



Workforce Training and Education Coordinating Board

2014 Workforce Training Results

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 2014 report, researchers studied the results of 23,530 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.

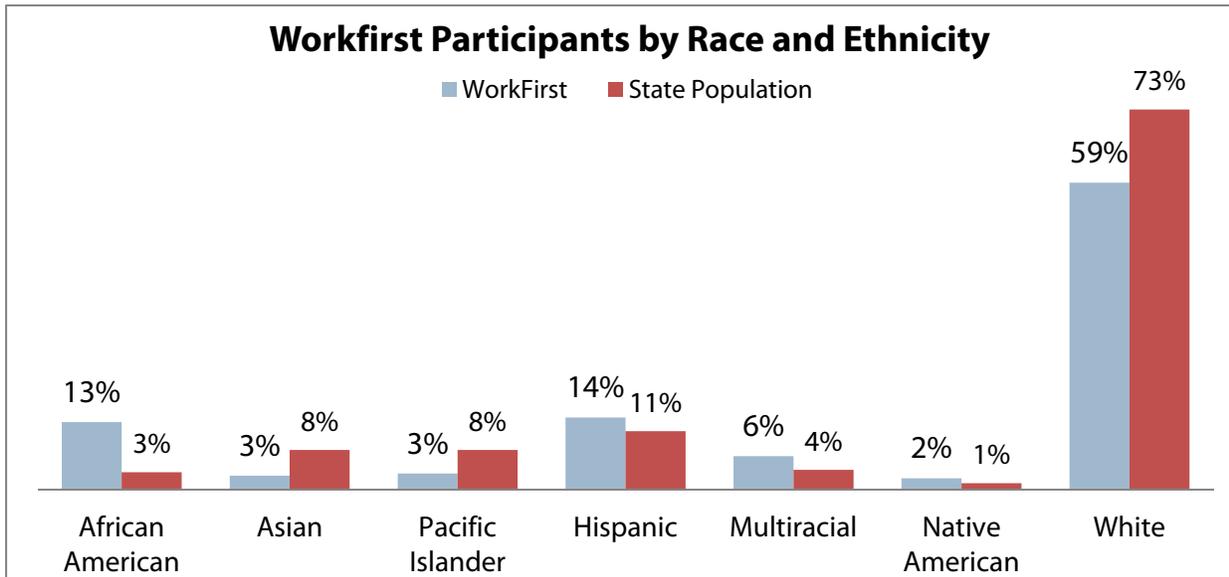
¹ The TANF program serves families, where parents receives a grant for their needs as well as their children, and is subject to federal participation requirements.

² The 2014 Workforce Training Results reports are based on data observed as recently as 2012-2013 for individuals exiting programs during 2011-12. For WorkFirst this includes those in services between July 1, 2011 and June 30, 2012.



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

Some 59 percent of participants were white, 13 percent African American, 14 percent Hispanic, 3 percent Asian, 3 percent Pacific Islander, and 2 percent Native American.

