

WorkFirst

Program Details

Washington's WorkFirst program began in 1997 to help low-income families achieve self-sufficiency. The program provides job search assistance, support services, basic skills and vocational education to help parents get a job, keep a job, and move up their 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 year, 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 2012 report, researchers studied the results of 37,366 participants who took part in one or more WorkFirst employment and training related services during the most recent reporting year.² 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.

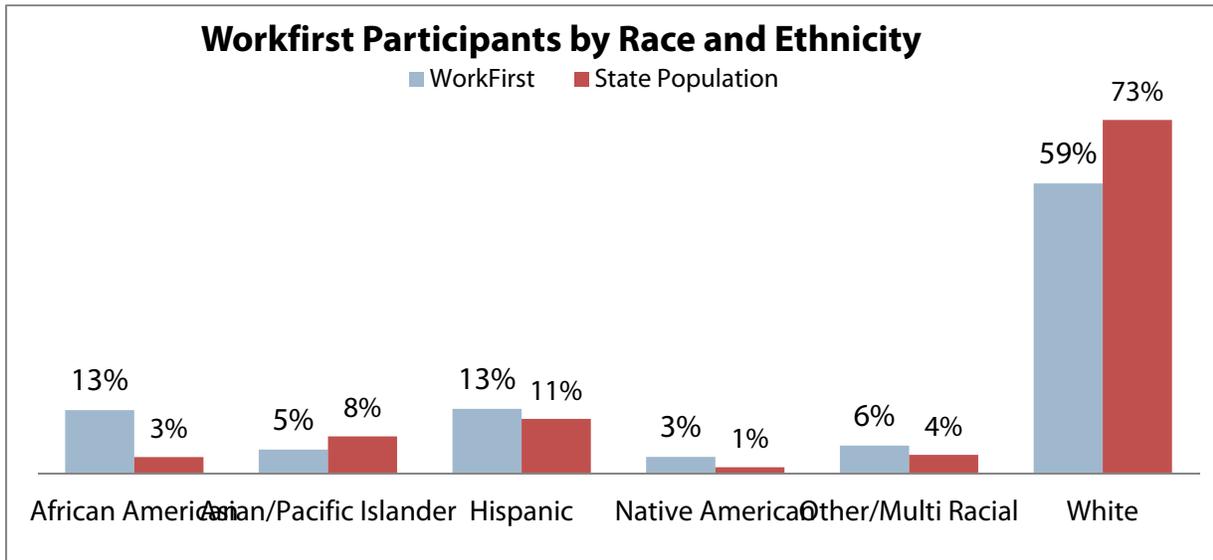
WorkFirst participants who exited services were racially and ethnically diverse with Hispanics, African Americans and Native Americans represented at a significantly higher percentage than their portion of the state's general population.³

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 The 2012 Workforce Training Results reports are based on data observed in 2010-11 for individuals exiting programs during 2009-10. For WorkFirst this includes those in services between July 1, 2009 and June 30, 2010.

