for work, and interviewing techniques.

Exhibit 3
Increase in Earnings Attributable to Job Search Activities
UW WorkFirst Longitudinal Study

Activities Completed Between ...	Increase in Quarterly Earnings Attributed to			
	Completers Analyzed	Job Search Only	Completers Analyzed	Job Search With Workshop
Prior to 10/1999	NA	NA	NA	NA
3/1999 and 12/1999	242	+\$197	284	+\$341
10/2000 and 9/2001	221	+\$187	112	+\$353
10/2001 and 6/2002	286	+\$292	123	+\$42

Results in bold are significant at a 10 percent confidence level.

Sources: Klawitter 2001a; Klawitter, September 2001; Klawitter, September 2002; and Klawitter and Christiansen, May 2004b.

The Differential Effects of Job Search Activities

Several JLARC-WSIPP studies evaluated Job Search outcomes using carefully constructed comparison groups and multivariate statistical techniques to control for client selection into WorkFirst activities and other client characteristics.⁸ The final study (Lerch, Mayfield, and Burley, 2000) examined the short-term employment and earnings outcomes of 47,449 clients who were referred to Job Search between August 1997 and September 1999. The impact of Job Search was estimated by comparing those who participated in job search activities with those who were referred but did not participate.

The JLARC-WSIPP analysis concluded that the employment and earnings impacts of Job Search depended on the recent employment and welfare history of the participant (see Exhibit 4). According to the analysis, in the immediate follow-up quarter:

- Job Search participants *without* recent work experience and who were new to welfare were 29 percent more likely to be employed after participating in Job Search. Those with a history of welfare were about 10 percent more likely to be employed.⁹
- Job Search appeared to help some participants find better-paying jobs. Those with recent work history who were new or had recently returned to welfare earned \$512 to \$335 more, respectively, per quarter if they participated in Job Search.
- Job Search participants *with* recent work experience, regardless of their welfare history, were no more likely to find employment than similar clients who did not participate in Job Search.

⁸ The first analysis (Lerch, Mayfield, and Burley, 1999) provided preliminary evidence that participation in Job Search improved employment and earnings outcomes. That analysis, however, included participants from the AFDC-JOBS program and may not be representative of WorkFirst. The final JLARC-WSIPP Job Search analysis (Lerch, Mayfield, and Burley, 2000) resolved this problem.

⁹ Reported differences are significant at a 10 percent confidence level.

Exhibit 4
The Influence of Job Search on Employment and Earnings Worked in the First Follow-up Quarter Between August 1997 and September 1999

Type of Client (by Work and Welfare History)		Increase in Employment Rate	Increase in Quarterly Earnings
Work History	Welfare History		
No recent work experience	New (N=4,091)	29%	ns
	Repeating (N=7,130)	10%	ns
	Continuing (N=9,095)	9%	ns
Recent work experience	New (N=4,646)	ns	\$512
	Repeating (N=17,335)	ns	\$335
	Continuing (N=5,177)	ns	ns

ns = no statistically significant difference at a 90 percent confidence level.

New: clients not receiving TANF in the previous 24 months.

Repeating: clients off welfare once in the previous 24 months.

Continuing: clients receiving TANF for the previous 24 months.

Source: Lerch, Mayfield, and Burley, 2000.

The Effects of Multiple Episodes of Job Search

The USC-ESD study measured the effects of repeated episodes of Job Search. The analysis, based on a sophisticated multivariate analysis of administrative data, shows that—for unemployed clients—the first episode of Job Search increased the probability of subsequent employment by about 8.5 percent on average (Hsiao et al., 2004, p. 24).¹⁰ The finding is consistent with the findings of other Job Search analyses. According to the USC-ESD analysis, the second and third episodes of Job Search were statistically significant but only increased employment rates by 2 percent and 1 percent, respectively.

In WorkFirst, Job Search is required for some employed clients who do not work a required number of hours. The USC-ESD analysis found that *already-employed* clients who engage in Job Search are no more likely to be employed in subsequent quarters than are employed clients who do not engage in Job Search. This finding, however, does not reveal whether Job Search helps already-employed participants increase their hours worked or find better-paying jobs.

¹⁰ The analysis is based on administrative records of 18,492 female WorkFirst clients between 25 and 35 years of age during the period from Quarter 2 1998 to Quarter 4 2000 (Hsiao et al., 2002, p. 8).

Outcomes Attributable to Customized Job Skills Training

Several analyses of Customized Job Skills Training (CJST) measured the program's positive influence on participant employment rates (increases of 13 to 16 percent) and quarterly earnings (increases of \$647 to \$876 per quarter). These findings, however, were not consistent over time and are based on the experiences of a relatively small number of CJST clients. Therefore, the findings should be regarded with some caution.

The UW WorkFirst Longitudinal Study of CJST Employment and Earnings Outcomes

In analyses of four separate time periods from 1997 to 2002, the UW WorkFirst Longitudinal Study evaluated outcomes associated with completing CJST. To compare the outcomes of clients participating in CJST with those who did not participate, researchers conducted multivariate analyses to account for differences in client WorkFirst activities, employment history, and key demographic characteristics.

CJST Employment Outcomes. While there were nominal increases in employment rates associated with CJST in each period examined, the increases were statistically significant in only the first and last periods (see Exhibit 5). In those periods, individuals completing a CJST component were 13 to 16 percent more likely to be employed than they would have been otherwise.