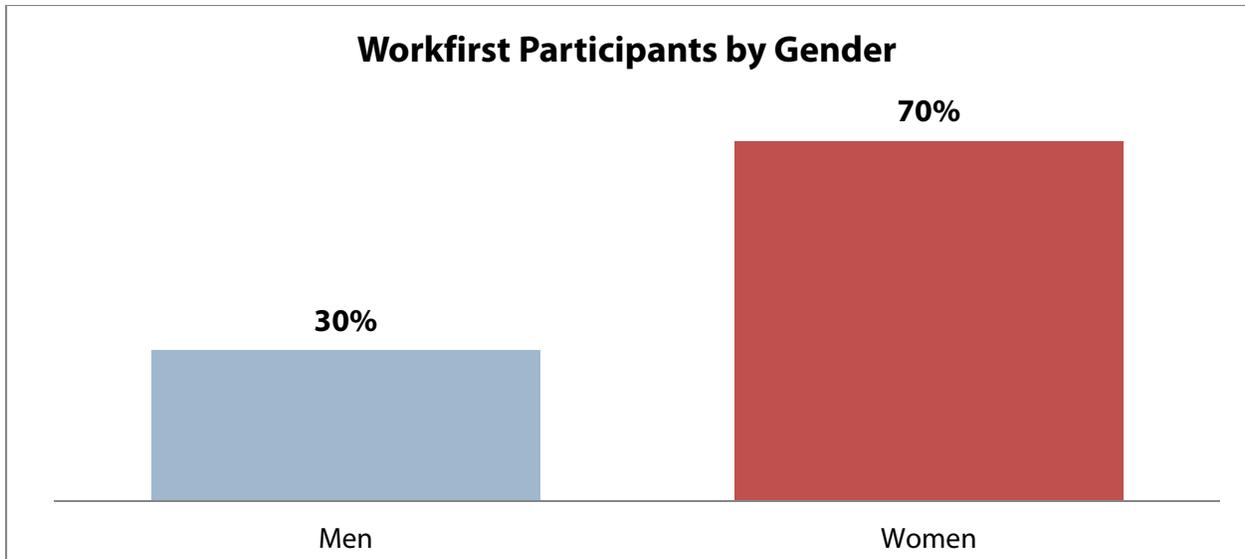


Source: Department of Social and Health Services, Administrative Records and 2011 U.S. Census Data from the American Community Survey.

Some 70 percent of participants were women, 8 percentage points less than last year.

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 (also referred to as Asians); non-Hispanic Pacific Islanders (also referred to as 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 2011 U.S. Census Bureau estimates for Washington from the American Community Survey, 72 percent are white; 3 percent are African American; 1 percent are Native American; 7 percent are Asian; 1 percent are Pacific Islander; 4 percent are multiracial; and 12 percent are Hispanic.





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

Education Level

WorkFirst participants entered the program with the following education levels:

- 29 percent had not completed high school.
- 53 percent had a high school diploma or GED but no post-high school education.
- 15 percent had attended one to three years of postsecondary education.
- 3 percent had completed four or more years of postsecondary education.

The median age of participants when leaving the program was 29 years, with one quarter over age 37 and another quarter of participants under age 24.

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?

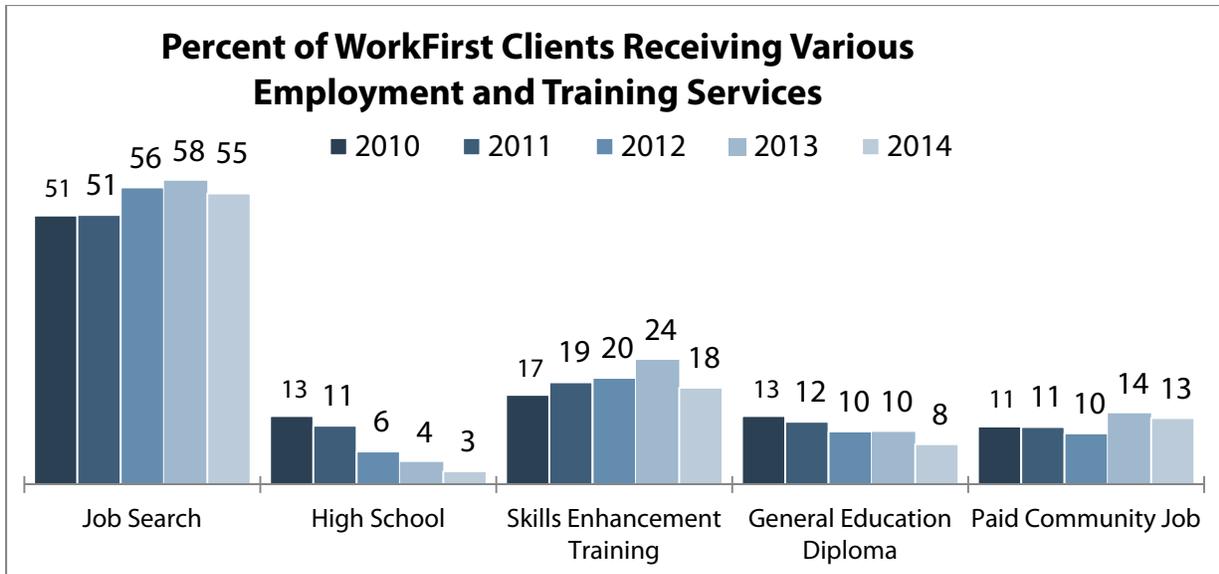
This report focuses exclusively on participants who participated in one or more of the following employment and training components.

