



# Workforce Training and Education Coordinating Board

## 2015 Workforce Training Results

### WorkFirst

#### Program Details

Washington's WorkFirst program began in 1997 to help low-income families move forward on a pathway to 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 through 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 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 2015 report, researchers studied the results of 14,644 participants who took part in one or more WorkFirst employment and training-related services during the most recent reporting year.<sup>2</sup> 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.

<sup>1</sup> The TANF program provides time-limited cash assistance and a variety of other services and supports to low-income pregnant women and families with children. Adult TANF recipients, with some exceptions, are subject to work participation requirements.

<sup>2</sup> The 2015 Workforce Training Results reports are based on data observed as recently as 2013-2014 for individuals exiting programs during 2012-13. For WorkFirst this includes those in services between July 1, 2012 and June 30, 2013.



The number of WorkFirst participants evaluated in this year's report (just over 14,600) reflects a nearly 38 percent decline from the previous year's report when 23,530 participants took part in one or more WorkFirst employment and training related services.

An improving economy, and recent policy and service delivery changes in Washington's TANF program, likely contributed to the notable decline in the number of WorkFirst participants covered in this year's Workforce Training Results report. After rising sharply during the Great Recession to a high of over 70,000 cases in early 2011, the state's TANF caseload has been steadily declining. The TANF caseload currently stands at nearly 36,000 cases (November 2014).

Starting in early 2011, the state narrowed who qualifies for a TANF time limit hardship extension. With this change, fewer families in Washington State are eligible for continued TANF benefits after 60 months.<sup>3</sup> Also, participants who were sanctioned three or more times for not meeting program requirements began to be permanently disqualified from TANF.

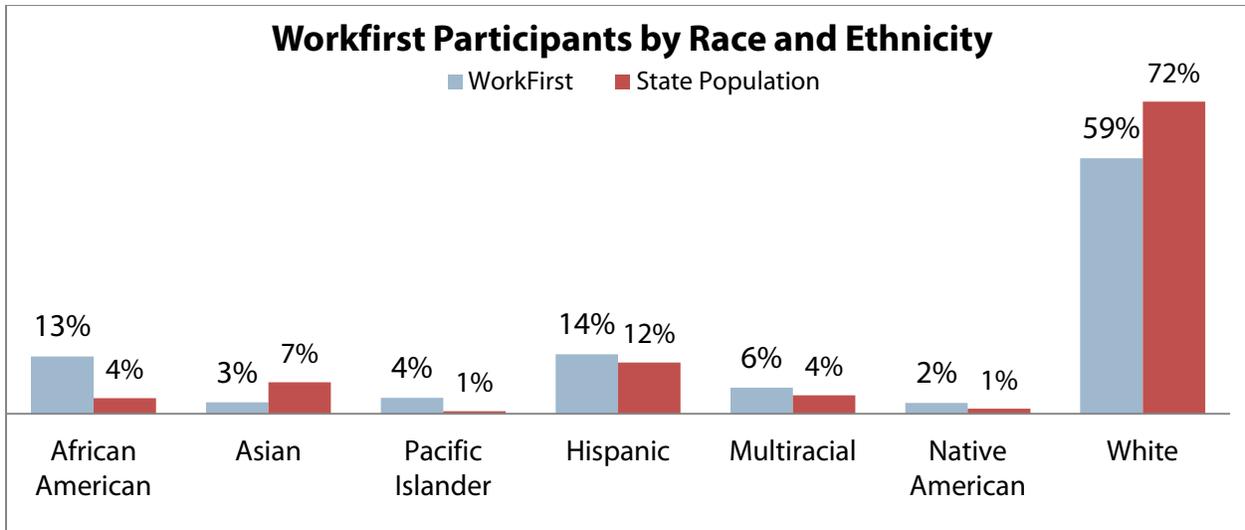
WorkFirst participants who exited services were racially and ethnically diverse with Hispanics, African Americans, Multiracial, and Native Americans represented at a significantly higher percentage than their portion of the state's general population.<sup>4</sup> Some 59 percent of participants were white, 13 percent African American, 14 percent Hispanic, 3 percent Asian, 3 percent Pacific Islander, and 2 percent Native American.

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<sup>3</sup> When the policy change took effect in February 2011, about 13,000 adults and children were terminated in February as they had received 60 months or more of TANF assistance and did not qualify for an extension using the new hardship criteria.

