

# WorkFirst

## Program Details

Washington's WorkFirst program began in 1997 to help low-income families become self-sufficient. The program provides job search assistance, support services, and basic skills and vocational education to help parents get a job, keep a job, and move up a career ladder. WorkFirst is unique among workforce development programs in its sole focus on families receiving cash assistance, or Temporary Assistance to Needy Families (TANF).<sup>1</sup> It is an important population in terms of state workforce development and overlaps partially with the population served by several of the other workforce development programs in this study. It should also be noted that the WorkFirst population is diverse, especially with respect to job readiness and employability, as it includes parents who face barriers such as language, domestic violence, mental and physical health problems, chemical dependency, and long-term disabilities.

*Every two years, the Workforce Board measures the performance of key workforce programs. In this report, you'll find out more about the program and who is served, the metrics used to measure performance and how the program performed.*

## Participant Profile

For this report, researchers studied the results of 31,335 participants who took part in one or more WorkFirst employment and training related services between July 1, 2007 and June 30, 2008. All participants received Temporary Assistance for Needy Families (TANF) payments during participation. Participating in WorkFirst employment and training services did not necessarily mean completion of TANF.

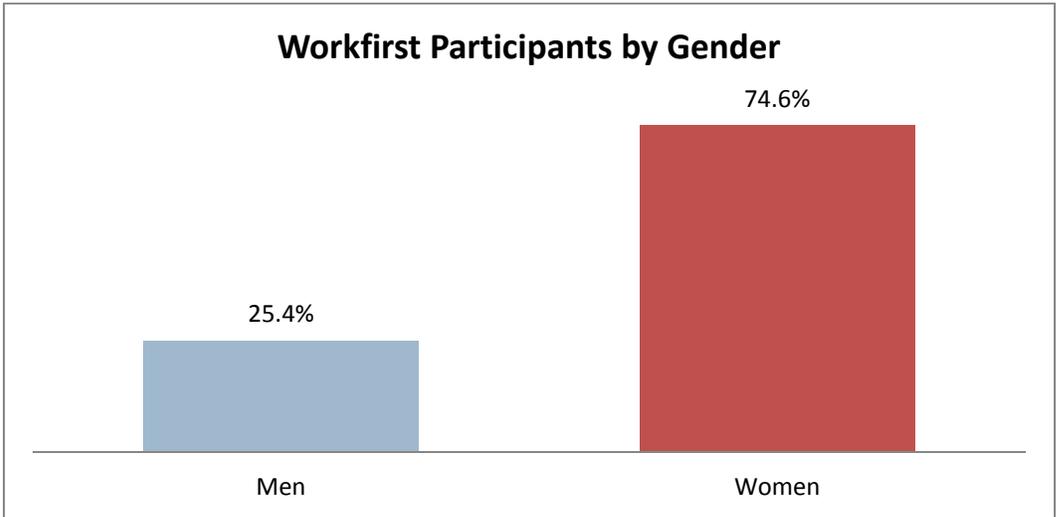
The study also includes information from Employment Security Department wage files from Washington, Idaho, and Oregon, and federal employment records. WorkFirst clients received a wide variety of employment and training services.

