

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).¹ 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.

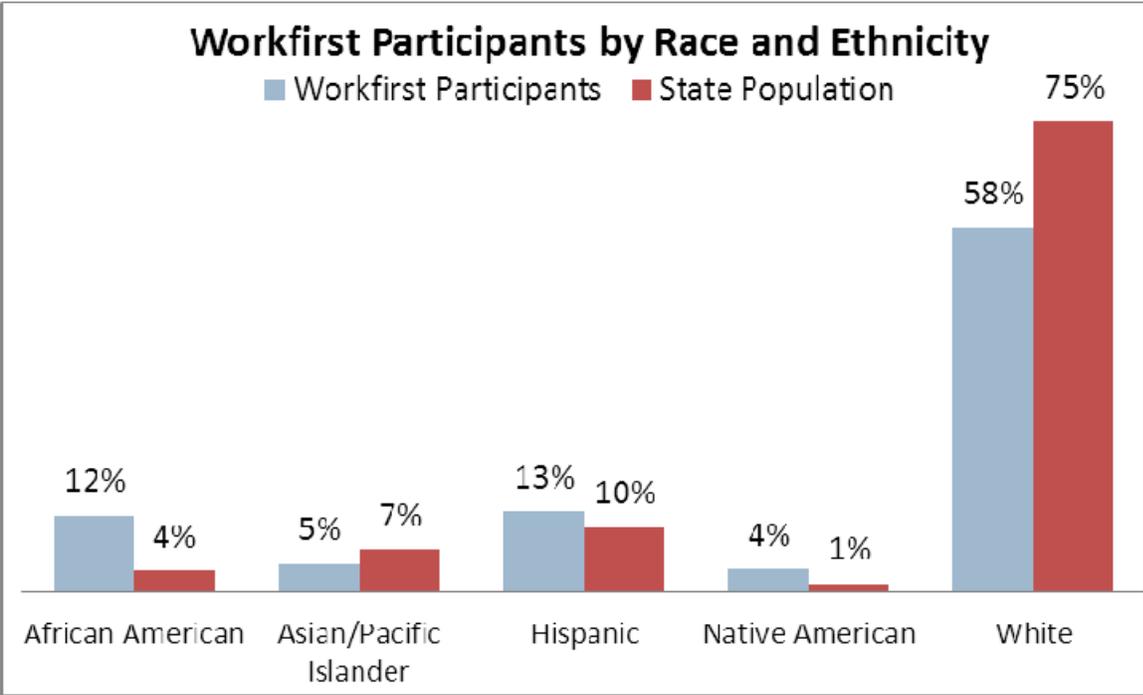
Participant Profile

For this report, researchers studied the results of 33,010 participants who took part in one or more WorkFirst employment and training related services between July 1, 2008 and June 30, 2009. 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.

WorkFirst participants who exited in 2008-09 were racially and ethnically diverse with Hispanics, African Americans and Native Americans represented at a significantly higher percentage than the state's general population.² Some 58 percent of participants were white, 13 percent Hispanic, 12 percent African American, 5 percent Asian/Pacific Islander, and 4 percent Native American.