CJST Earnings Outcomes. The WorkFirst Longitudinal Study also identified significant impacts on earnings in two of the three periods for which it attempted to estimate that outcome: on average, quarterly earnings were \$647 to \$876 higher for those completing CJST. During the last period examined, however, the measured increase in earnings attributable to CJST was smaller and not statistically significant.

Exhibit 5
Employment and Earnings Increases
Attributable to Customized Job Skills Training
UW WorkFirst Longitudinal Study

Activities Completed Between ...	Customized Job Skills Training		
	Completers Analyzed	Employment Rate	Quarterly Earnings
Prior to 10/1999	NA	+13%	NA
3/1999 and 12/1999	51	+7%	+\$876
10/2000 and 9/2001	48	+14%	+\$647
10/2001 and 6/2002	54	+16%	+\$125

Results in bold are significant at a 10 percent confidence level.

Sources: Klawitter 2001a; Klawitter, September 2001; Klawitter, September 2002; and Klawitter and Christiansen, May 2004b.

State Board for Community and Technical Colleges Accountability Reports

Annual reports by the SBCTC provide detailed information on CJST participation, participant demographics, and employment and welfare outcomes.¹¹ Because the SBCTC analyses do not adjust for client background characteristics and rely on comparison groups that may differ significantly in key aspects, we cannot rely on their findings to assess the effectiveness of CJST.¹² In general, these reports consistently attribute positive outcomes to CJST (Education Services Division, 2004, p.7).

The SBCTC data lend support to the University of Washington findings regarding CJST. Clients completing CJST may find jobs sooner and stay employed longer, they have higher hourly wages, and they spend less time on welfare. The SBCTC analysis, however, only measures nominal changes, not the net impacts attributable to the program.

Families That Work. The SBCTC also reports on another educational program for WorkFirst and low-income parents called Families That Work. The program includes two components, Families That Work (for parents with older children) and Pregnancy to Employment (for pregnant women and new mothers). The programs offer training and services to participants who have severe barriers to employment. The SBCTC describes participant characteristics and status, but no net impact analysis of these programs has been undertaken. A total of 1,767 individuals were enrolled in fiscal year 2001 in this program (Education Services Division, 2004, p. 13).

Outcomes Attributable to Community Jobs

While there was some early evidence (based on the experiences of 26 participants) that Community Jobs participants enjoyed significantly higher employment rates and earnings, subsequent analyses of the program fail to support those initial findings. Other reports attributing employment and earnings gains to participation in Community Jobs do not effectively measure the net impact of the program. At this time, no conclusive evidence exists about the effect of Community Jobs on participant outcomes.

The UW WorkFirst Longitudinal Study Estimates of Community Jobs Outcomes

Over four time periods from third quarter 1997 through second quarter 2002, the UW WorkFirst Longitudinal Study evaluated outcomes associated with completing the Community Jobs program. The analyses compared the outcomes of Community Jobs participants with those who did not participate in the program while statistically controlling for participation in other WorkFirst activities and differences in client employment history and demographic characteristics.

¹¹ The SBCTC issues accountability reports for each fiscal year. The most recent report, summarized here, echoes the findings of earlier reports.

¹² The analyses are based on comparisons with Job Search participants, program dropouts, and the general welfare population. Because no attempts are made to adjust for the differences that already exist between these groups, the reported outcomes are not estimates of the net impact of the CJST program.

Community Jobs Employment and Earnings Outcomes. The UW WorkFirst Longitudinal Study identified statistically significant impacts of the Community Jobs program in only one of the periods examined (see Exhibit 6). Clients who participated in Community Jobs from March to December 1999 were significantly more likely (30 percent) to be employed and earned \$742 more per quarter.

The absence of significant findings in the other periods examined and the small number (26) of Community Jobs participants in the only analysis to report significant findings make it difficult to draw conclusions about Community Jobs based on this study.

Exhibit 6
Employment and Earnings Increases Attributable to Community Jobs
UW WorkFirst Longitudinal Study

Activity Completed Between ...	Community Jobs		
	Completers Analyzed	Employment Rate	Quarterly Earnings
Prior to 10/1999	NA	+4%	NA
3/1999 and 12/1999	26	+30%	+\$742
10/2000 and 9/2001	44	NA	NA
10/2001 and 6/2002	41	+9%	+\$472

Results in bold are significant at a 10 percent confidence level.

Sources: Klawitter 2001a; Klawitter, September 2001; Klawitter, September 2002; and Klawitter and Christiansen, May 2004b.

The Economic Opportunity Institute Evaluation of Community Jobs

The Economic Opportunity Institute (EOI) of Seattle has undertaken an extensive examination of the Community Jobs program and reports program impacts. The report provides considerable information on the implementation of Community Jobs and the experiences of its participants. The study, however, does not measure the program's net impact on employment, earnings, or other outcomes.

EOI reports that employment rates of Community Jobs participants are higher after the program than before the program (Burchfield, 2002, p. 3). This pre-post analysis does not distinguish between impacts directly attributable to Community Jobs and other factors that may influence employment.

EOI also reports the percentage of Community Jobs clients who become employed within six months after completing the program (Burchfield, 2002, p. 5), how many work continuously (Burchfield, 2002, p. 6), and by how much participant earnings and hours worked increased over the study follow-up period. While these outcomes tell us something of the status of Community Jobs clients, they do not measure net impacts.