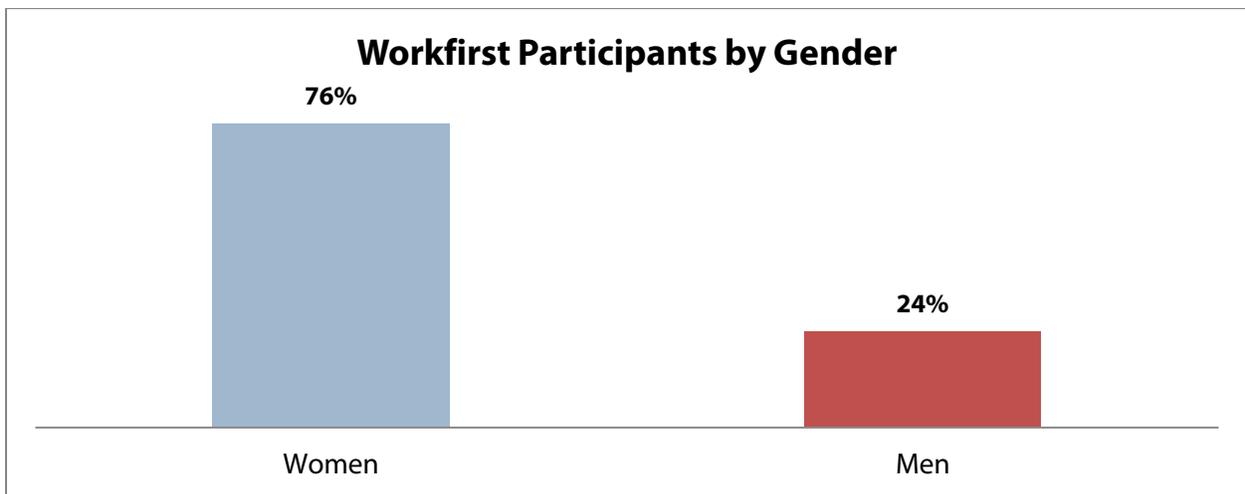
<sup>4</sup> In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as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





Source: Department of Social and Health Services, Administrative Records and 2012 U.S. Census Data from the American Community Survey.

Some 76 percent of participants were women, 6 percentage points more than last year.



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

## Education Level

WorkFirst participants entered the program with the following education levels:

- 30 percent had not completed high school.
- 53 percent had a high school diploma or GED but no post-high school education.
- 14 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 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 20-35 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 (53 percent); this was a 2 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 2011; going from 11 percent to 2 percent. Some 8.7 percent of WorkFirst participants participated in Vocational Education. The largest increase (2 percent points more than the previous report) occurred in Structured Community Service. However, the overall percentage of participants was small (just 2.2 percent).

### 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 2013-14.<sup>5</sup> 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, 40 percent were employed full time. The median hourly wage of those working was \$10.92, with median annualized earnings of \$14,650.<sup>6</sup> 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.

### 2014 Employment and Earnings for WorkFirst Participants

Performance Measure	Results
Employment Rate*	53%
Full-Time Employment**	40%
Median Quarterly Hours	335 hours
Median Hourly Wage***	\$10.92
Median Annualized Earnings***	\$14,650

\* 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 2014 dollars in order to account for inflation.

<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> 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 2014 dollars.



## Earnings of WorkFirst Participants

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

### Employment and Earnings Trends for WorkFirst Participants

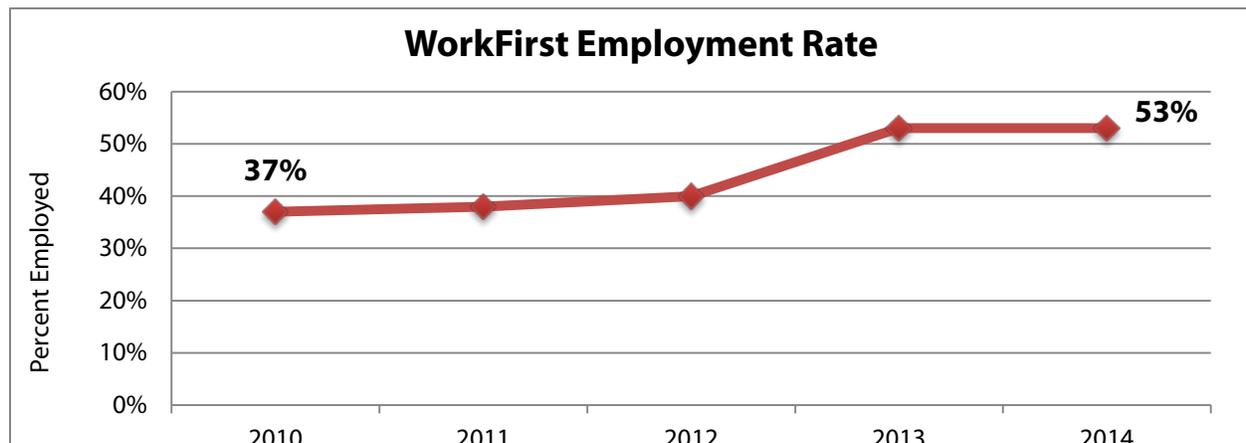
Performance Measure	2010	2011	2012	2013	2014
Employment Rate*	37%	38%	40%	53%	53%
Full-Time Employment**	37%	37%	37%	44%	40%
Median Quarterly Hours	304	304	303	356	335
Median Hourly Wage***	\$11.03	\$10.70	\$10.58	\$11.04	\$10.92
Median Annualized Earnings***	\$13,556	\$13,099	\$12,714	\$15,653	\$14,650

