Workforce Training Results Report

December 2008

WorkFirst

Washington's WorkFirst program began in 1997 to help low-income families become self-sufficient by providing job search assistance, support services, and basic skills training 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 welfare.[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, chemical dependency, and long-term disabilities.

The analyses of WorkFirst clients are based on the experiences and outcomes of 35,875 individuals who completed one or more WorkFirst employment and training related services between July 1, 2005 and June 30, 2006. All participants received Temporary Assistance for Needy Families (TANF) payments during participation. Completion of WorkFirst employment and training services did not necessarily mean completion of TANF.

The study also includes information from Employment Security Department (ESD) wage files from Washington, Idaho, and Oregon, and federal employment records. In addition, 308 participants completed a telephone survey, providing additional data on employment and their satisfaction with the training.[2] This is the first participant survey that has been conducted for the WorkFirst program by the WorkForce Training Board.

[1] WorkFirst is the state's Temporary Aid for Needy Families (TANF) program 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 responses from the participant survey were weighted to reflect the distribution of WorkFirst workers by workforce development councils.

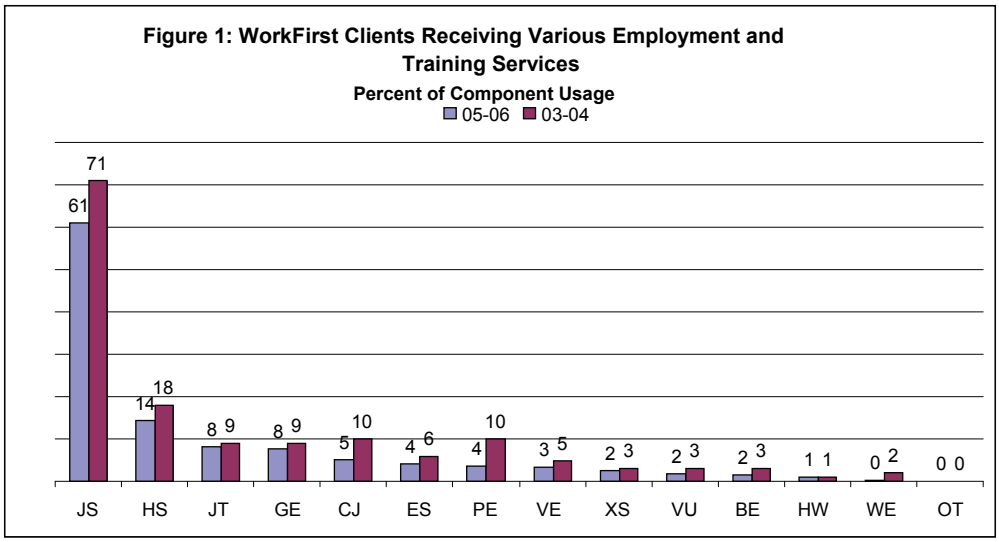
WorkFirst clients received a wide variety of employment and training related services. The analyses for this report are limited to only those clients who participated in one or more of the following employment and training components.[3]

- 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
- 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 this analysis was job search assistance (Figure 1). Overall there were fewer WorkFirst participants who accessed these components than in 2003-2004. The Work Experience component showed a 90 percent decrease usage, Customized Job Skills Training a 65 percent decrease, and Basic Education and Community Jobs showed a 49 percent decrease in usage.

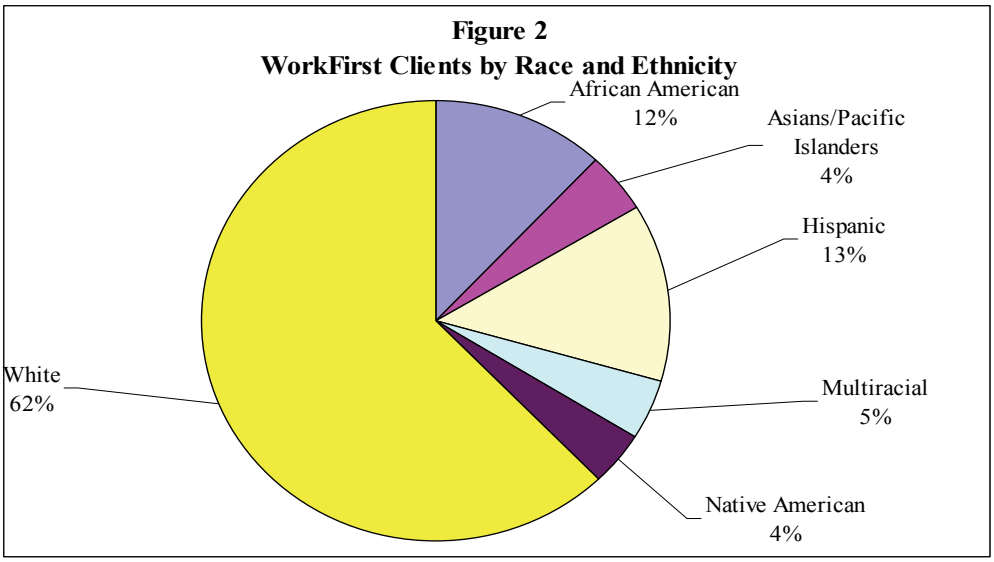
[3] The component codes are E-JAS component codes.