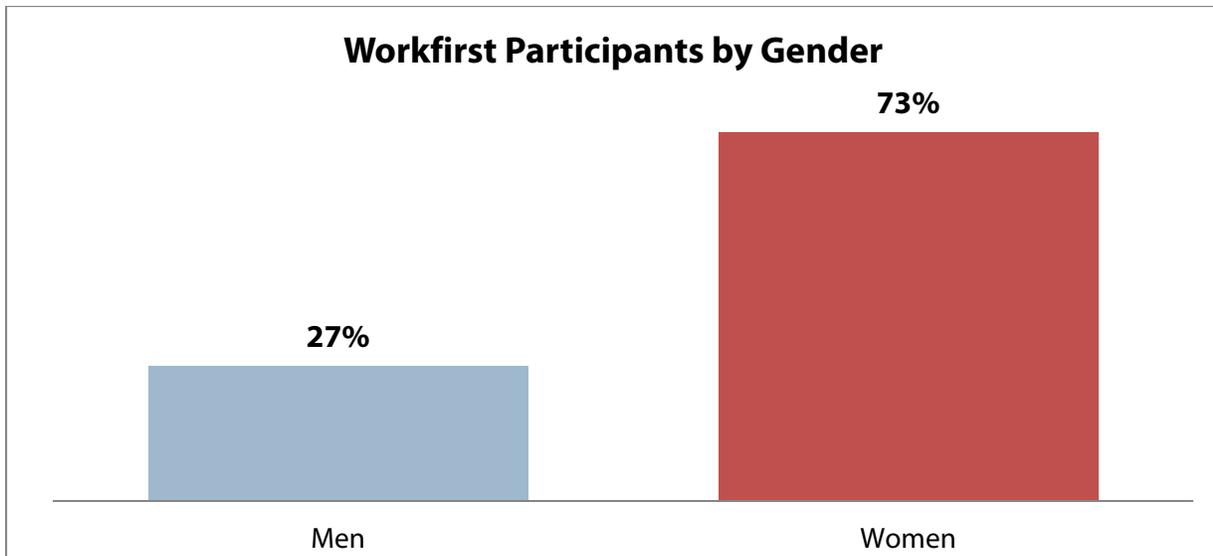
³ In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African Americans); 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 2010 U.S. Census Bureau estimates for Washington's population from the American Community Survey, 73 percent are white; 3 percent are African American; 1 percent are Native American; 8 percent are Asians/Pacific Islander; 4 percent are multiracial; and 11 percent are Hispanic.

Nearly 59 percent of participants were white, 13 percent Hispanic, 13 percent African American, 5 percent Asian/Pacific Islander, and 3 percent Native American.



Source: Department of Social and Health Services, Administrative Records and 2010 U.S. Census Data from the American Community Survey.

Nearly three quarters of WorkFirst participants (73 percent) were women. This is the same percentage of women as last year.



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

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 28 years, with one quarter over age 35 and another quarter of participants under age 23.

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 2012 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.⁴

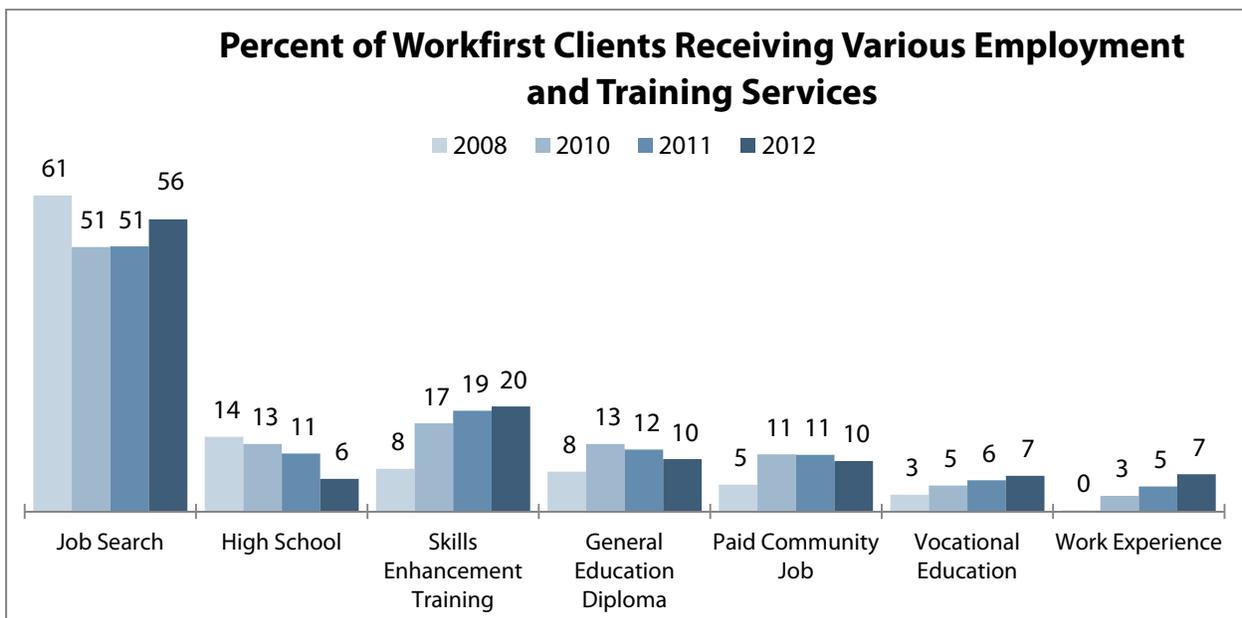
- CJ – Community Jobs (subsidized employment)
- JS – Job Search
- PE – Customized Job Skills Training
- BE – Basic Education
- ES – English as a Second Language
- GE – General Education Diploma
- HS – High School
- HW – High Wage / High Demand
- JT – Skills Enhancement Training
- OT – On the Job Training