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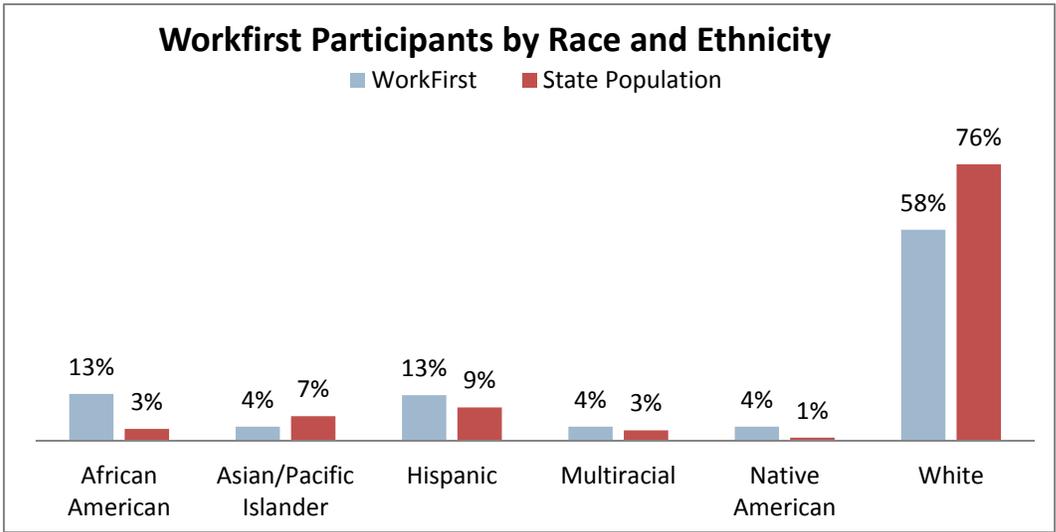
<sup>1</sup> The TANF program is for families, where the parent(s) receives a grant for his or her own needs as well as the child(ren), and is subject to federal participation requirements.

WorkFirst clients who exited in 2007-2008 were racially and ethnically diverse with Hispanics, African Americans and Native Americans represented at a significantly higher percentage than the state’s general population.<sup>2</sup>

Three quarters of WorkFirst participants were women.



Source: Department of Social and Health Services, Administrative Records 2007-2008



Source: Department of Social and Health Services, Administrative Records

<sup>2</sup> In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African Americans); non-Hispanic Asians/Pacific Islanders (also referred to as Asians/Pacific Islanders); non-Hispanic Native Americans and Alaskan Natives (also referred to as Native Americans); non-Hispanic multiracial (also referred to as multiracial); and non-Hispanic whites (also referred to as whites). According to the 2008 *U.S. Census Estimates*, 77 percent are whites; 3 percent are African Americans; 1 percent are Native Americans; 7 percent are Asians/Pacific Islanders; 3 percent are multiracial; and 9 percent are Hispanics.

## **Education Level**

WorkFirst participants entered the program with the following education levels:

- 44 percent had not completed high school.
- 43 percent had a high school diploma or GED but no post-high school education.
- 12 percent had attended one to three years of postsecondary education.
- 2 percent had completed four or more years of postsecondary education.

The median age of participants when leaving the program was 27 years; one quarter were 35 or older.

## **State Core Measures: Tracking WorkFirst Progress**

The Workforce Board routinely measures the performance of our state's largest workforce programs. As a customer-focused advocate for Washington's workers and employers, the Workforce Board strives to provide performance accountability, verifying whether worker education and training programs provide a return on investment for participants and taxpayers.

Workforce Training Results seeks answers to core questions:

- Did participants get the skills they needed?
- Did they get a job and how much were they paid?<sup>3</sup>

For WorkFirst, these questions are the sole focus of this Workforce Training Results report. Additional questions asked of other workforce programs are not addressed. Those questions include: Were employers satisfied with the preparation workers received; has the program made a difference in the participant's success; and did participants and the public receive a return on their investment. WorkFirst was not included in the Workforce Board's 2010 Employer Survey and was not included in a net impact study or cost-benefit analysis.

