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OUTCOME EVALUATIONS OF WASHINGTON STATE'S WORKFIRST PROGRAM: EXECUTIVE SUMMARY OF KEY FINDINGS

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.

The 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. The following are key findings from this review:

- **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 per participant as Job Search.
- **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.

The studies reviewed 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.

The following studies provided the key findings described in this summary. A complete bibliography of research conducted on the WorkFirst program is in the full report.

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. (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.

Klawitter, M.M. (2001) *Employment*. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.

Klawitter, M.M. (2001 September) *Effects of WorkFirst activities on employment and earnings*. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.

Klawitter, M.M. (2002 September) *WorkFirst activities for October 2000 recipients*. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.

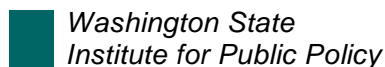
Klawitter, M.M. and J. Christensen. (2004 May) *WorkFirst activities for October 2001 TANF recipients*. Seattle: Daniel J. Evans School of Public Affairs, University of Washington.

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

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.

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