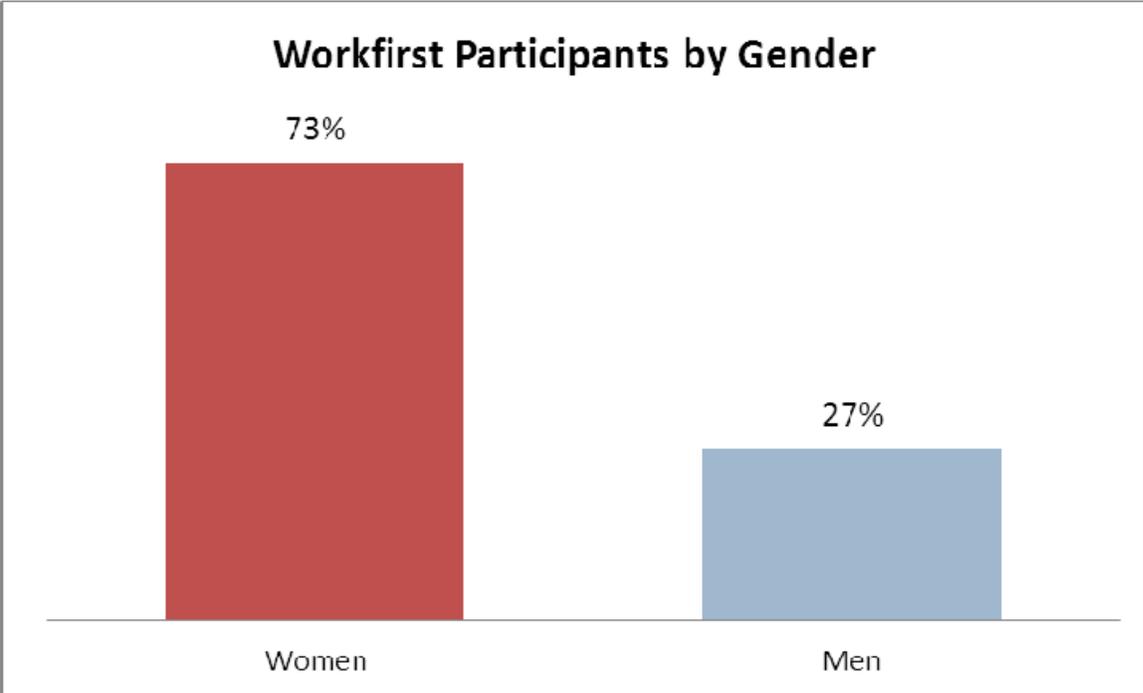
¹ The TANF program is for families, where the parent(s) receives a grant for his or her own needs as well as the child(ren), and is subject to federal participation requirements.

² 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 2009 U.S. Census Bureau estimates from the American Community Survey, 75 percent are white; 4 percent are African American; 1 percent are Native American; 7 percent are Asian/Pacific Islander; 3 percent are multiracial; and 10 percent are Hispanic.



Source: Department of Social and Health Services, Administrative Records.

Nearly three quarters of WorkFirst participants (73 percent) were women. This is down slightly from 75 percent in the prior program year.



Source: Department of Social and Health Services, Administrative Records 2008-09.

Education Level

WorkFirst participants entered the program with the following education levels:

- 41 percent had not completed high school.
- 44 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, with one quarter over age 35 and another quarter of participants under age 22.

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.

The Workforce Training Results report seeks to answer several core questions, including:

- Did participants get the skills they needed?
- Did participants get a job and how much were they paid?

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 participants who participated in one or more of the following employment and training components.³