When the EOI evaluation incorporates a comparison group, it does not control for significant differences between the groups. For instance, EOI reports that earnings and hours worked increase more rapidly for newly employed Community Jobs participants than for all

employed welfare recipients. A more informative comparison should have been between newly employed Community Jobs clients and newly employed welfare recipients. Thus, the EOI analysis may overstate the impact of the Community Jobs program.

Outcomes Attributable to Post-Employment Services

To monitor the performance of Post-Employment Services, WorkFirst staff track the welfare return rates and earnings and wage progression of WorkFirst clients (Labor Market and Economic Analysis, 2004 and Petritz, August 2004). These analyses, however, do not provide estimates of program net impacts. Two outcome evaluations, the JLARC-WSIPP evaluation and The Lewin Group WPLEX Study, measured the net impact of Post-Employment Services. One study identified significant positive impacts on participant employment and earnings outcomes, while the other identified significant increases in the use of financial assistance and support services related to employment.

There have been no attempts to measure the net impact of specific components of Post-Employment Services, such as child care or tuition assistance, on WorkFirst client outcomes. Nor are there rigorous analyses that describe the extent to which Post-Employment Services help clients become self-sufficient.

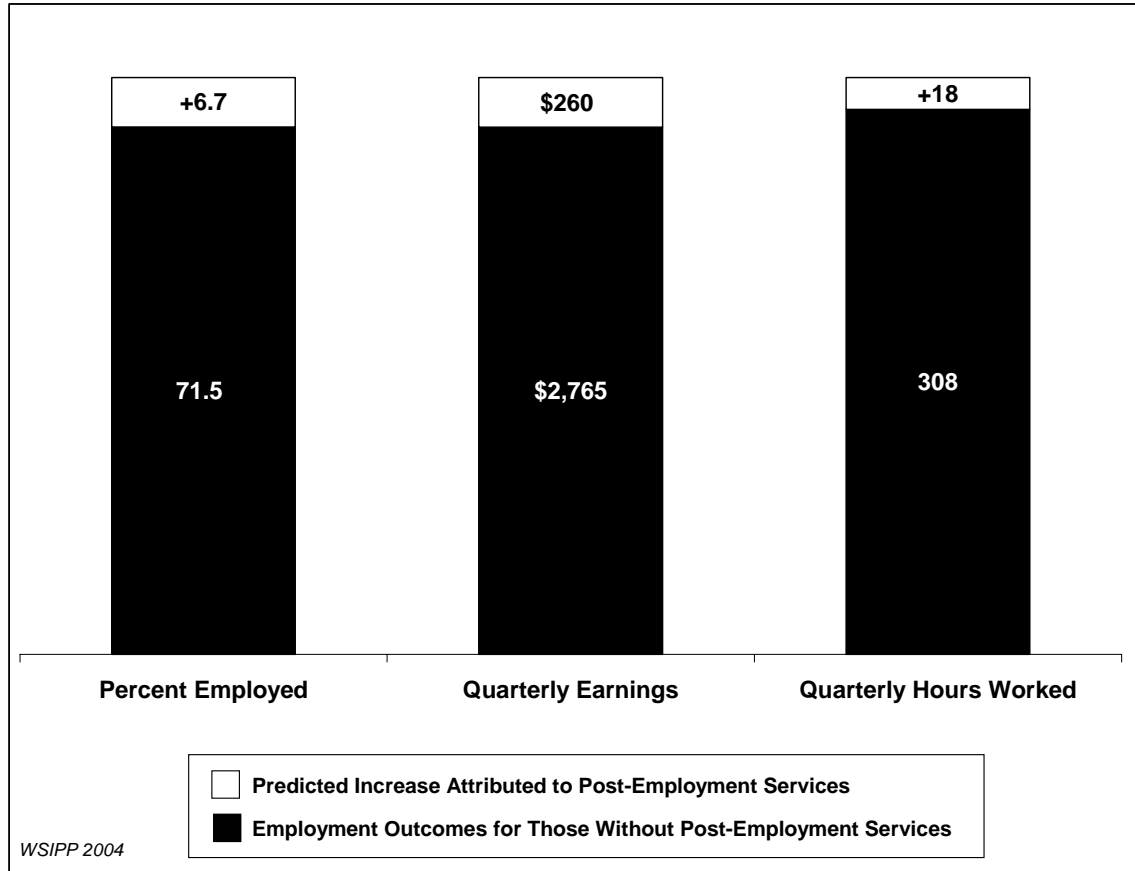
The JLARC-WSIPP Evaluation of Post-Employment Services

The JLARC-WSIPP evaluation of Post-Employment Services (Lerch and Mayfield, 2001) followed 16,184 clients over one year and, using administrative data, measured the employment outcomes attributable to the use of Post-Employment Services in the third quarter of 1999.¹³ Controlling for client characteristics, local economic conditions, and the probability of using Post-Employment Services, the analysis found that, one year after becoming employed, clients using Post-Employment Services were 6.7 percent more likely to stay employed, earned \$260 more per quarter, and worked 18 more hours per quarter than clients who did not use these services (see Exhibit 7).¹⁴

¹³ In this study, clients were considered to have participated in Post-Employment Services if there was, according to administrative data, any recorded contact with a WorkFirst agency or contractor regarding Job Retention or Wage Progression services. While the distinction between these services has since been eliminated, they still represent typical Post-Employment Services currently provided.

¹⁴ Due to administrative changes in the recording of Post-Employment services, changes in the actual services provided, and shifts in funding levels, the JLARC-WSIPP findings may not be fully applicable to the current program.