⁴ The component codes are E-JAS component codes.

- 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. There was a 5 percentage point increase in the participant use of job search assistance over the last year. Use of Skills Enhancement Training has increased every year for the past four years, growing from 8 percent in 2008 to 20 percent in 2012. Use of Work Experience has gone from under 1 percent to 7 percent since 2008.



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 for 2010-11.⁵ This study looks at employment and earnings three calendar quarters after the participant left a WorkFirst program. The table below

⁵ 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).

displays the employment and earnings of participants who left the program during during the most recent reporting year.

According to state records, 38 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 \$10.22, with median annualized earnings of \$12,514.⁶ Employment rates and earnings are typically low for this population, compared to the other workforce training programs we assess, and this year 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, 2012

Performance Measure	Results
Employment Rate*	38%
Full Time Employment **	37%
Median Quarterly Hours	304 hours
Median Hourly Wage***	\$10.22
Median Annualized Earnings***	\$12,514

* 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 2011 dollars in order to account for inflation.

Earnings of WorkFirst Participants

To better gauge the financial effectiveness of Washington’s workforce programs, it helps to frame income levels. One common yardstick is the federal poverty level. In 2011, the federal poverty level for one person was \$10,890 per year.⁷

In 2012, WorkFirst participants were able to support a median of 1.4 people at the poverty level—meaning they could support themselves and part of another person. They did not have enough earnings to support themselves, let alone others, at 200 percent of the poverty level (.6 people).

⁶ 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 2011 dollars.

⁷ Poverty levels from 2011 were used in this edition of Workforce Training Results to measure the results of workforce programs on participants observed in 2010-11. The federal poverty level is determined by the Department of Health and Human Services. The level varies according to family size. The number is adjusted for inflation and reported annually in the form of poverty guidelines. Public assistance programs typically define eligibility income limits as some percentage of the federal poverty level.

Number of People Supported at Poverty Level by Participant Income*

Performance Measure	2006	2008	2010	2011	2012
Number of people supported at poverty level	1.4 people	1.7 people	1.6 people	1.5 people	1.4 people
Number of people supported at 200 percent poverty	0.6 people				

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

The table below shows employment and earnings over five study periods.