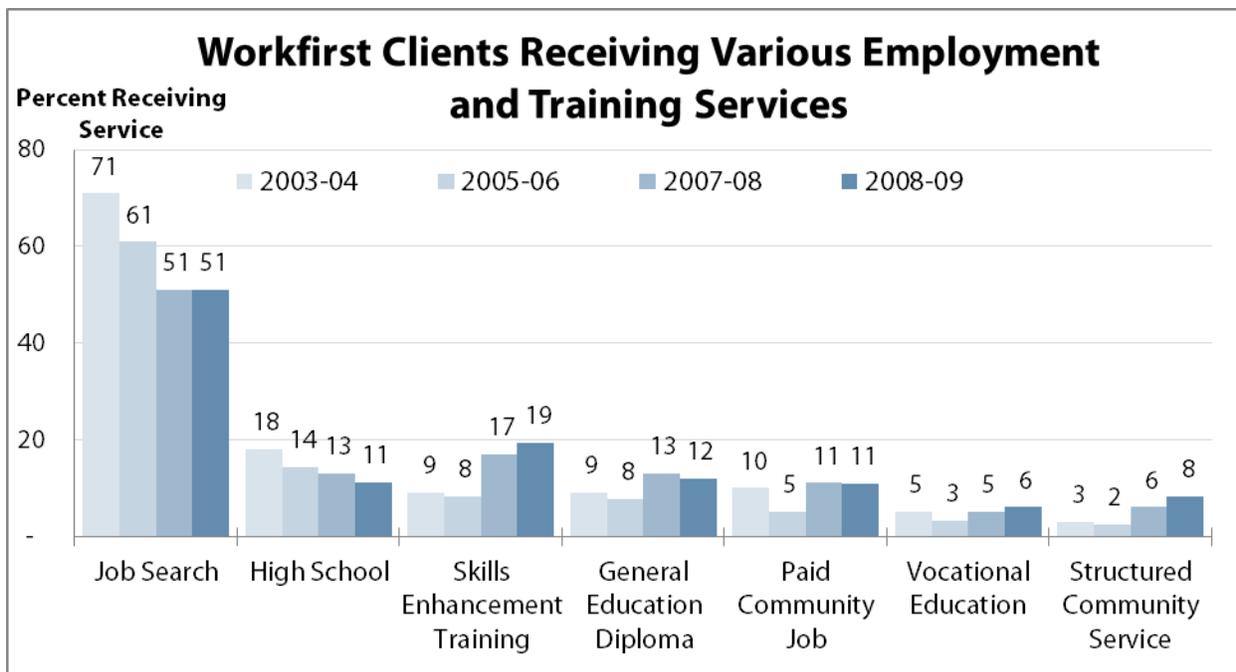
- CJ – Community Jobs (subsidized employment)
- JS – Job Search
- PE – Customized Job Skills Training
- BE – Basic Education
- ES – English as a Second Language
- GE – General Education Diploma
- HS – High School
- HW – High Wage / High Demand
- JT – Skills Enhancement Training

³ The component codes are E-JAS component codes.

- 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 participants of 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 provided to WorkFirst participants, job search was used most frequently. However, the percentage of participants using job search assistance fell 10 percentage points between 2007-08 and 2008-09. The percentage of participants who used Community Jobs (subsidized employment), Skills Enhancement Training, and Structured Community Service has more than doubled since 2007-08. Altogether, there were fewer 2008-09 WorkFirst participants who used any employment or training components than in 2007-08.



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.⁴ The study looks at employment and earnings three calendar quarters after the participant left a WorkFirst program. The chart below shows the 2009-10 employment and earnings of participants who left the program during the 2008-09 program year.

According to state records, 37 percent of WorkFirst participants were employed. Of those who were working, 37 percent were employed full time. The median hourly wage of those working was \$10.11, with median annualized earnings of \$12,428.⁵ Employment rates and earnings are typically low for this population, but they were somewhat lower than what was reported in the prior program year. The decreases in wages and earnings are likely due to the continued effect of the Great Recession.

Employment and Earnings for WorkFirst Participants, 2009-10

Performance Measure	Results
Employment Rate*	37%
Full Time Employment **	37%
Median Quarterly Hours	304 hours
Median Hourly Wage***	\$10.11
Median Annualized Earnings***	\$12,428

* 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.

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

*** Earnings/wages expressed in first quarter 2009 dollars in order to account for inflation.

To put earnings in context, the median number of people WorkFirst participants were able to support at the poverty level in 2009-2010 was 1.4 people. At the 200 percent of poverty level, this worked out to less than one person, or 0.6 people.⁶

⁴ 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).

⁵ Annual earnings are calculated as third quarter earnings multiplied by four. Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. All wages and earnings are stated in first quarter 2009 dollars.