Source: Office of Financial Management, Administrative Records 2005-2006

Participant Characteristics

WorkFirst clients who exited in 2005-2006 were racially and ethnically diverse with Hispanics and African Americans and Native Americans being represented at a significantly higher percentage than the state's general population (Figure 2).[4] Some 73 percent of WorkFirst clients are women.



Source: Office of Financial Management, Administrative Records 2005-2006

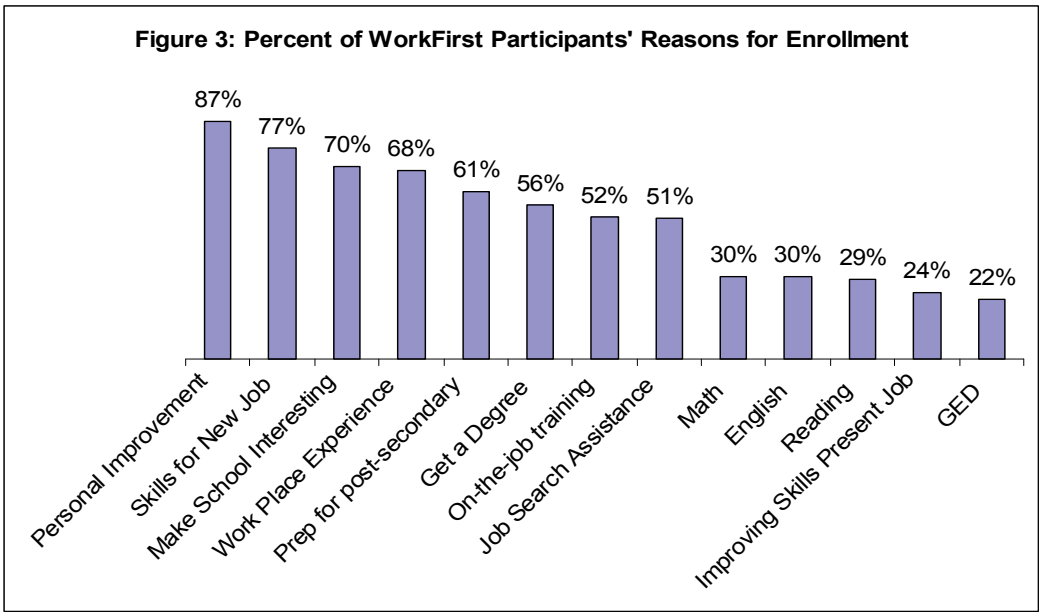
[4] In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African 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 2006 *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.

When they participated in WorkFirst: 42 percent had not completed high school though about 14 percent were enrolled in high school at the time; 45 percent had a high school diploma or GED but had not previously attended postsecondary education; 12 percent had attended one to three years of postsecondary education, and 2 percent had completed four or more years of postsecondary education. The median age upon leaving the program was 27 years; one quarter was over age 35.

Eligibility for TANF is not directly tied to the federal poverty level. However, income and resource requirements place most of the families at or below 76 percent of the federal poverty level (FPL). Some 50 percent of a parent's earnings are disregarded when computing eligibility. This disregard is offset by Washington's relatively high minimum wage level.[5]

Competency Gains

A large majority of WorkFirst participants indicated they enrolled in the program for personal improvement or to acquire skills for a new job.[6] In addition over two-thirds indicated they wanted to gain work place experience and to make school more interesting. About half wanted job search assistance and on-the-job training (Figure 3).