Employment and Earnings Trends for WorkFirst Participants

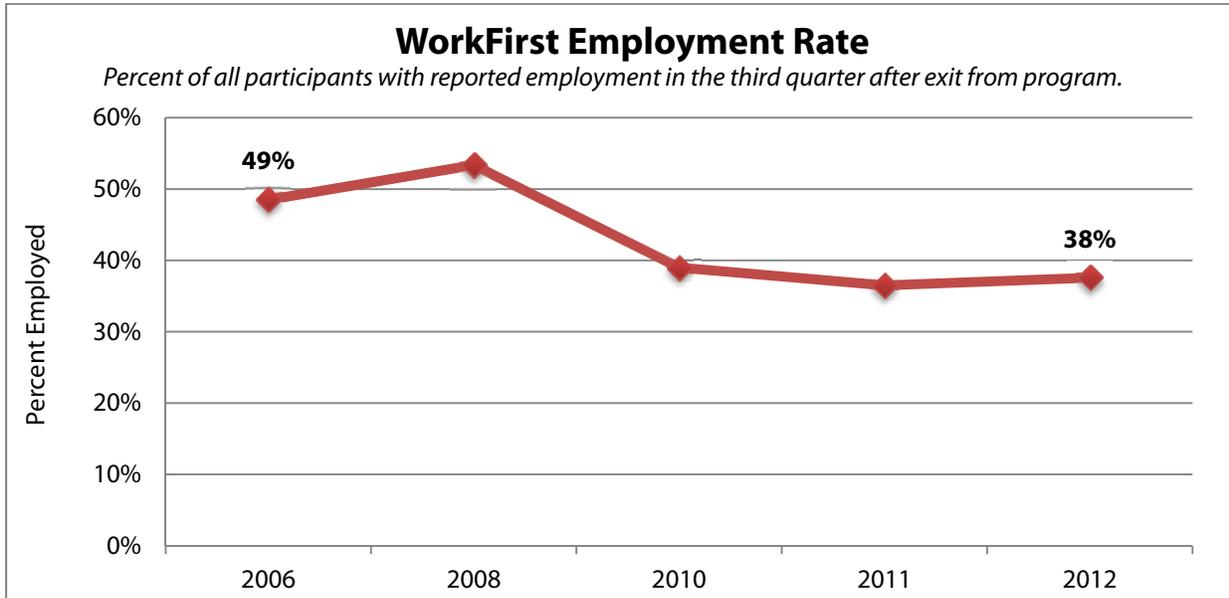
Performance Measure	2006	2008	2010	2011	2012
Employment Rate*	49%	53%	39%	37%	38%
Full Time Employment**	37%	41%	37%	37%	37%
Median Quarterly Hours	307	328	305	304	304
Median Hourly Wage***	\$10.46	\$10.49	\$11.16	\$10.54	\$10.22
Median Annualized Earnings***	12,608	13,538	13,002	\$12,951	\$12,514

*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.

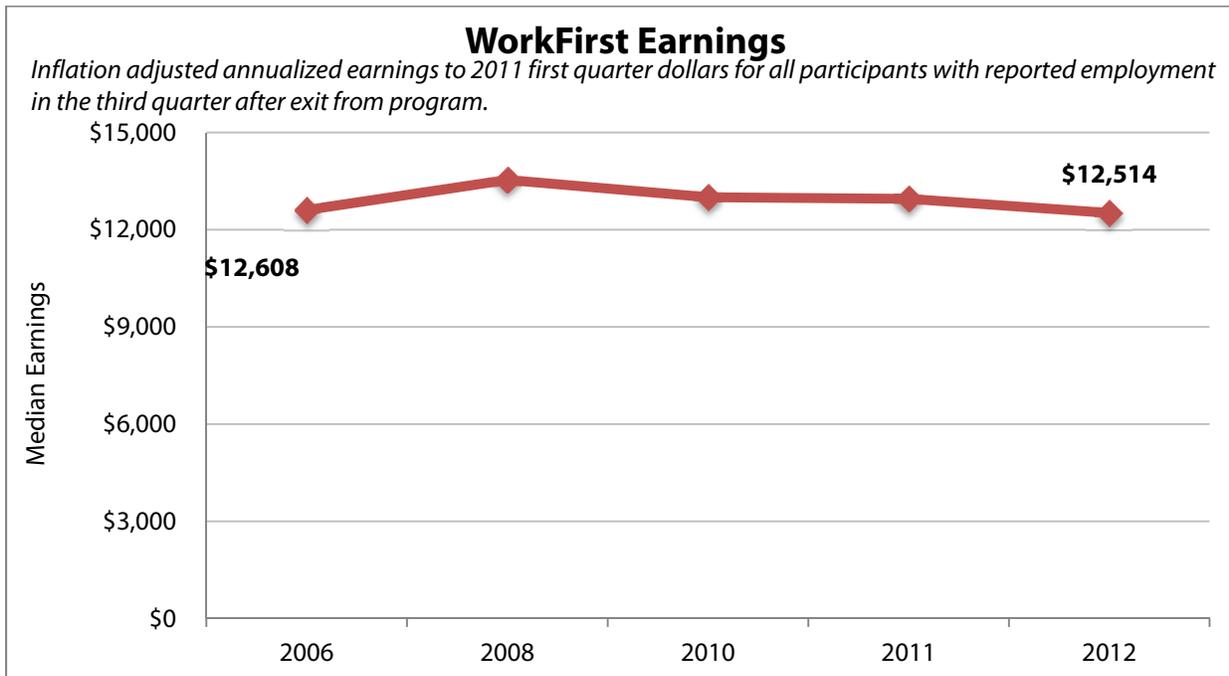
***Earnings/wages expressed in first quarter 2011 dollars in order to account for inflation.