⁶ 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 Trends for WorkFirst Participants*

Performance Measure	2004-05	2006-07	2008-09	2009-10
Household size-poverty level	1.3	1.6	1.4	1.4
Household size-poverty level at 200 percent	0.6	0.6	0.6	0.6

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

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

Employment and Earnings Trends for WorkFirst Participants

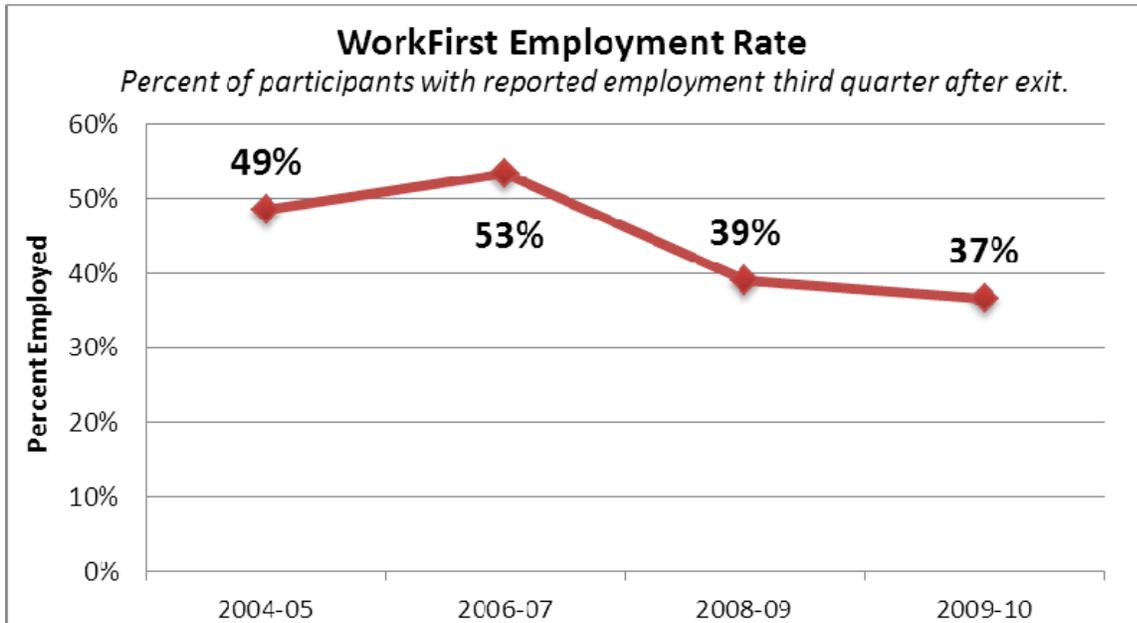
Performance Measure	2004-05	2006-07	2008-09	2009-10
Employment Rate*	49%	53%	39%	37%
Full Time Employment**	37%	41%	37%	37%
Median Quarterly Hours	307	328	305	304
Median Hourly Wage***	\$10.04	\$10.07	\$10.71	\$10.11
Median Annualized Earnings***	\$12,099	\$12,991	\$12,477	\$12,428

*These figures apply to those with employment reported to ESD six to nine months after program exit and is not limited to those who completed a 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.

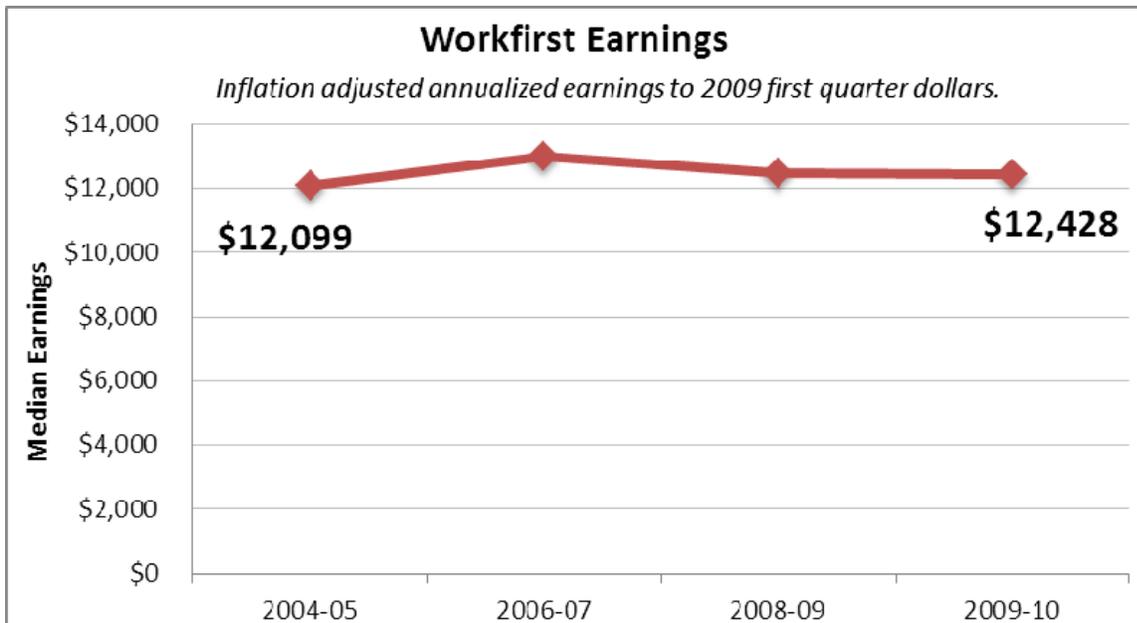
***Earnings/wages expressed in first quarter 2009 dollars in order to account for inflation.