Exhibit 7
Changes in Employment Attributable to Use of
Post-Employment Services in Third Quarter 1999



In addition to these employment outcomes, JLARC-WSIPP also found:

- Working clients receiving Post-Employment Services cost about as much per year as similar clients who did not work (\$11,565 vs. \$11,493).¹⁵ Post-Employment Services clients use less financial assistance, such as a welfare, but use more services in support of employment.
- WorkFirst agencies do not “cream” the caseload when offering Post-Employment Services; that is, they do not focus solely on clients who are more likely to succeed.
- A more intensive and proactive model of Post-Employment Services provided in Spokane enrolled clients at a significantly higher rate than the rest of the state.¹⁶

¹⁵ Includes the costs of financial assistance and work supports, such as child care and transportation assistance (Lerch and Mayfield 2001, p. 23).

¹⁶ In the early implementation of WorkFirst, the Spokane Job Service Center of the Employment Security Department formed a Post-Employment Team. The team worked to engage clients before they became employed and tailored services to both the clients and the employer (Lerch and Mayfield 2001, p. 15).

The Lewin Group WPLEX Study

The Lewin Group analysis focused on the WorkFirst Post-Employment Labor Exchange (WPLEX), the means by which clients are informed of Post-Employment Services. Relying on administrative records, The Lewin Group examined the experiences of 32,320 customers who began working 20 or more hours per week between October 1998 and December 2001, some of whom were contacted by WPLEX. Those eligible for WPLEX but not contacted served as the comparison group.

Statistically controlling for differences in client characteristics between the groups, researchers tracked employment and earnings outcomes and client use of TANF, food stamps, and other support services over a two-year follow-up period.

Employment Outcomes. Clients contacted by WPLEX appear more likely to remain employed and earn more on average than those who were not contacted. However, an analysis that controlled for the probability of participating in WPLEX failed to measure statistically significant employment impacts in all but the last of eight follow-up quarters.¹⁷

An analysis combining the entire two-year follow-up period also failed to yield statistically significant employment outcomes attributable to WPLEX. As a result, The Lewin Group analysis of WPLEX employment outcomes is inconclusive (Farrell et al., 2003, es-7).

Use of Financial Assistance and Support Services. A similar analysis indicated that a WPLEX contact is associated with statistically significant increases in TANF grants, food stamps, and child care. In three of the eight follow-up quarters, WPLEX was associated with \$136 and \$74 average increases in TANF and food stamp quarterly grant amounts, respectively.¹⁸

In five of the follow-up quarters, WPLEX was associated with an average \$66 per quarter increase in state-funded child care (Farrell et al., 2003, es-6). Some evidence revealed small increases in the use of other services, such as transportation. Child care, however, was by far the service most influenced by WPLEX. Considering the role that WPLEX plays in informing clients about the services available to them while they are working, these results should not be surprising. The Lewin Group analysis also found that clients contacted by WPLEX were significantly more likely to enroll in community college during the first-year follow-up: 9 percent more were enrolled during the first year, but the difference was no longer significant in the second year of follow-up (Farrell et al., 2003, p. 72).

Other Post-Employment Services

Post-Employment Services include child care subsidies, transportation assistance, clothing purchases, and training and education. While a number of studies discuss these individual

¹⁷ Clients contacted by WPLEX were 8.7 percent more likely to be employed and earned \$517 more during the last follow-up quarter (significant at the 5 percent confidence level) (Farrell et al., 2003, es-6).

¹⁸ Significant differences (at the 10 percent and 5 percent levels depending on the quarter) in TANF and food stamp grant amounts were observed in the second, third, and fifth follow-up quarters (Farrell et al., 2003, pp. 67-68).

services and the clients who use them, none have conducted net impact evaluations that successfully measure the impact of these services on client outcomes.¹⁹

Program Costs

Based on fiscal year 2001 expenditures and information about the number of clients completing each component, the Office of Financial Management estimated the cost of completing each WorkFirst activity.²⁰ According to their analysis, Job Search and Post-Employment Services (WPLEX) cost about the same per completion. The cost of completing CJST is about three times the cost of Job Search. Completing a Community Jobs component is about eight times the cost of completing a Job Search component.

Conclusion

Research indicates that the policy shift from AFDC to WorkFirst is beneficial. The new rules and employment emphasis of the program, not just the economy, resulted in higher employment rates, greater earnings, and lower welfare use for low-income families.

Job Search, the most common WorkFirst activity and the first to be implemented statewide, reflects the strong emphasis placed on employment from the earliest stages of the program. Job Search has been repeatedly studied and shown to be a productive activity for many WorkFirst participants. Other WorkFirst services have also been shown to be beneficial; for example, Post-Employment Services improve employment outcomes of current and former WorkFirst clients.

The research is less conclusive about other WorkFirst components. Customized Job Skills Training appears to improve employment outcomes, but analyses of this program have been inconsistent over time. Existing research on WPLEX and Community Jobs is inconclusive regarding employment outcomes. In these cases, the lack of consistent findings or the inconclusive findings regarding some programs do not mean that the programs are ineffective. These findings may be attributable to the methodological limitations facing the researchers.

Similarly, there is little understanding of the relative effectiveness of specific WorkFirst services, such as child care, transportation, and tuition assistance, because they have not been subjected to appropriate analysis. Early research indicated that job search activities were ineffective for some clients, but, since no recent research has examined these subgroups, it is not known if these findings continue to be true. Other elements of the WorkFirst program, such as those intended to resolve issues that make it difficult for a participant to engage in job search or employment have not been evaluated.