\*These figures apply to those with employment reported to the state's Employment Security Department six to nine months after program exit and are 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 2014 dollars in order to account for inflation.

The employment rate at 53 percent is unchanged from last year's report, and 13 percentage points higher than in the 2013 report.



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 2011 and 2013, before a sharp increase in 2014. However, the most recent report shows \$14,640 annually, a 6 percent decline from last year's earnings.



*This chart shows annualized earnings in 2014 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 (63.8 percent) or retail trade (15.8 percent). Looking more in-depth at the service sector, participants were largely working in Accommodation and Food Services (17.6 percent), Administrative and Support and Waste Management<sup>7</sup> (14.1 percent), and the Health Care sub-industry (11.8 percent).

<sup>7</sup> This occupational area includes Temporary Employment Services, a popular option for many WorkFirst participants.



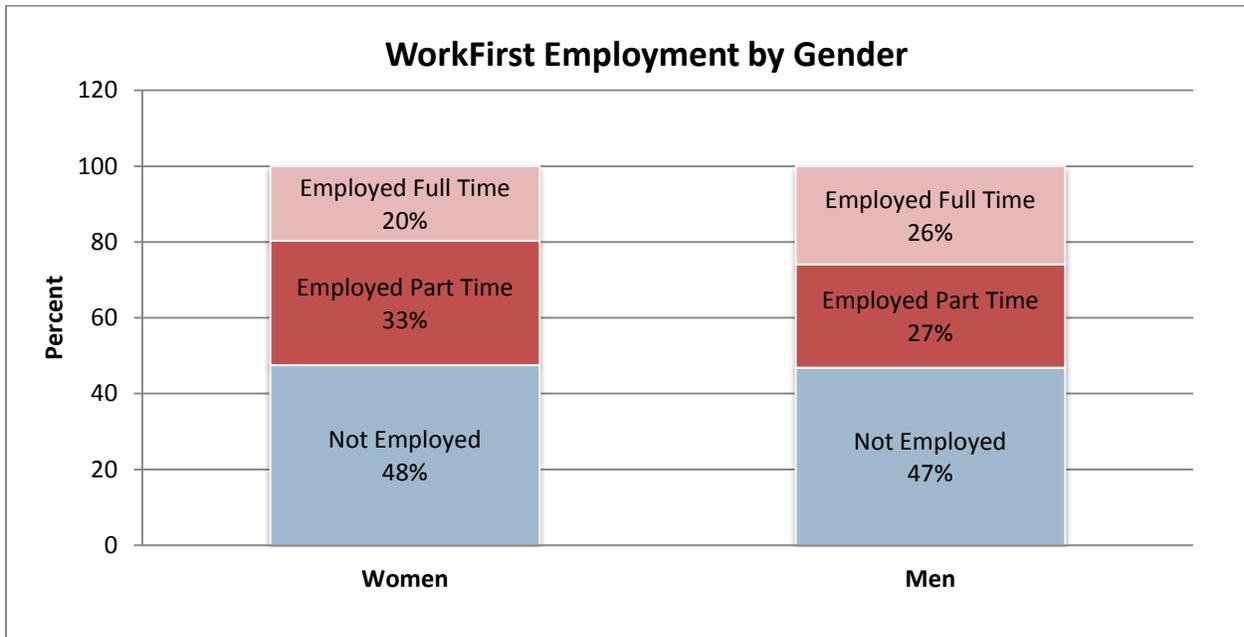
Industry Group	
63.8%	Services
15.8%	Retail Trades
5.5%	Manufacturing
3.3%	Construction
2.7%	Financial Services
2.6%	Transportation, Warehousing and Utilities
2.4%	Wholesale Trade
2.2%	Natural Resources and Mining
1.1%	Public Administration
0.7%	Information
Breakout of Services	
17.6%	Accommodation and Food Services
14.1%	Admin., Support, Waste Management, and Remediation Services
11.8%	Health Care
10.5%	Social Assistance
3.8%	All Other Services
2.1%	Education Services
1.9%	Arts, Entertainment, and Recreation
1.9%	Professional, Scientific, and Technical Services
Breakout of Retail Trades	
4.6%	Department Stores and Warehouse Clubs
3.2%	All Other Retail
2.4%	Groceries, Supermarkets & Specialty Foods
1.8%	Gas Stations/Convenience Stores
1.6%	Clothing and Accessories Stores
1.3%	Home furnishings, Garden, Hardware
1.0%	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 (NAICS) 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 an overall identical rate than women (53 percent), but differed in their part time and full time employment rates. Men were employed full time at a higher rate of 26 percent (part time 27 percent) compared to a full time rate of 20 percent (part time 33 percent) for women. Women had an hourly wage that was 91 percent of men (\$10.71 versus \$11.83). Women's median annual earnings were 78 percent of men's (\$13,868 vs \$17,807).