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



Source: Workforce Training Results 2004-10.

Earnings of WorkFirst participants have stayed fairly stable.



Source: Workforce Training Results 2004-10.

Workfirst Employment by Industry

The majority of WorkFirst participants reported being employed in the service sector (59 percent) or the retail trades (18 percent). Looking more in depth at the service sector, participants are largely working in health care (15 percent), administrative support and waste management (14 percent), and the social assistance industry (8 percent).

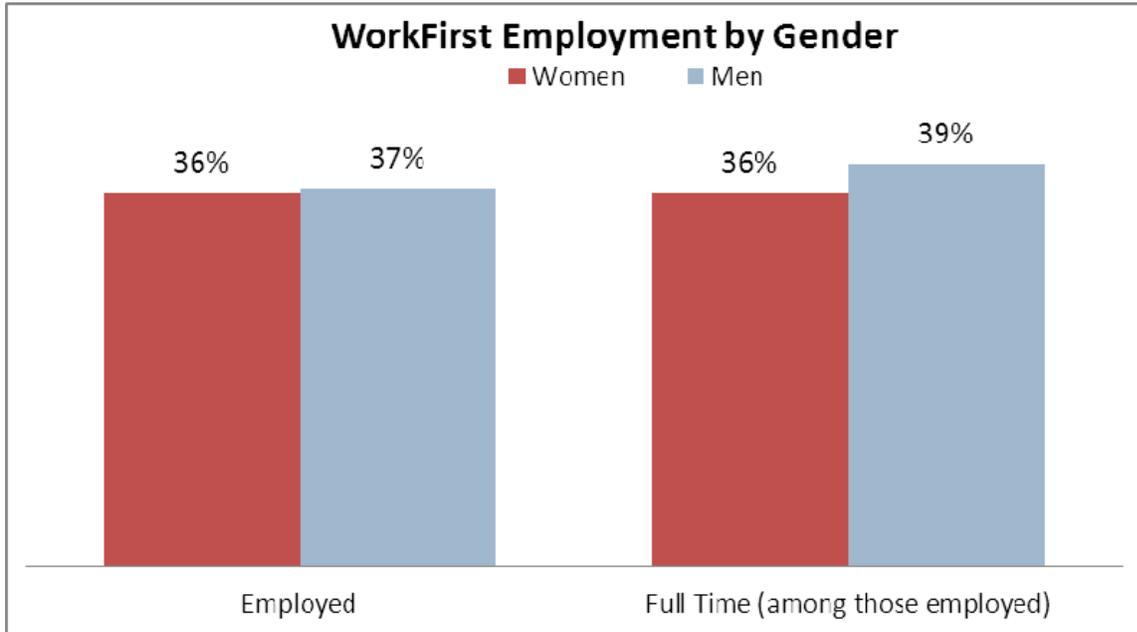
Industry Group	
59.0%	Services (see breakout below)
18.0%	Retail Trades (see breakout below)
4.2%	Manufacturing
3.8%	Construction
3.5%	Financial Activities
3.3%	Natural Resources and Mining
2.8%	Transportation and Warehousing and Utilities
2.6%	Wholesale Trade
2.1%	Public Administration
0.7%	Information
Breakout of Services	
14.8%	Health Care
14.0%	Administrative and Support and Waste
8.4%	Social Assistance
8.2%	All Other Services
5.5%	Accommodation and Food Services
3.1%	Arts, Entertainment, and Recreation
2.6%	Education Services
2.4%	Professional, Scientific, and Technical Services
Breakout of Retail Trades	
5.7%	Department Stores and Warehouse Clubs
3.3%	Groceries, Supermarkets & Specialty Foods
2.4%	All Other Retail
2.3%	Gas Stations/Convenience Stores
2.1%	Clothing and Accessories Stores
1.2%	Motor Vehicle and Accessories Sales
1.1%	Home furnishings, Garden, Hardware