¹⁹ The Tuition Assistance and Work Study programs are described in Education Services Division (2004). The UW WorkFirst Longitudinal Study examines support services in several briefing papers.

²⁰ Cost data provided by Office of Financial Management WorkFirst staff.

Researchers in Washington State are fortunate to have access to reliable administrative data with millions of observations of client WorkFirst activities, demographics, welfare use, and employment outcomes. These data can help researchers identify adequate comparison groups and control for key differences in client characteristics. Such studies are significantly more informative than, for example, pre-post studies or those that compare the outcomes of program completers with program dropouts. While they cannot answer every conceivable question, evaluations based on administrative data are a relatively inexpensive alternative to controlled studies and survey-based approaches. Assuming the research designs incorporate adequate control groups and statistical controls, these studies can yield reliable and useful results.

BIBLIOGRAPHY

The following references include studies cited in this report and other resources that were reviewed but not cited.

Ahn, J., S. Kralej, D. Fogarty, F. Lai, and L. Deppman. (2000 February) A study of Washington state's TANF leavers and TANF recipients: Welfare reform and findings from administrative data. Final report. Olympia, WA: Office of Planning and Research, Economic Services Administration, Department of Social and Health Services. <<http://www.workfirst.wa.gov/about/AdminData.pdf>>.

Burchfield, E. and Yatsko, S. (2002) From welfare check to pay check. Research on barriers to work and employment outcomes of Washington state's Community Jobs program. Seattle, WA: Economic Opportunity Institute.

Burchfield, Erin. (2002 April) Community Jobs program moves people from welfare to a career track: Outcomes assessment summary. Seattle, WA: Economic Opportunity Institute.

Burley, M., S. Lerch, and J. Mayfield. (2001 January) Welfare caseload trends in Washington state, 1997–2000: Analysis of long-term welfare use and the approaching time limits. Olympia: Washington State Institute for Public Policy.

Cancian, M., M.M. Klawitter, D.R. Meyer, A. Rangarajan, G. Wallace, and R.G. Wood. (2003) "Income and program participation among early TANF recipients: The evidence from New Jersey, Washington, and Wisconsin." *Focus* 22(3): 2-10. <<http://www.ssc.wisc.edu/irp/focus/foc223.pdf>>.

Case, A. (2000 September) Community Jobs outcomes assessment and evaluation. Seattle: Economic Opportunity Institute. <<http://www.eoionline.org/CJReport2000-ExecutiveSummary.htm>>.

Case, A., E. Burchfield, and P. Sommers. (2000 September) Community Jobs outcomes assessment and evaluation. Seattle: Economic Opportunity Institute.

Du, J., D. Fogarty, D. Hopps, and J. Hu. (2000 March) A study of Washington state TANF leavers and TANF recipients: Findings from the April–June 1999 telephone survey. Final report. Olympia, WA: Office of Planning and Research, Economic Services Administration, Department of Social and Health Services. <<http://www.workfirst.wa.gov/about/Exit3Report.pdf>>.

Economic Opportunity Institute. (1998 October) Community Jobs: Making welfare reform work for TANF recipients. Seattle, WA: Economic Opportunity Institute. <<http://www.eoionline.org/cjpolicy.htm>>.

Economic Opportunity Institute. (2000) Community jobs fact sheet. Seattle, WA: Economic Opportunity Institute. <<http://www.econop.org/CJFactSheet-092700.pdf>>.

Economic Opportunity Institute. (2000 September) Community Jobs: A ladder out of welfare. Policy Brief. Seattle, WA: Economic Opportunity Institute. <<http://www.econop.org/CJPolicyBrief-092600.pdf>>.

Economic Opportunity Institute. (No date) Program timeline: Community jobs. Seattle, WA: Economic Opportunity Institute. <<http://www.eoionline.org/CJTimeline-092700.pdf>>.

Education Services Division. (2004 January) WorkFirst: Fourth year accountability report for WorkFirst training programs conducted in 2001-02. Olympia: Washington State Board for Community and Technical Colleges. <http://www.sbctc.ctc.edu/data/rsrchrpts/Wk1st_4th_year_Report-Final.doc>.

Farrell, M., M. Fishman, A. Glosser, M. Langley, and S. Laud. (2003) Impacts of Washington state's WorkFirst Post-Employment Labor Exchange: Final report. Falls Church, VA: The Lewin Group.

Hsiao, C., Y. Shen, B. Wang, and G. Weeks. (2002 October) Analyzing multiple work training events in welfare reform. Unpublished report.

Hsiao, C., Y. Shen, B. Wang, and G. Weeks. (2004 March) Evaluating the effectiveness of Washington State repeated Job Search services on the employment rate of prime-age female welfare recipients. Paper presented at the 2004 Far Eastern Meeting of the Econometric Society. <<http://www.yonsei.ac.kr/~femes/docs/Hsiao.pdf>>.

Klawitter, M.M. (2001a) Employment. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/StudyEmployment.pdf>>.

Klawitter, M.M. (2001b) Income and poverty over time. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/studyincome.pdf>>.

Klawitter, M.M. (2001c) TANF experiences, exits, and returns. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/StudyTANF.pdf>>.

Klawitter, M.M. (2001 September) Effects of WorkFirst activities on employment and earnings. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/studyActiv.pdf>>.

Klawitter, M.M. (2002 September) WorkFirst activities for October 2000 recipients. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/stdyimpacts02.pdf>>.