## **Did Participants Get the Skills they Needed?**

The analyses for this report are limited to those clients who participated in one or more of the following employment and training components.<sup>4</sup>

- CJ – Community Jobs (subsidized employment)
- JS – Job Search
- PE – Customized Job Skills Training
- BE – Basic Education
- ES – English as a Second Language

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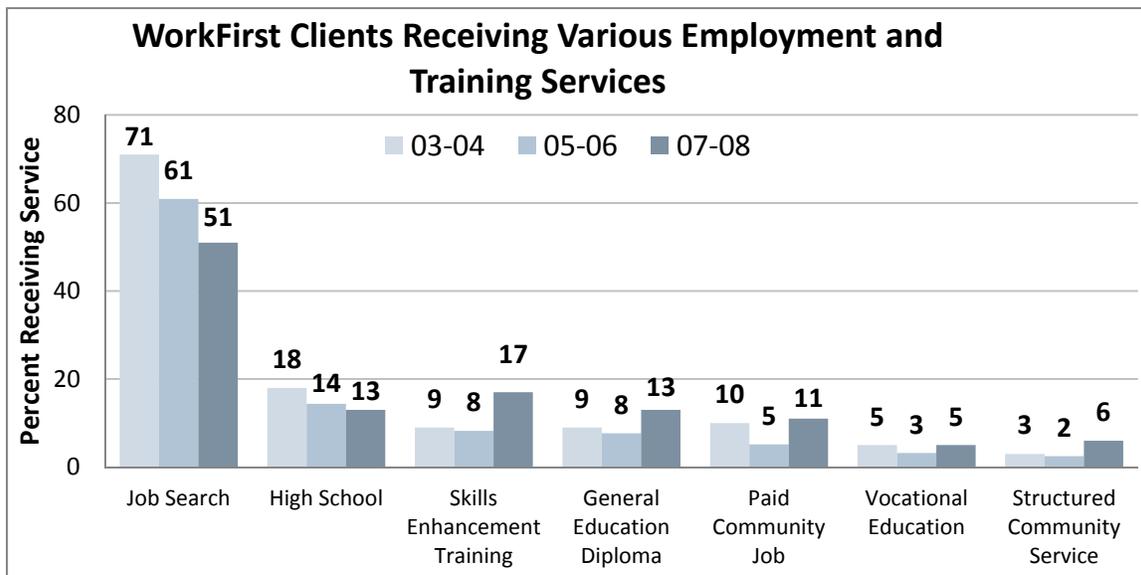
<sup>3</sup> Workforce Training Results usually includes a survey that measures the satisfaction of workforce participants, in addition to employers. The survey was not conducted this time because of budget constraints.

<sup>4</sup> The component codes are E-JAS component codes.

- GE – General Education Diploma
- HS – High School
- HW – High Wage / High Demand
- JT – Skills Enhancement Training
- OT – On the Job Training
- VE – Vocational Education
- VU – Vocational Education - Unapproved
- WE – Work Experience
- XS – Structured Community Service

It should be noted that unlike most other workforce development programs, WorkFirst parents can be sanctioned (have their grant reduced) for not complying with employment and training activity requirements (typically 32-40 hours of activities per week, which can include full- or part-time employment).

Among the employment and training components, the service used by the highest percentage of clients in program year 2007-08 was job search assistance. The percentage of clients who used job search assistance has fallen 10 percentage points since 2005-06. The percentage of clients who used Community Jobs (subsidized employment), Skills Enhancement Training, and Structured Community Service has more than doubled since 2005-06. Altogether, there were fewer 2007-08 WorkFirst participants who used any employment or training components than in 2005-2006.



Source: State Board for Community and Technical Colleges, Administrative Records

### Did Participants Have a Job and How Much Were They Paid?

To find out whether participants had jobs and how much they earned, participant records were matched with Employment Security Department wage files from

Washington, Idaho, Oregon, and federal wage records.<sup>5</sup> The study looks at employment and earnings three calendar quarters after the participant left a WorkFirst program. The chart below shows the 2008-2009 employment and earnings of participants who left the program during the 2007-2008 program year.

Thirty-nine percent of WorkFirst participants were employed. Of those who were working, 37 percent were employed full time. The median hourly wage<sup>6</sup> of those working was \$10.71, with median annualized earnings of \$12,477. Employment rates and earnings are typically low for this population, but they were somewhat lower in the most current reporting year than for 2005-2006 participants. The decrease in earnings is likely due to the onset of the recession in late 2008 and a reduction in the median number of hours worked.