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

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

Wages and Employment Results Vary by Population

Wage and employment results can vary by gender, race and ethnicity, and disability. Men and women were employed at nearly identical rates, while men were employed full time at a higher rate (39 percent compared to 36 percent for women). Women had an hourly wage that was 93 percent of men (\$10.02 versus \$10.73) identical to what was reported in the prior program year.

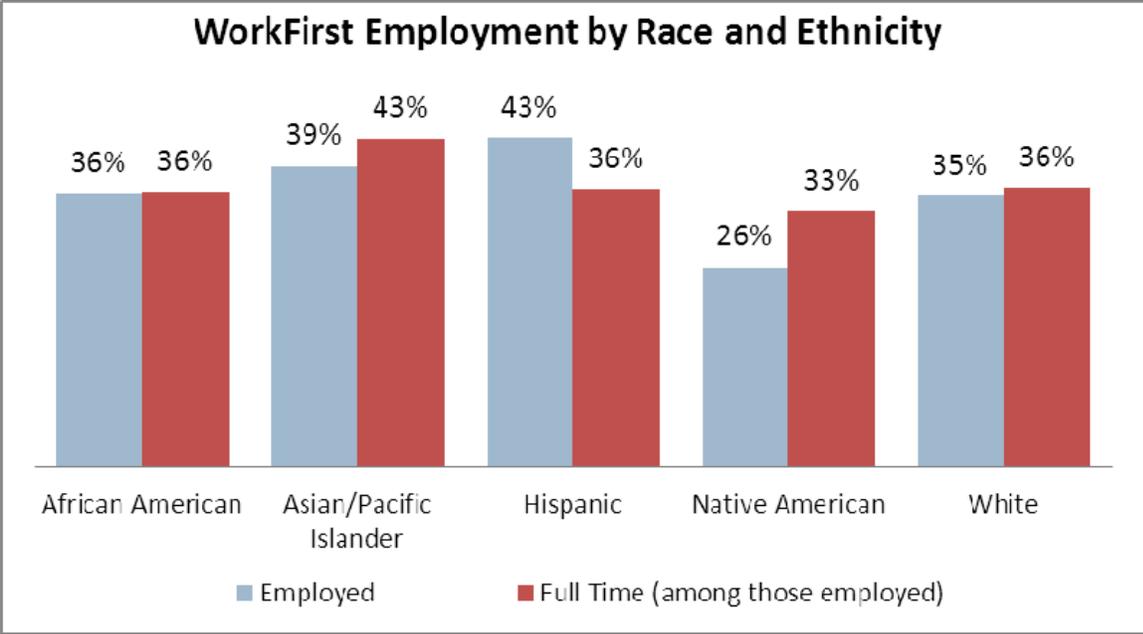


Source: Matches with Employment Security Department data.

Race/Ethnicity Plays Role

Native Americans were less likely to be employed than all other race and ethnic groups during the third quarter after exit at 26 percent. Employment rates were highest among Hispanics (43 percent), followed by Asian/Pacific Islanders (39 percent), African Americans (36 percent), and whites (35 percent). However, when looking at full time work among those holding a job, Asian/Pacific Islanders had the highest rate of full-time employment at 43 percent, Native Americans the lowest rate of full-time employment at 33 percent, and all other groups had full-time employment rates of 36 percent.