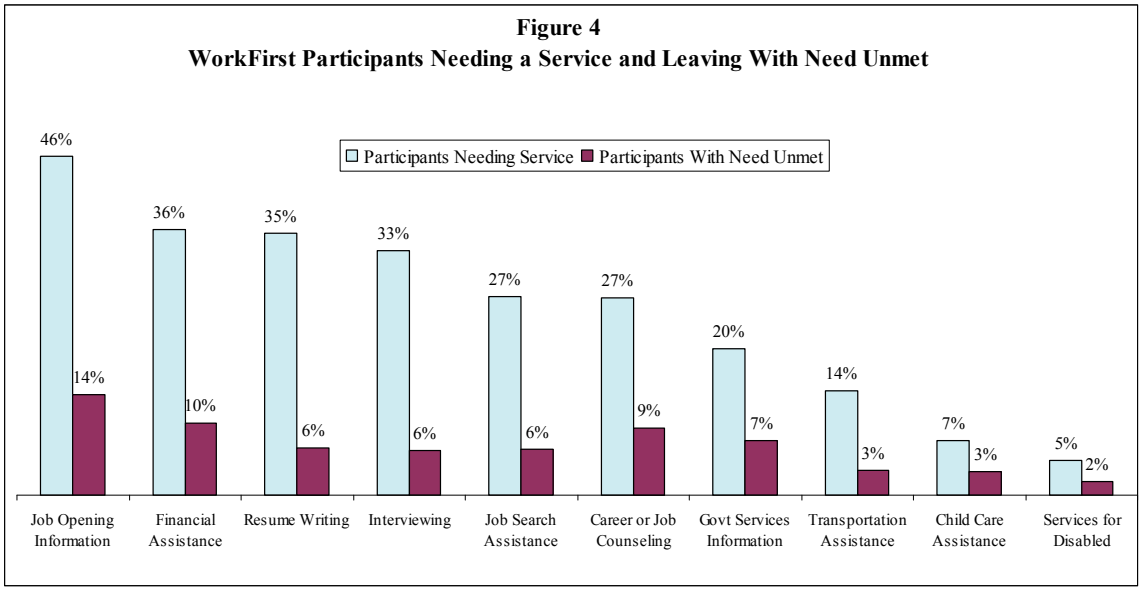


Source: Participant Survey 2005-2006

[5] Using 2008 minimum wage levels, a single parent with one child (the most common family size in WorkFirst) who works more than 28 hours per week is no longer eligible for TANF. A single parent with two children may work up to 35 hours per week at minimum wage and still be eligible for TANF, though the grant amount would be quite minimal. For a family of two, 30 hours per week at minimum wage equates to 83% of the federal poverty level.

[6] It should be noted that WorkFirst program participation is required and that parents are required to draw up an Individual Accountability Plan with their caseworker. The reasons that WorkFirst participants indicated they enrolled in work related activities and their choices of work related activities should be understood within the context of WorkFirst participation requirements.

Overall, 87 percent of WorkFirst participants indicated that their educational needs were met and 91 percent were satisfied with the program overall. The majority of WorkFirst participants indicated that job opening information was the service they most needed, followed by financial assistance, resume writing and interviewing (Figure 4). Most participants indicated they were more likely than not to receive the services they needed. However, of those who left the program with an unmet need, the highest percentage indicated their need for job opening information, while 10 percent specified their need for financial assistance.



Source: Participant Survey 2005-2006

Employment and Earnings

According to survey responses, 76 percent of the WorkFirst participants were employed during the period seven to nine months after leaving their program. Some 64 percent indicated their training was related to the job they obtained.

To find out more about where clients worked and what they earned after participating in a program, we matched client records with Employment Security Department (ESD) wage files from Washington, Idaho, Oregon, and federal wage records[7].

Record matches found that the 2005-2006 clients had a median hourly wage[8] of $9.68 (Figure 5), with median annualized earnings of $12,488. Although employment rates and earnings remained low, they were significantly higher than the results for the

[7] 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).
[8] All wages and earnings are stated in 2007 Q1 dollars.

2003-2004 participants. The rise in earnings is due to an increase in the number of hours worked, as hourly wage rates remained virtually unchanged. Still, only about one in five of the participants was working 30 hours or more per week.