### 2007-2008 Program Year Performance for WorkFirst

Performance Measure	Results
Employment Rate*	39%
Percentage Employed Full Time**	37%
Median Annualized Earnings	\$12,477
Median Hourly Wage***	\$10.71
Hours Worked Quarterly (Median)	305 hours

*\*These figures apply to those with employment reported to Employment Security Department six to nine months after leaving program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent. \*\*Full-time employment averages 30 or more hours per week. \*\*\* Earnings /wages expressed in first quarter 2009 dollars.*

To put earnings in context, the median number of people WorkFirst participants were able to support at the poverty level after leaving the program in 2007-2008 was 1.4 people. At the 200 percent of poverty level, this worked out to less than one person, or 0.6 people.<sup>7</sup>

<sup>5</sup> These files contain quarterly earnings and hours-worked information on those individuals with employment reported for unemployment insurance (UI) purposes (approximately 90 percent of in-state employment, with self-employment, active duty military, and those working for religious nonprofit organizations being the major groups of employers not included).

<sup>6</sup> All wages and earnings are stated in 2009 Q1 dollars.

<sup>7</sup> In 2009, the poverty level for one person was \$10,830 per year. The 200-percent-poverty level that year was \$21,660 for one person.

### Self Sufficiency Level for WorkFirst – Previous Years\*

Performance Measure	2003-2004	2005-2006	2007-2008
Household size-poverty level	1.3	1.6	1.4
Household size-poverty level at 200 percent	0.6	0.6	0.6

\*There are fewer reporting years for WorkFirst than other programs included in this study, as data collection on these programs started more recently.

The following table shows employment and earnings over three study periods.

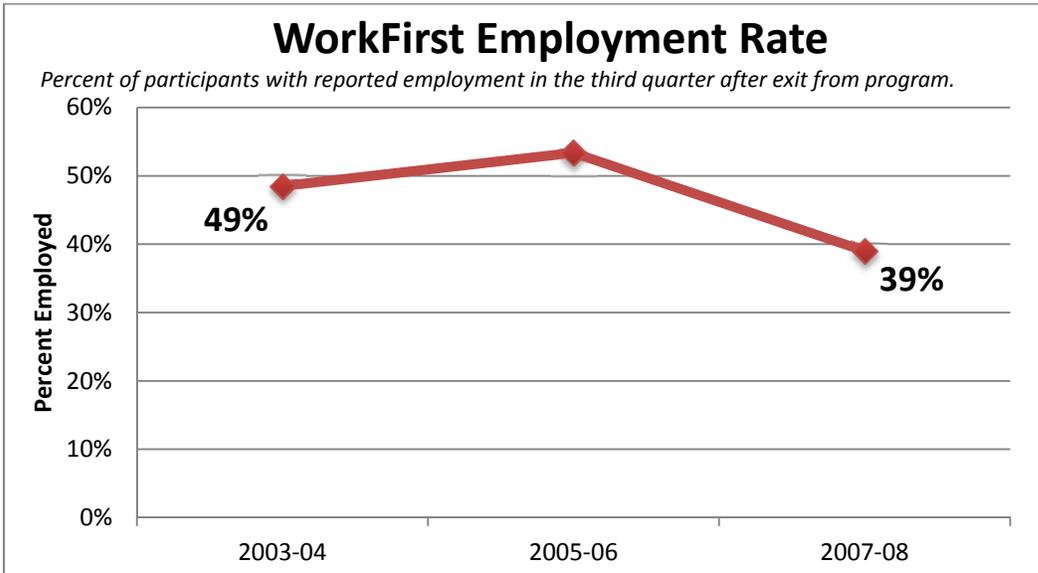
### Program Performance for WIA WorkFirst – Previous Years

Performance Measure	2003-2004	2005-2006	2007-2008
Employment Rate	49%	53%	39%
Percentage Employed Full Time*	37%	41%	37%
Median Annualized Earnings	\$12,099	\$12,991	\$12,477
Median Hourly Wage	\$10.04	\$10.07	\$10.71
Hours Worked Quarterly (Median)	307	328	305

\*Full-time employment averages 30 or more hours per week.