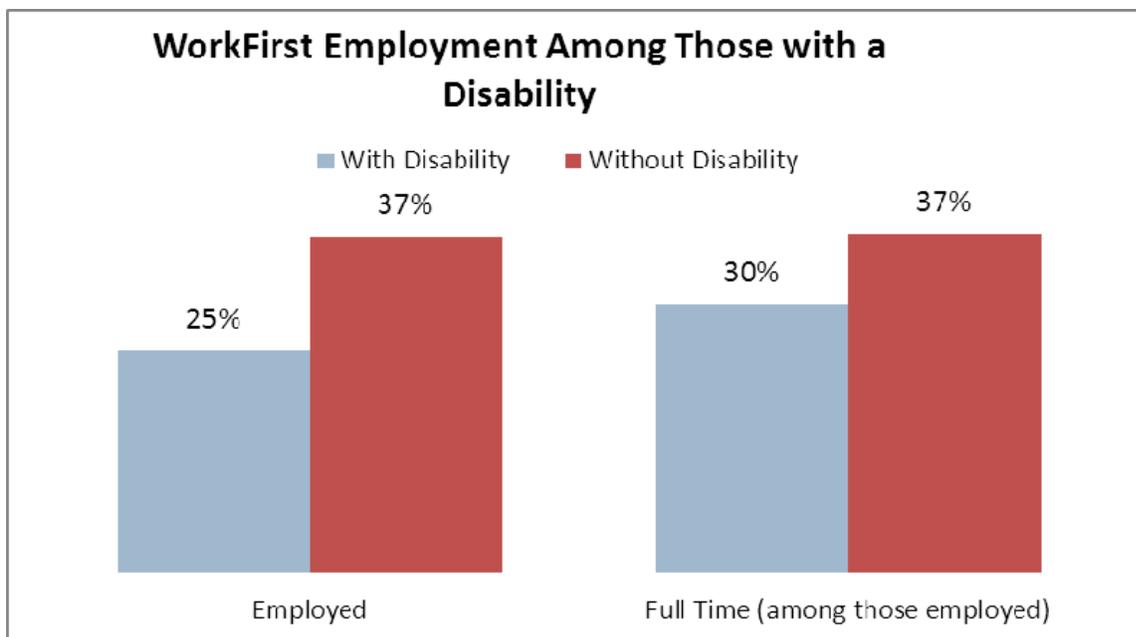
For those employed, median hourly wages did not vary much by race and ethnicity. African Americans had the highest median hourly wage at \$10.33 and Asian/Pacific Islanders had the lowest at \$9.98. In terms of annual earnings, Asian/Pacific Islanders had the highest (\$13,701), followed by whites (\$12,260), Hispanics (\$12,138), African Americans (\$11,677) and Native Americans (\$11,066).



Source: Matches with Employment Security Department data.

Disability Impacts Employment, Earnings

Earnings and employment outcomes also varied by disability status. Participant records suggest 4 percent of the WorkFirst participants included in this study had a disability. Participants 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 (30 percent versus 37 percent). Among those working, the median hourly wage rate of those with a disability was 98 percent of those without a disability (\$9.98 versus \$10.13), but the median annual earnings of those reporting a disability was 61 percent of those not reporting a disability (\$7,743 versus \$12,561).



Source: Matches with Employment Security Department data.

In summary, WorkFirst participants experienced a significant slide in their employment rate, falling from 53 percent in the previous study, to 39 percent in the current report. This decline is likely due to the Great Recession, which significantly impacted low-income wage earners. Also, WorkFirst participants continued to struggle to support themselves, even at the poverty level. Median earnings of those employed were \$12,477, an amount insufficient 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, housing assistance, the Basic Food Program (food stamps), free or low-cost health care, and Working Connections Child Care, which provides subsidized child care to working Washington parents, the benefits of which are not included in this study.