- Community Jobs (subsidized employment)
- Job Search
- Customized Job Skills Training
- Basic Education
- English as a Second Language
- General Education Diploma
- High School
- High Wage / High Demand
- Skills Enhancement Training
- On-the-Job Training
- VE – Vocational Education
- VU – Vocational Education - Unapproved
- Work Experience
- 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 (55 percent); this was a 3 percentage point decrease in the participant use of job search assistance over the last year. The percentage of WorkFirst participants attending high school has decreased each year since 2010; going from 13 percent to 3 percent. Use of Skills Enhancement Training also decreased this year, dropping 6 percentage points from 24 percent on the 2013 report, to 18 percent on the 2014 report.





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 2012-13.⁴ This study looks at employment and earnings three calendar quarters after the participant left a WorkFirst program. The following table displays the employment and earnings of participants who left the program during the most recent reporting year.

According to state records, 53 percent of WorkFirst participants were employed. Of those who were working, 44 percent were employed full time. The median hourly wage of those working was \$10.92, with median annualized earnings of \$15,479.⁵ Employment rates and earnings are typically low for this population compared to other workforce training programs the Workforce Board assesses, and this year earnings were somewhat higher than prior program years.

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 2013 dollars.



Employment and Earnings for WorkFirst Participants, 2014

Performance Measure	Results
Employment Rate*	53%
Full Time Employment**	44%
Median Quarterly Hours	356 hours
Median Hourly Wage***	\$10.92
Median Annualized Earnings***	\$15,479

* 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 2013 dollars in order to account for inflation.

Earnings of WorkFirst Participants

In order 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 2013, the federal poverty level for one person was \$11,490 per year.⁶

WorkFirst participants were able to support a median of 2 people at the poverty level—meaning they could support themselves and another person. They did not have enough earnings to support themselves, let alone others, at 200 percent of the poverty level (.7 people).

⁶ Poverty levels from 2013 were used in this edition of Workforce Training Results to measure the results of workforce programs on participants observed in 2012-13. 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	2010	2011	2012	2013	2014
Number of people supported at poverty level	1.5 people	1.5 people	1.4 people	1.3 people	2.0 people
Number of people supported at 200 percent poverty	0.6 people	0.6 people	0.6 people	0.5 people	0.7 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	2010	2011	2012	2013	2014
Employment Rate*	39%	37%	38%	40%	53%
Full Time Employment**	37%	37%	37%	37%	44%
Median Quarterly Hours	305	304	304	303	356
Median Hourly Wage***	\$11.55	\$10.90	\$10.58	\$10.46	\$10.92
Median Annualized Earnings***	\$13,458	\$13,405	\$12,953	\$12,573	\$15,479