Klawitter, M.M. and D. Griffey. (2002a April) Food and housing security: 2000-2001. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <http://www.workfirst.wa.gov/about/FoodandHousingSecurity4_02.pdf>.

Klawitter, M.M. and D. Griffey. (2002b April) Health report: 2000-2001. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <http://www.workfirst.wa.gov/about/HealthReport4_02.pdf>.

- Klawitter, M.M. and D. Griffey. (2002c April) TANF receipt over time. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
<http://www.workfirst.wa.gov/about/TANFPatternsReport4_02.pdf>.
- Klawitter, M.M. and E. VanNynatten. (2001 September) Housing and transportation for WorkFirst families: 2000-2001. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/studyHous01.pdf>>.
- Klawitter, M.M. and G. Weeks. (2004 July) Washington state WorkFirst longitudinal study. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
- Klawitter, M.M. and J. Calleja. (2003 June) TANF and employment update. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
<<http://www.workfirst.wa.gov/about/TANFempReport7-03.pdf>>.
- Klawitter, M.M. and J. Calleja. (2004 May) Education and training: 2000-2002. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
<<http://www.workfirst.wa.gov/about/studye&t.pdf>>.
- Klawitter, M.M. and J. Christensen. (2004 May) Use of TANF activities and opinions about WorkFirst. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
<<http://www.workfirst.wa.gov/about/studyimpress04.pdf>>.
- Klawitter, M.M. and J. Christensen. (2004 May) WorkFirst activities for October 2001 TANF recipients. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
<<http://www.workfirst.wa.gov/about/studyactivities.pdf>>.
- Klawitter, M.M. and J. Christensen. (2004 July) Public benefits, employment, and child support over time. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <<http://www.workfirst.wa.gov/about/StudyBenefitsChild%20Support.pdf>>.
- Klawitter, M.M., D. Griffey, and E. Carlson. (2002 September) Child care: 2000-2001. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.
<<http://www.workfirst.wa.gov/about/stdychcare02.pdf>>.
- Klawitter, M.M., D. Griffey, and E. VanNynatten. (2002 April) Employment for 1999 and 2000 TANF recipients. Seattle: Daniel J. Evans School of Public Affairs, University of Washington. <http://www.workfirst.wa.gov/about/EmploymentReport4_02.pdf>.
- Labor Market and Economic Analysis. (2004 November) WorkFirst wage progression and returns report: Through first quarter 2004. Olympia: Washington State Employment Security Department.
- Lerch, S. and J. Mayfield. (2001 June) An assessment of WorkFirst post-employment services. Olympia: Washington State Institute for Public Policy.
- Lerch, S., J. Mayfield, and M. Burley. (1999 June) WorkFirst Job Search Services: Preliminary analysis. Olympia: Washington State Institute for Public Policy.

Lerch, S., J. Mayfield, and M. Burley. (2000 June) Evaluating WorkFirst: Analyses of cost-effectiveness, barriers to employment, and job search services. Olympia: Washington State Institute for Public Policy.

Lowin, A., S. Demirel, S. Estee, and B. Schreiner. (2001 December) Homeless families in Washington state: A study of families helped by shelters and their use of welfare and social services. Report No. 11.98. Olympia, WA: Research and Data Analysis Division, Management Services Administration, Department of Social and Health Services. <<http://www1.dshs.wa.gov/pdf/ms/rda/research/11/98.pdf>>.

Miller, K. (2004 July) WorkFirst performance report: Fiscal year 2004. Report No. 12. <<http://www.workfirst.wa.gov/statestaff/PerfReport1.pdf>>.

Mounts, T.N. (2004 April) What happened to family income in Washington during the 1990s? Research Brief No. 25. Olympia, WA: Office of Financial Management. <<http://www.ofm.wa.gov/researchbriefs/brief025.pdf>>.

Nord, M., M. Andrews, and S. Carlson. (2003 October) Household food security in the United States, 2002. Washington, Food Assistance and Nutrition Research Report No. 35. DC: United States Department of Agriculture. <<http://www.ers.usda.gov/publications/fanrr35/fanrr35.pdf>>.

Office of Public Assistance Data Analysis. (2004 September) Statewide AREN Caseload Summary. Olympia, WA: Economic Services Administration, Department of Social and Health Services. <<http://iesa.dshs.wa.gov/eXQL/TanfArenSum/StatewideArenSum.xml>>.

Office of Public Assistance Data Analysis. (2004 September) Statewide TANF caseload by children. Olympia: Economic Services Administration, Department of Social and Health Services. <<http://147.56.76.52/XMLSQL/TanfChildSum/StateWideTanfChildSum.xml>>.

Office of Public Assistance Data Analysis. (2004 September) Statewide TANF closure due to self-sufficiency. Olympia, WA: Economic Services Administration, Department of Social and Health Services. <<http://147.56.76.52/XMLSQL/TanfClosingByType/StateWideTanfClosingByType.xml>>.

Office of Public Assistance Data Analysis. (2004 September) Statewide TANF first-time entry (FTE) summary. Olympia, WA: Economic Services Administration, Department of Social and Health Services. <<http://147.56.76.52/XMLSQL/TanfFTEntrySum/StateWideTanfFTEntrySum.xml>>.