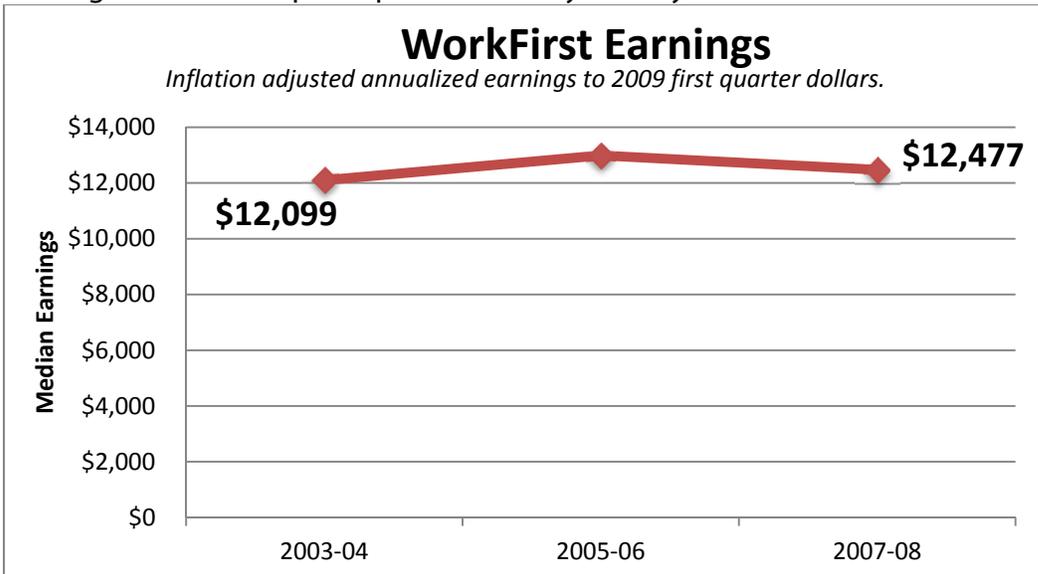
\*\*Note: These figures apply to those with employment reported to state employment agencies six to nine months after leaving the program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent. Earnings/wages expressed in first quarter 2009 dollars in order to control for inflation.

Since 2003-2004, WorkFirst participants have recorded a rise, then fall, in employment.



Source: Workforce Training Results 2003-2008.

Earnings of WorkFirst participants have stayed fairly stable.



Source: Workforce Training Results 2003-2008.

The majority of WorkFirst participants reported to be employed, held jobs in:

- Retail trades.
- Services industries, such as the accommodation and food services industries and health care.