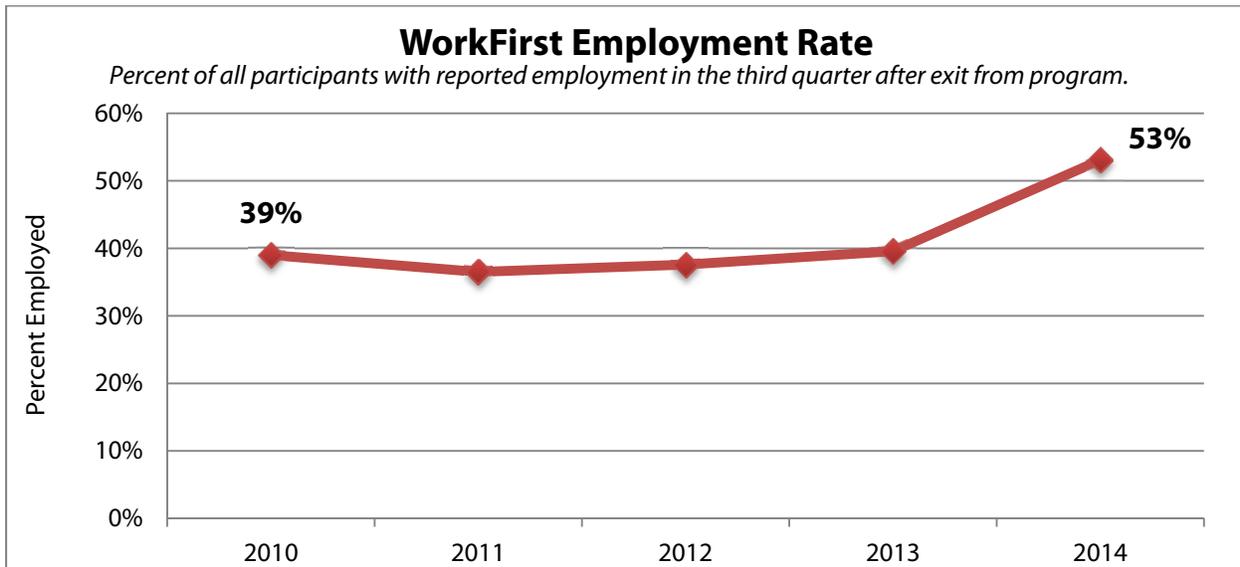
*These figures apply to those with employment reported to the state's Employment Security Department six to nine months after program exit and is not limited to those who completed a program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent.

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

***Earnings/wages expressed in first quarter 2013 dollars in order to account for inflation.

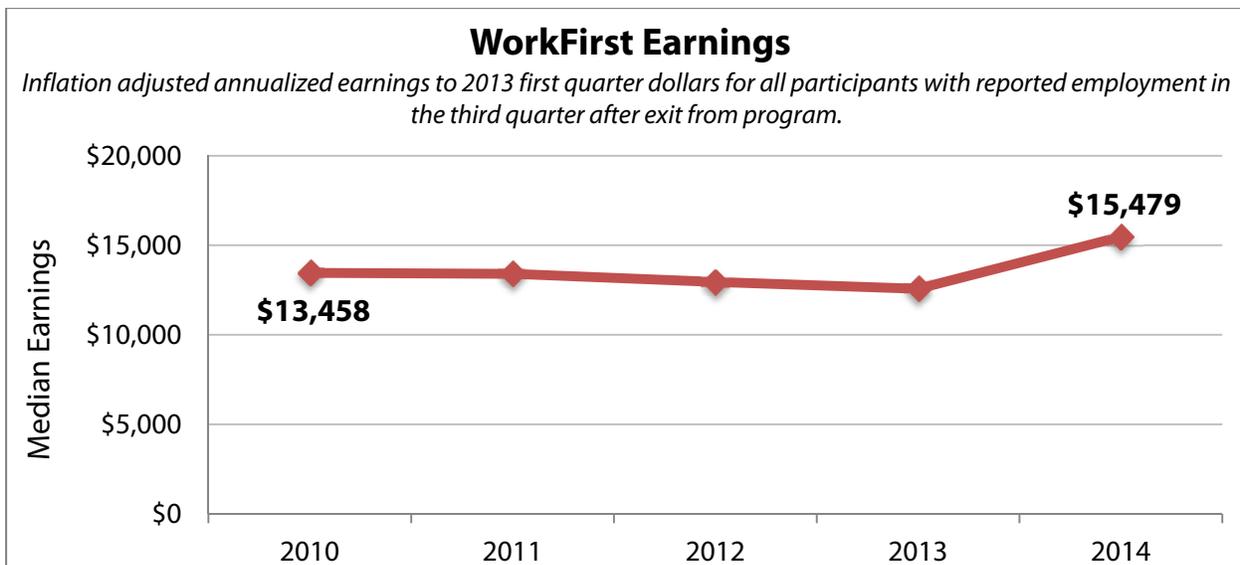


Since the last report in 2013, employment among WorkFirst participants has increased by 13 percentage points, to 53 percent on this year's report.