Since 2008, employment among WorkFirst participants has fallen by nearly 15 percentage points to 38 percent in 2012. This is, however, a slight increase in the employment rate when compared to 2011.



Source: Workforce Training Results 2006-12.

Earnings of WorkFirst participants have declined each year since 2008. Compared to the prior year, annual earnings decreased by about \$400.



Source: Workforce Training Results 2006-12.

WorkFirst Employment by Industry

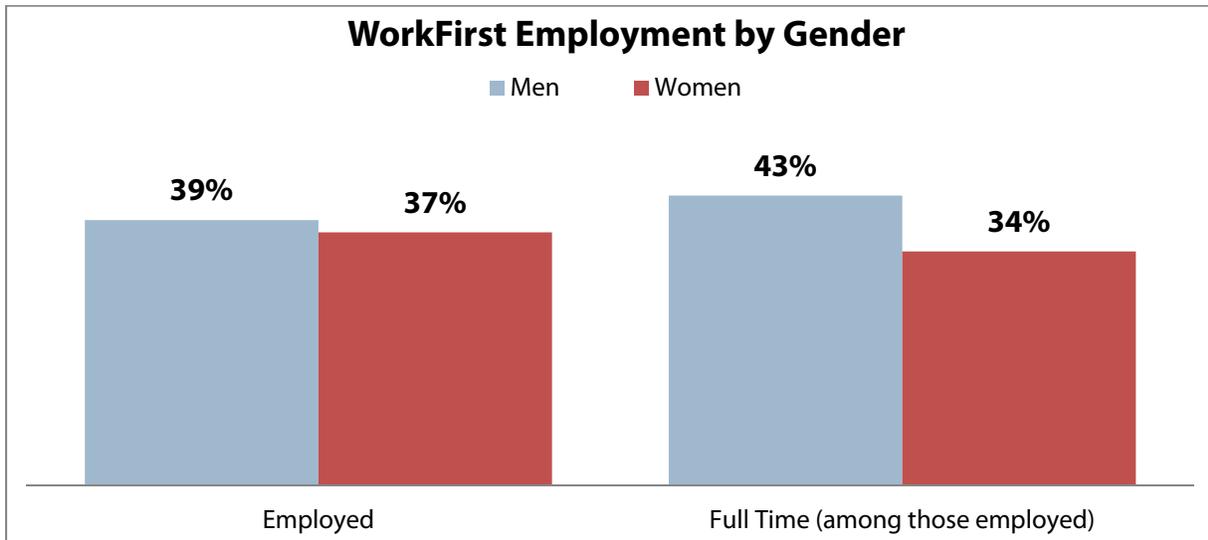
The majority of WorkFirst participants reported being employed in the service sector (60 percent) or the retail trades (18 percent). Looking more in depth at the service sector, participants are largely working in health care (15 percent), administrative support and waste management (15 percent), and the social assistance industry (8 percent).