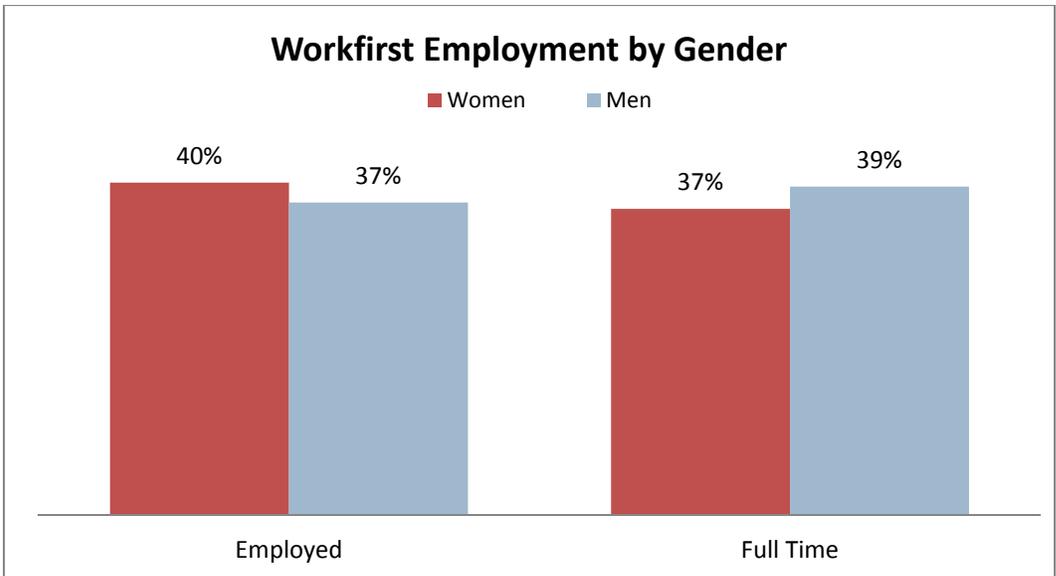
<b>WorkFirst Employment by Industry</b>	
<b>Industry Group</b>	<b>Employment</b>
Services (See breakout below)	61.8%
Retail Trade	16.5%
Manufacturing	5.2%
Financial Activities	3.7%
Construction	3.5%
Transportation and Warehousing and Utilities	2.8%
Wholesale Trade	2.2%
Public Administration	2.0%
Natural Resources and Mining	1.7%
Information	0.6%
<b>Services Breakout</b>	
Professional, Scientific, and Technical Services	2.3%
Administrative and Support and Waste Management and Remediation Services	11.1%
Education Services	2.6%
Health Care	13.4%
Social Assistance	7.1%
Arts, Entertainment, and Recreation	2.9%
Accommodation and Food Services	16.5%
Other Services (except Public Administration)	6.0%

*Note: Industry groups based on North American Industry Classification System codes.*

*Source: Matches with Employment Security Department data in third quarter after exiting program.*

### **Wages and Employment Results Vary by Population**

Wage and employment results can vary by gender, race and ethnicity, and disability. A slightly higher percentage of women were employed in the third quarter after exit compared to men. However, men were more likely to be working full time than women (39 percent versus 37 percent). Women had an hourly wage that was 93 percent of men (\$10.55 versus \$11.31) a slight improvement from the 91 percent reported in 2005-2006.

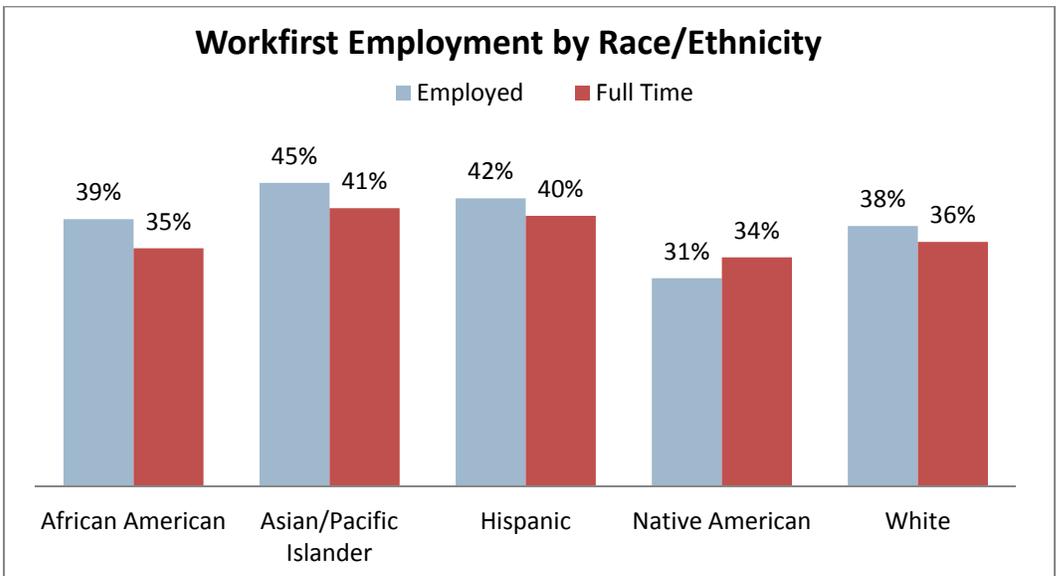


Source: Matches with Employment Security Department data.