Source: Workforce Training Results 2010-14 reports. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent.

Earnings of WorkFirst participants declined on each report between 2010 and 2013. However, earnings increased significantly—nearly \$3,000—between the 2013 and 2014 reports.



Source: Workforce Training Results 2010-14 reports. This chart shows annualized earnings in 2013 first quarter dollars to account for inflation.



WorkFirst Employment by Industry

The majority of WorkFirst participants who were working were employed in the service sector (60.7 percent) or retail trade (16.1 percent). Looking more in depth at the service sector, participants were largely working in Accommodation and Food Services (15.5 percent), Administrative and Support and Waste Management (13.3 percent), and Health Care (11.5 percent).

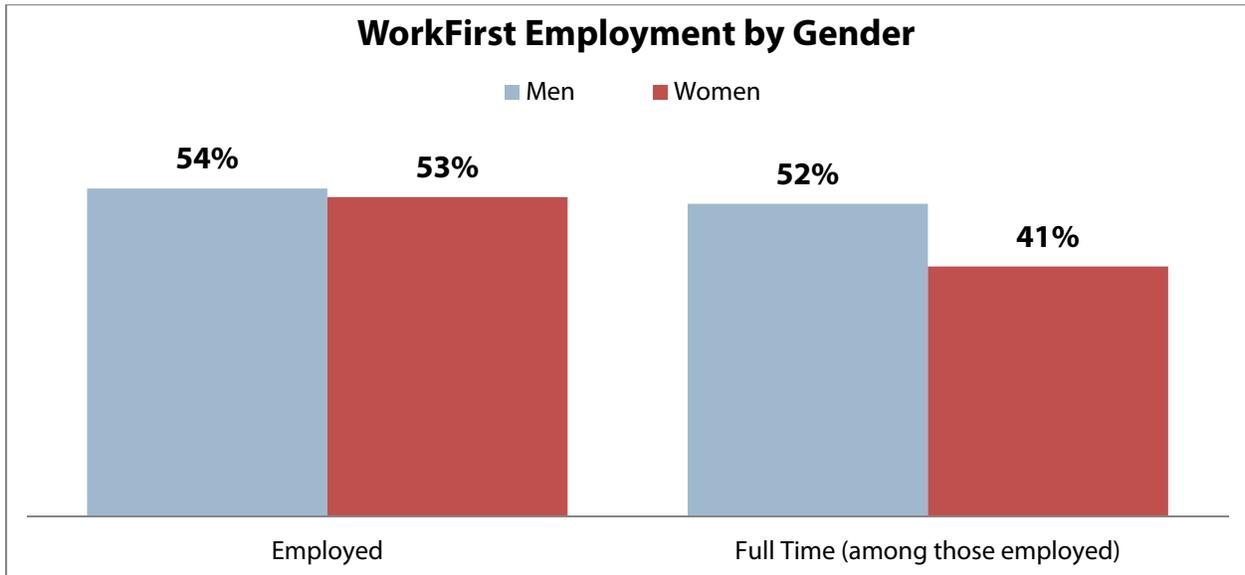
Industry Group	
60.7%	Services
16.1%	Retail Trades
6.6%	Manufacturing
3.6%	Construction
3.2%	Financial Activities
2.9%	Natural Resources and Mining
2.5%	Wholesale Trade
2.5%	Transportation and Warehousing and Utilities
1.1%	Public Administration
0.7%	Information
Breakout of Services	
15.5%	Accommodation and Food Services
13.3%	Administrative and Support and Waste Management and Remediation Services
11.5%	Health Care
9.8%	Social Assistance
3.7%	All Other Services
2.5%	Professional, Scientific, and Technical Services
2.4%	Education Services
2.0%	Arts, Entertainment, and Recreation
Breakout of Retail Trades	
5.0%	Department Stores and Warehouse Clubs
3.0%	All Other Retail
2.8%	Groceries, Supermarkets & Specialty Foods
1.5%	Gas Stations/Convenience Stores
1.5%	Clothing and Accessories Stores
1.2%	Home furnishings,Garden,Hardware
1.2%	Motor Vehicle and Accessories Sales

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 slightly higher rate than women (54 percent compared to 53 percent for women), and men were employed full time at a higher rate (52 percent compared to 41 percent for women). Women had an hourly wage that was 90 percent of men (\$10.59 versus \$11.79). Women's median annual earnings were 79 percent of men's (\$14,536 vs \$18,408).