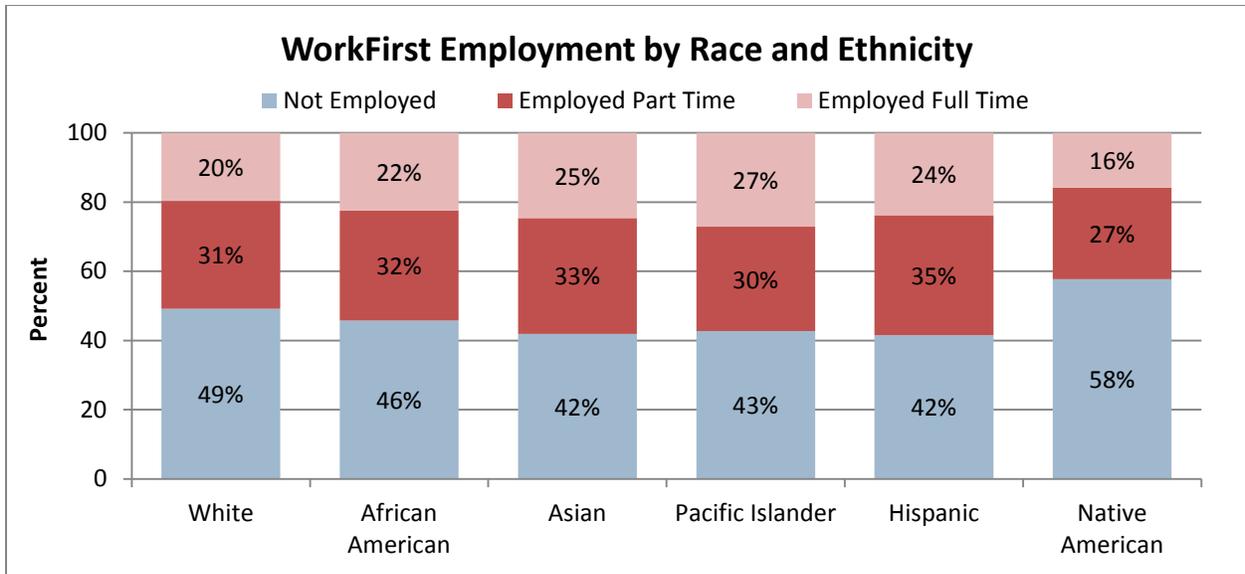
Source: Matches with Employment Security Department data.

## Race/Ethnicity Plays Role

Overall employment rates were highest among Hispanics (59 percent) who were employed at a full time rate of 24 percent and a part time rate of 35 percent, followed by Asians (58 percent), Pacific Islanders (57 percent), African Americans (54 percent), whites (51 percent), and Native Americans (approaching 43 percent). However, when looking at full-time work among those employed, Pacific Islanders had the highest rate (27 percent). Asians (25 percent) had the second highest full-time employment rate, followed by Hispanics (24 percent), African Americans (22 percent), and whites (20 percent). Native Americans had the lowest (16 percent) full-time employment rate.