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

### Race/Ethnicity Plays Role

Native Americans were less likely to be employed than whites during the third quarter after exit, while the remaining ethnic groups were more likely to be working than whites. Asians/Pacific Islanders and Hispanics were more likely than whites to be working full time. The median hourly wage for Hispanics was 96 percent of whites; Native Americans, Asians/Pacific Islanders and African Americans had slightly higher median wages than whites.

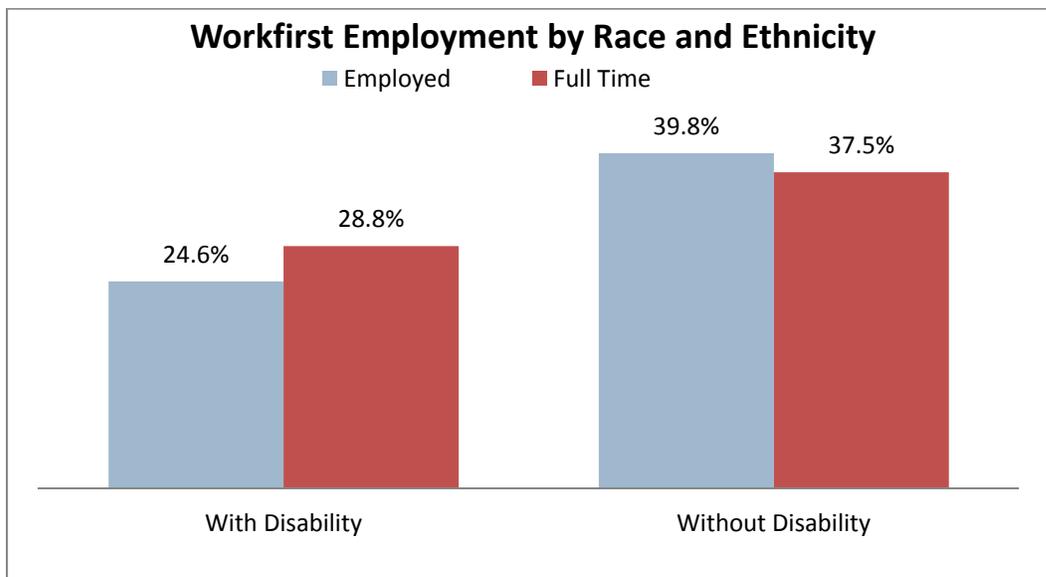


Source: Matches with Employment Security Department data.

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

## Disability Impacts Employment, Earnings

Earnings and employment outcomes also varied by disability status. Participant records suggest 4 percent of the WorkFirst clients included in this study had a disability. Clients with disabilities were less likely than those without disabilities to have employment reported to the state's Employment Security Department during the third quarter after exit (25 percent versus 40 percent) and were less likely to be employed full time (29 percent versus 38 percent). Among those working, the median hourly wage rate of those with a disability was 98 percent of those without a disability.



Source: Matches with Employment Security Department data.

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

In summary, the key findings are that the employment rate after WorkFirst clients participated in employment and training services was 39 percent, a decline from the 53 percent rate found by the previous study. Median earnings of the employed were \$12,477, an amount not sufficient to support a two-person family at the poverty level. It should be noted, however, that WorkFirst is designed to take advantage of other government assistance for low income individuals, such as tax credits, the Basic Food Program (food stamps), and Working Connections Child Care, the benefits of which are not included in this study.