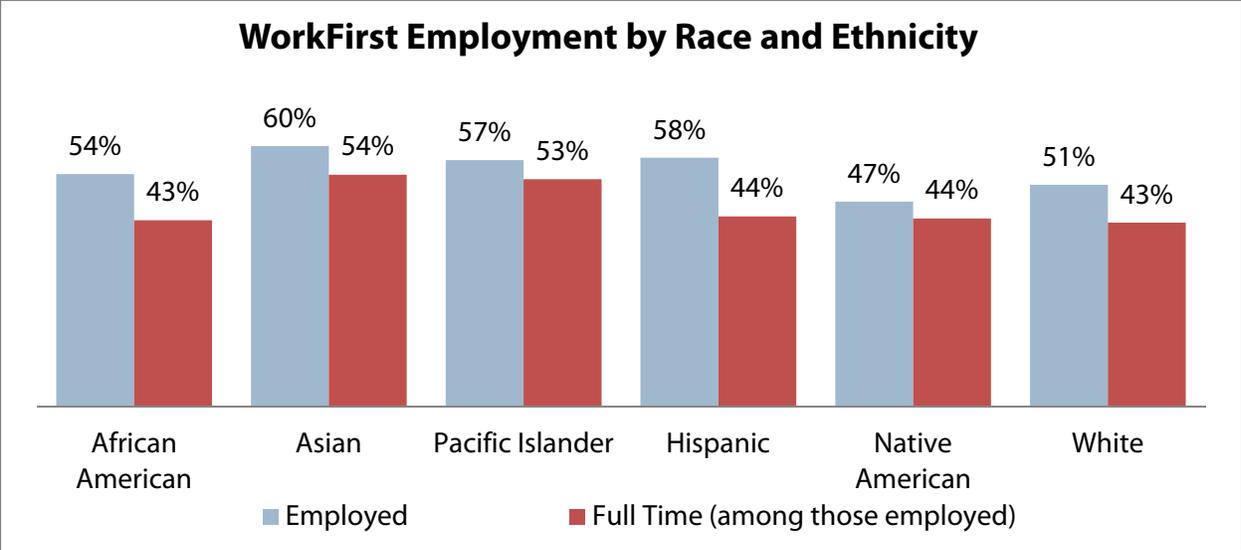
Source: Matches with Employment Security Department data.

Race/Ethnicity Plays Role

Employment rates were highest among Asians (60 percent), followed by Hispanics (58 percent), Pacific Islanders (57 percent), African Americans (54 percent), whites (51 percent), and Native Americans (47 percent). However, when looking at full-time work among those employed, Asians and Pacific Islanders had the highest rate of full-time employment (54 and 53 percent respectively); African Americans, whites, Native Americans, and Hispanics had 10 percentage points fewer participants with full time employment.

For those employed, median hourly wages did not vary much by race and ethnicity. Whites and African Americans had the highest median hourly wage at \$11.01, followed closely by Native Americans at \$11.00. Pacific Islanders had median hourly wages of \$10.89, then Asians (\$10.66), and Hispanics (\$10.52). In terms of annual earnings, Asians had the highest (\$17,309), followed by Pacific Islanders (\$16,953). Whites (\$15,247), Native Americans (\$15,127), Hispanics (\$15,078), and African Americans (\$14,979) had similar annual earnings.