Industry Group	
Services	60.1%
Retail Trades	17.5%
Manufacturing	5.3%
Construction	3.6%
Financial Activities	3.2%
Transportation and Warehousing and Utilities	2.8%
Natural Resources and Mining	2.7%
Wholesale Trade	2.6%
Public Administration	1.5%
Information	0.7%
Breakout of Services	59.0%
Administrative and Support and Waste Management and Remediation Services	15.2%
Health Care	14.6%
All Other Services	8.5%
Social Assistance	8.2%
Accommodation and Food Services	5.6%
Education Services	2.9%
Arts, Entertainment, and Recreation	2.7%
Professional, Scientific, and Technical Services	2.4%
Breakout of Retail Trades	18%
Department Stores and Warehouse Clubs	5.8%
Groceries, Supermarkets & Specialty Foods	3.0%
All Other Retail	2.5%
Gas Stations/Convenience Stores	2.1%
Clothing and Accessories Stores	2.0%
Home furnishings,Garden,Hardware	1.0%
Motor Vehicle and Accessories Sales	1.0%

Source: Matches with Employment Security Department data in third quarter after exiting program. 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 were employed at a higher rate than women (39 percent compared to 37 percent for women), and men were employed full time at a higher rate (43 percent compared to 34 percent for women). Women had an hourly wage that was 94 percent of men (\$10.09 versus \$10.72) nearly the same percentage as reported in the prior program year when women's wages comprised 93 percent of men's.

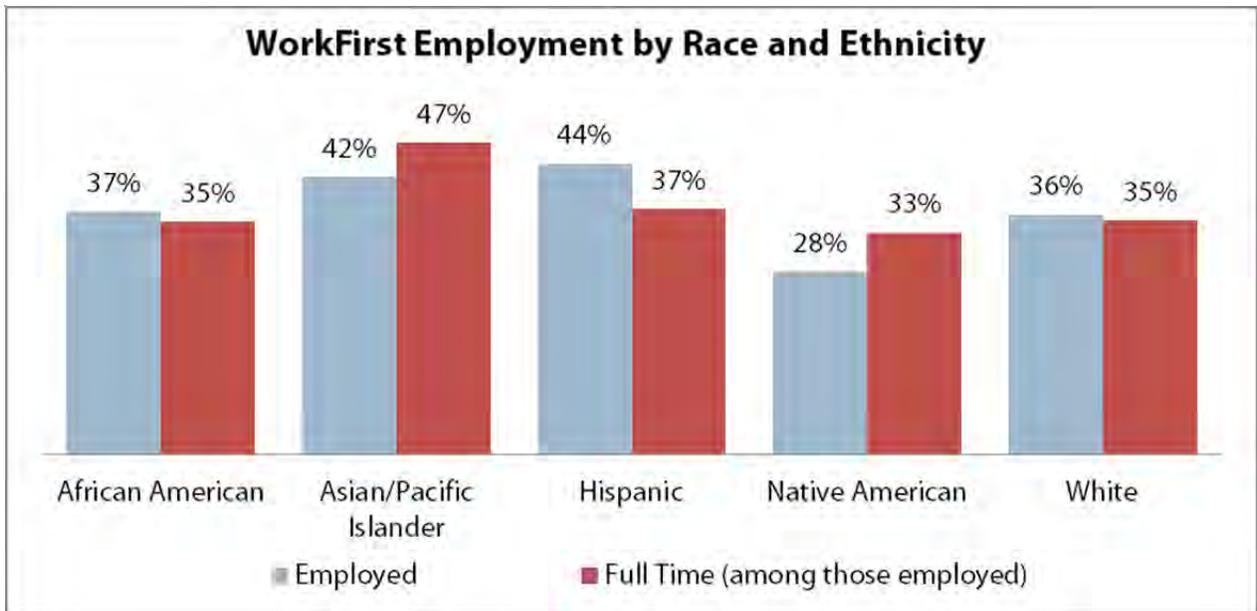


Source: Matches with Employment Security Department data.