Figure 5. Employment and Earnings of WorkFirst Clients in the Third Quarter After Leaving Program

	2003-2004		2005-2006	
	All	Not in Higher Education	All	Not in Higher Education
Percentage with employment reported by employers to ESD the third quarter after leaving program	49	48	53	49
Median quarterly hours worked of those working	307	319	328	336
Percentage employed full-time of those working (averaging 30 or more hours/week)	37	39	41	42
Median annualized earnings of those working	$11,631	$12,109	$12,488	$12,775
Size of household in which median earnings would support at poverty level	1.4	1.5	1.7	1.7
Size of household in which median earnings would support at twice poverty level	0.6	0.6	0.6	0.6
Median hourly wage of those working	$9.65	$9.68	$9.68	$9.69
Percentage self-reporting receipt of medical benefits from employer.			56	--
Percentage self-reporting receipt of pension benefits from employer.			35	--
Notes: Earnings and wages are expressed in first quarter 2007 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2007.				

Source: Employment Security Department data matches and Participant Survey 2005-2006.

Employment among WorkFirst participants is heavily concentrated in retail trades and services industries, such as the administrative and support and waste management industry, health care, and accommodation and food services industries (Figure 6).

Figure 6: Industry of Employment of WorkFirst Clients in the Third Quarter After ending TANF		
Natural Resources and Mining	2.3%	412
Construction	5.0%	909
Manufacturing	6.5%	1,186
Wholesale Trade	2.5%	454
Retail Trade	16.8%	3,055
Transportation & Warehousing & Utilities	2.7%	500
Information	0.7%	134
Financial Activities	3.7%	679
Services	58.3%	10,634
Professional, Scientific, and Technical Services	1.9%	339
Administrative and Support and Waste Management and Remediation Services	14.2%	2,598
Education Services	1.7%	316
Health Care	10.5%	1,918
Social Assistance	5.3%	970
Arts, Entertainment, and Recreation	2.3%	419
Accommodation and Food Services	16.9%	3,089
Other Services (except Public Administration)	5.4%	985
Public Administration	1.5%	271
Total	100.0%	18,234

Source: Employment Security Department data matches 2005--2006.

Gender Differences in Employment and Pay

Employment and earnings varied by gender, race and ethnicity, and disability status. Females were as likely as men to be employed in the third quarter after exit. They were, however, less likely to be working full time (39 percent versus 44 percent), although this is a slight improvement over the difference in 2003-2004. Women had an hourly wage that was 91 percent of men ($9.44 versus $10.34).

Employment and Pay Differences among Racial and Ethnic Groups

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. African Americans and whites were as likely to be working full time, whereas Asian/Pacific Islanders and Hispanics were more likely than whites to be working full time (49 and 42 percent respectively versus 39 percent), Native Americans were less likely (36 percent). The median hourly wage for Hispanics was 98 percent of whites; Native Americans, and Asians/Pacific Islanders had median hourly wages that were similar to those of whites and African Americans had slightly higher median wages than whites.

Disparity Persists for Clients with Disabilities

Earnings and employment outcomes also varied by disability status. Client records suggest 3 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 ESD during the third quarter after exit (35 percent versus 54 percent) and were less likely to be employed full time (28 percent versus 41 percent). Among those working, the median hourly wage rate of those with a disability was 95 percent of those without a disability.

Progress and Areas for Improvement

WorkFirst clients face substantial barriers to employment. The WorkFirst population includes parents who face barriers such as deficient basic skills, domestic violence, mental and physical health issues, chemical dependency, and long-term disabilities. These factors should be taken into account when considering the results.

Only 53 percent of clients had employment reported in ESD wage files during the third quarter after leaving the program, and only one in five were working 30 hours per week or more. The median earnings of those working ($12,775), was not sufficient for a two-person family to live above the poverty level.

The WorkFirst program may be better able to fulfill its goals by placing a greater share of clients in employment pathways as they address barriers, and encouraging training for higher-wage occupations for clients most likely to successfully complete and benefit from such training. As with the general population, the wages of participants vary by gender, race and ethnicity, and disability status. Given that 73 percent of the participants were women and that the hourly wages of women were 91 percent that of men, it would be especially beneficial to encourage women to pursue pathways to higher-wage occupations.

For more Workforce Training Results, see: www.wtb.wa.gov/wtr2008.asp