For those employed, median hourly wages did not vary much by race and ethnicity. Native Americans at \$11.21 had the highest median hourly wage, followed closely by African Americans (\$11.06) and whites (\$11.93). Pacific Islanders and Hispanics (\$10.72) had the lowest median hourly wages.



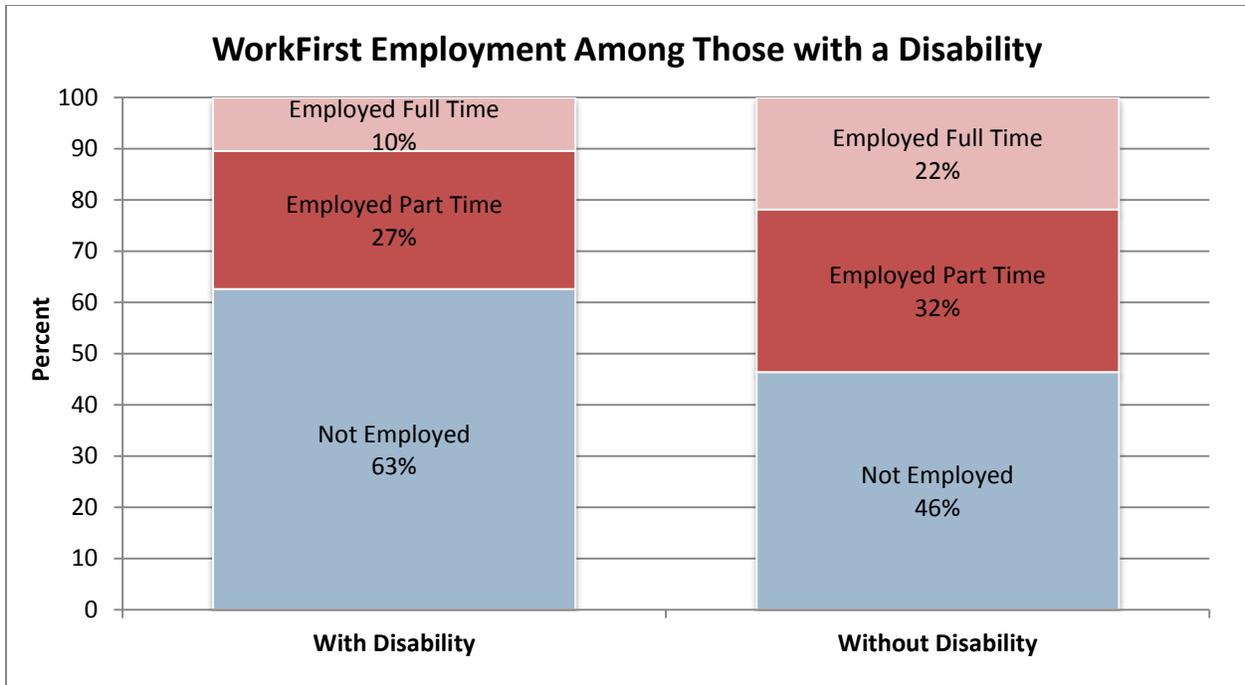


Source: Matches with Employment Security Department data.

### 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. Thirty seven percent of participants with disabilities were employed (10 percent full time and 27 percent part time). Those 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 (37 percent versus 54 percent), and were less likely to be employed full time (10 percent versus 22 percent). The median wage for WorkFirst participants with disabilities was higher than for those without disabilities (\$10.99 compared to \$10.92). However, when hours worked were taken into account, disabled participants earned only 76 percent of the annual median wage of those without disabilities (\$11,298 compared to \$14,832).





Source: Matches with Employment Security Department data.

### Summary, Areas for Improvement, and Further Research

The WorkFirst program provides job search assistance, support services, basic skills and vocational education to help parents move forward on a pathway to self-sufficiency. More than three-quarters of WorkFirst participants were women, while both genders had equal employment rates of 53 percent.

After solid increases in hours and annual earnings last year, this year the program saw a moderate setback. The hourly wage rate was nearly the same on an inflation-adjusted basis. However, the number of hours worked were down, leading to downward pressure on earnings. The employment rate remained steady at 53 percent, unchanged from last year's report, but 13 percentage points higher than in the 2013 report.

Over half of WorkFirst participants received job search services, higher than any other service received. Of those that did find work, most found it in the service industry, accommodation and food services in particular.