Race/Ethnicity Plays Role

Native Americans, at 28 percent, were less likely to be employed than all other race and ethnic groups during the third quarter after exit. Employment rates were highest among Hispanics (44 percent), followed by Asian/Pacific Islanders (42 percent), African Americans (37 percent), and whites (36 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 47 percent, and Native Americans the lowest rate of full-time employment at 33 percent. Both whites and African Americans had full-time employment rates of 35 percent, and Hispanics had a full-time employment rate of 37 percent.

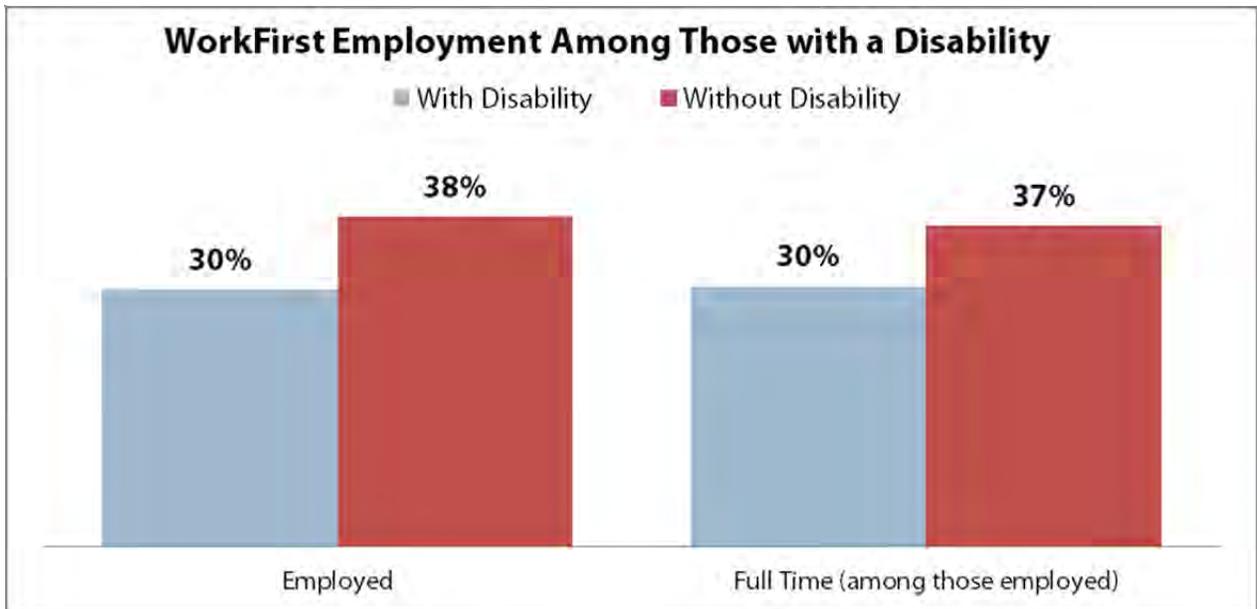
For those employed, median hourly wages did not vary much by race and ethnicity. African Americans and Asian/Pacific Islanders had the highest median hourly wage at \$10.31, while Hispanics had the lowest median hourly wage at \$9.96. In terms of annual earnings, Asian/Pacific Islanders had the highest (\$15,362), followed by whites (\$12,250), Hispanics (\$12,180), Native Americans (\$12,004) and African Americans (\$11,674).



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 (30 percent versus 38 percent) and were less likely to be employed full time (30 percent versus 37 percent). Among those working, the median hourly wage of those with a disability was 98 percent of those without a disability (\$10.02 versus \$10.23), but the median annual earnings of those reporting a disability was 80 percent of those not reporting a disability (\$10,072 versus \$12,621). This is an improvement over the previous year’s report when the ratio was 61 percent.



Source: Matches with Employment Security Department data.

In summary, WorkFirst participant’s employment and earnings stayed fairly stable from last year to this year. Also, WorkFirst participants continued to struggle to support themselves, even at the poverty level. Median earnings of those employed were \$12,514, an amount insufficient to support a two-person family at the poverty level.

It should be noted 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.