Petritz, M. (2004 August) Post-employment strategies: Performance data. Olympia: Washington State Employment Security Department. (unpublished)

Raiha, N.K. (2003 September) Department of Social and Health Services Client Survey 2003. Olympia, WA: Research and Data Analysis Division, Management Services Administration, Department of Social and Health Services. <<http://www1.dshs.wa.gov/pdf/ms/rda/research/11/113fullreport.pdf>>.

Sawatzki, D. and S.L. Hill. (2003 June) Child well-being in Washington state at a glance: 2003 Kids Count Washington fact sheet. <http://www.hspsc.org/wkc/annual/data_book/state_fact_sheet.pdf>.

Washington State Institute for Public Policy and G. Chen. (1999 December) Welfare and employment outcomes of the WorkFirst program. Olympia: Washington State Institute for Public Policy.

Washington State Joint Legislative Audit and Review Committee. (1998 December) WorkFirst process study: Phase I. Report 98-10. <<http://www1.leg.wa.gov/Reports/98-10.pdf>>.

Washington State Joint Legislative Audit and Review Committee. (1999 December) WorkFirst evaluation: Phase III process study. Report 99-11. <<http://jlarc.leg.wa.gov/Reports/99-11.pdf>>.

Washington State Joint Legislative Audit and Review Committee. (2000 June) WorkFirst evaluation: Phase III Post-Employment Services. Report 00-4. <<http://jlarc.leg.wa.gov/Reports/00-4.pdf>>.

Washington State Joint Legislative Audit and Review Committee. (2001 January) WorkFirst evaluation summary: How successful has WorkFirst been? What happens next? Briefing report 01-2. <<http://jlarc.leg.wa.gov/Reports/01-2.pdf>>.

Washington State Joint Legislative Audit and Review Committee. (2001 June) Welfare reform and WorkFirst: The challenges of finding and keeping a job. Briefing report 01-5. <<http://jlarc.leg.wa.gov/Reports/01-5.pdf>>.

Washington State. (1999 November) Major findings from Washington's TANF exit surveys. <<http://www.workfirst.wa.gov/about/ExitNov99.pdf>>.

Washington State. (2001 January) WorkFirst study chartbook. <<http://www.workfirst.wa.gov/about/WFSCartBook.pdf>>.

Washington State. (2004 March) 2004 monthly earnings and benefits for a single parent with 2 children. <<http://www.workfirst.wa.gov/about/workpays.htm>>.

Washington State. (2004a October) WorkFirst performance measures: Community jobs placements (quarterly measure). <<http://www.wa.gov/esd/lmea/workfirst/dev/9CJ Placements.xls>>.

Washington State. (2004b October) WorkFirst performance measures: Median placement wage (quarterly measure). <<http://www.wa.gov/esd/lmea/workfirst/dev/7High Wage Placement.xls>>.

Washington State. (2004 September) WorkFirst performance measures: Job Search to work. <<http://www.wa.gov/esd/lmea/workfirst/dev/2JS to work.xls>>.

Zeidenberg, D. and D. Came. (2004) Washington's WorkFirst longitudinal study. Olympia: Washington State Office of Financial Management, WorkFirst Performance Team. Presented at the 2004 National Association for Welfare Research and Statistics conference.

This bibliography is based on a list of references originally compiled by WorkFirst staff at the Office of Financial Management.

APPENDIX A: ANALYSES DISCUSSED IN THIS REPORT

The following studies are referred to in this report because they attempt to identify impacts of the WorkFirst program or WorkFirst activities:

The UW WorkFirst Longitudinal Study was conducted by the University of Washington in cooperation with Washington State University and the Washington State Employment Security Department. Four annual cohorts of (up to 3,045) adult, female WorkFirst recipients were surveyed for the study during each year from 2000 to 2003. Combined with administrative data, the surveys allowed researchers to examine WorkFirst client employment, financial resources and assistance, health care and housing, child well-being, opinions about the program, and program participation. In addition to providing descriptive analysis of WorkFirst client experiences over time, the study conducted multivariate analyses to estimate the net impact of a variety of WorkFirst activities on employment and earnings. The impact analyses summarized in this report are Klawitter (2001a); Klawitter (September 2001); Klawitter (September 2002); and Klawitter and Christiansen (May 2004b).

The Joint Legislative Audit and Review Committee and Washington State Institute for Public Policy WorkFirst Evaluation (JLARC-WSIPP), in addition to a detailed process study, carried out multiple analyses of the welfare and employment impacts of the overall WorkFirst program, Job Search, and Post-Employment Services. Using administrative data representing the entire adult WorkFirst caseload, WSIPP researchers constructed treatment and comparison groups and performed multivariate impact analyses that controlled for client characteristics, WorkFirst activities, and local economic conditions. The impact analyses summarized in this report are WSIPP and Chen (1999), Lerch et al. (2000), and Lerch and Mayfield (2001).

The University of Southern California and Washington State Employment Security Department Job Search Analysis (USC-ESD) used administrative data to examine the effectiveness of multiple episodes of WorkFirst Job Search services on participant employment rates. Researchers developed a statistical model to estimate the probability of employment based on client characteristics, employment history, and previous Job Search episodes. This report uses information from Hsiao et al. (2002) and Hsiao et al. (2004).

The Lewin Group WorkFirst Post-Employment Labor Exchange (WPLEX) Study. Under contract with the Washington State Employment Security Department, The Lewin Group conducted an evaluation of WPLEX. Using administrative data, the researchers examined the experiences of 32,320 customers eligible for WPLEX between October 1998 and December 2001 and followed them for up to two years. Their report provides an overview of the program, examines WPLEX implementation and costs, and conducts a multivariate analysis to estimate the net impact of WPLEX employment, earnings, and the use of financial assistance and support services. Farrell et al. (2003) was the primary source for this review.