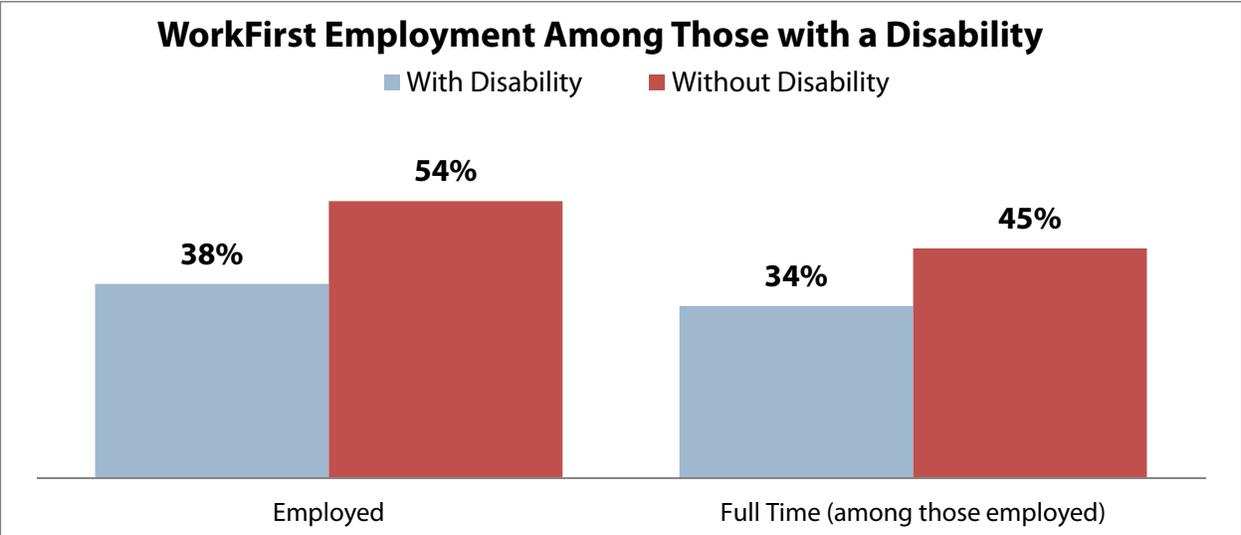




Source: Matches with Employment Security Department data.

Disability Impacts Employment, Earnings

Earnings and employment outcomes also varied by disability status. Participant records suggest 6 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 (38 percent versus 54 percent) and were less likely to be employed full time (34 percent versus 45 percent). Among those working, the median hourly wage of those with a disability was 96 percent of those without a disability (\$10.54 versus \$10.94), but the median annual earnings of those reporting a disability was 79 percent of those not reporting a disability (\$12,260 versus \$15,607).



Source: Matches with Employment Security Department data.



Summary and Areas for Improvement

WorkFirst participants' employment and earnings increased significantly in the 2014 report over last year's report.

Much of the boost in earnings was tied to the increased hours WorkFirst participants worked. Median quarterly hours jumped from 303 to 356 for the three-month reporting period. This resulted in nearly \$3,000 more in median annualized earnings (\$12,573 to \$15,479).

The employment rate among WorkFirst participants also rose by almost a third -- from 40 percent in the 2013 report to 53 percent in this year's report. The percent of participants working full-time also increased -- from 37 percent to 44 percent. Several factors may have influenced the increase in employment and earnings levels among WorkFirst participants. The state's improving economy may be a key factor, as the rates here are similar to pre-Great Recession levels (a 53 percent employment rate and 41 percent full time employment rate for WorkFirst participants were reported in 2005-06).

Recent policy and service delivery changes to Washington's Temporary Assistance for Needy Families (TANF) program may have also spurred higher employment and earnings rates. For example, TANF payment standards were reduced by 15% effective February 1, 2011. The state's annual increase in the minimum wage and lower cash benefits may have acted as an incentive for WorkFirst families to work more hours or move to higher paying jobs. In addition, as part of the state's redesign of the program that started in 2011, the Employment Security Department implemented a new approach to employment services for WorkFirst participants, including post TANF employment and job retention services and supports. The new ESD Career Scope model was piloted in 2011 and implemented statewide in 2012.