The Economic Opportunity Institute (EOI) Community Jobs Evaluation used data from surveys and a process study to describe the Community Jobs program and the experiences

of Community Jobs participants. Administrative data on all participants were used to describe employment and welfare outcomes associated with participation in the WorkFirst Community Jobs program. The program is discussed in Burchfield (2002), Burchfield and Yatsko (2002), Case (2000 September), Case, Burchfield, and Sommers (2000 September), and Economic Opportunity Institute (1998 October, 2000, and 2000 September).

The State Board of Community and Technical Colleges (SBCTC) produces annual accountability reports examining the employment and welfare outcomes of Customized Job Skills Training and other WorkFirst education components. Relying on the administrative records of all participants, the SBCTC reports describe program client characteristics, program participation and completion, and employment and welfare outcomes of WorkFirst clients. The most recent report on the WorkFirst educational programs is available from the Education Services Division (2004 January).

APPENDIX B: WORKFIRST ACTIVITIES AND SERVICES

Job Search Services

Job Search is a collection of activities and services to help participants find employment. It may include such things as a structured 30-hour Job Search Workshop (where clients learn about goal setting, looking for work, and interviewing techniques), job referrals, skills assessment, labor market information, resource rooms with computers and telephones, and referral to short-term training or skills enhancement. Job Search lasts up to 12 weeks but can last longer under specific circumstances. Participants who do not find work in 12 weeks are referred for further evaluation.²¹

Under the WorkFirst model, the labor market determines employability. Therefore, except in cases where Job Search would clearly be unproductive, all WorkFirst participants engage in Job Search as their first activity. WorkFirst clients who are under-employed may also be required to participate in Job Search. From July to September 2004, clients participated in 15,157 episodes of Job Search (Washington State, September 2004). Fiscal Year 2004 expenditures on Job Search were about \$30.5 million.

Customized Job Skills Training

Customized Job Skills Training (CJST), formerly known as Pre-Employment Training, is a one-time, full-time training opportunity available to some WorkFirst participants. It combines job skills and basic skills training and is tied to a specific employer or industry. Graduates are given hiring preference for jobs with wages that are higher than the average entry-level wage.

CJST typically lasts 22 weeks, but colleges may include up to four weeks of other basic skills training prior to the CJST portion of the training to accommodate wait times. A WorkFirst participant interested in CJST can be referred at any time through Job Search. The participant must begin CJST within 30 days and must be willing to accept any resulting job offers. From July 2001 through June 2002, 3,164 low-income parents participated in CJST, 2,008 of whom were TANF recipients (Education Services Division, 2004, p. 5). Fiscal Year 2004 expenditures on CJST were approximately \$22.1 million.

Community Jobs Program²²

“Hard to employ” TANF recipients with limited education and work experience may be enrolled in Community Jobs. Community Jobs participants work at least 20 hours per week at government agencies, nonprofit organizations, and educational institutions and also

²¹ Unless otherwise noted, program descriptions are adapted from the WorkFirst Handbook: <<http://www1.dshs.wa.gov/ESA/wfhand>>.

²² Program description adapted from Washington’s WorkFirst website: <<http://www.workfirst.wa.gov/briefing/commjobs.htm>>.

receive one-on-one case management, mentoring, education, and other services. They earn minimum wage while in the program and continue to receive WorkFirst grants and other supports. Private, nonprofit agencies under contract with the state coach participants in job skills, help resolve barriers to employment, and place participants in temporary, state-subsidized jobs. Participants may remain in the program for up to nine months.

The typical participant is a 31-year-old single mother with two children, no high school diploma, and less than one year of employment experience. Many face one or more barriers to employment, such as lack of transportation, unstable housing, and domestic violence (Burchfield, 2002 and Burchfield and Yatsko, 2002). The average length of time from referral to leaving the program is 7.8 months. More than 10,500 WorkFirst participants have enrolled in the program, which began as a pilot project in June 1998 and expanded statewide in 1999 (Burchfield and Yatsko, 2002, p. 13). Fiscal Year 2004 expenditures on Community Jobs totaled \$12.4 million.

Post-Employment Services

Post-Employment Services provide information and support services, such as child care, transportation, and other work-related expenses and services, to help clients stay employed, increase earnings, and work toward independence from state financial assistance. Post-Employment Services is voluntary for full-time workers on TANF and for those who exit TANF to employment, but it may be mandatory for current TANF recipients who work too few hours.

The WorkFirst Post-Employment Labor Exchange (WPLEX) is the primary method by which the state informs eligible clients about Post-Employment Services. WPLEX staff contact employed WorkFirst clients who are working 20 or more hours per week and inform them about assistance with child care, transportation, and other work-related expenses; about their eligibility for food stamps, Medicaid, and the Earned Income Tax Credit; and about opportunities for basic education and employment-related training under WorkFirst. WPLEX staff also provide assistance with re-employment and job advancement (Farrell et al., 2003, p. es-4).

Between October 1998 and September 2001, WPLEX staff contacted 14,257 participants who were working at least 20 hours per week (Farrell et al., 2003, p. es-2). Fiscal Year 2004 expenditures on WPLEX totaled \$1.04 million. An estimate of the total expenditures on Post-Employment Services provided to all current and former WorkFirst participants was not available for this review.