

# **WorkFirst Job Search Services: Preliminary Analysis**

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# CONTENTS

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- I. EXECUTIVE SUMMARY ..... 1**
  
- II. INTRODUCTION ..... 3**
  - A. Purpose ..... 3**
  - B. WorkFirst Client Activities ..... 3**
  - C. WorkFirst Employment and Welfare Outcome Measures and Definitions ..... 4**
  - D. Outcomes Associated With WorkFirst Job Search ..... 4**
  
- III. WORKFIRST ACTIVITIES ..... 7**
  - A. Description of WorkFirst Activities ..... 7**
  - B. Clients Entering the WorkFirst Program ..... 8**
    - Exhibit III.B.1: Clients Beginning WorkFirst by Quarter ..... 9
  - C. Initial Activities of Clients Entering the WorkFirst Program ..... 9**
    - Exhibit III.C.1: Initial Activities of Clients Change Over Time ..... 10
  - D. WorkFirst Activities in the First Program Year ..... 11**
    - Exhibit III.D.1: WorkFirst Activities Change Over Time ..... 11
  - E. Associating Activities With Outcomes ..... 12**
  
- IV. THE IMPACT OF WORKFIRST JOB SEARCH ON EMPLOYMENT AND WELFARE OUTCOMES ..... 13**
  - A. Analysis Groups ..... 13**
  - B. Outcomes Associated With Job Search ..... 14**
    - Exhibit IV.B.1: The Job Search Group Has Higher Employment Rates in Three of the Four Quarters ..... 15
    - Exhibit IV.B.2: The Job Search Group Has Higher Average Earnings ..... 16
    - Exhibit IV.B.3: The Job Search Group Has Lower Welfare Enrollment ..... 17
  - C. Impact of Other Factors on WorkFirst Clients ..... 18**
  - D. Impacts Associated With Local Welfare Offices ..... 19**
    - Exhibit IV.D.1: Average Employment Rate by Community Service Office Controlling for Job Search and Other Factors ..... 21-22
    - Exhibit IV.D.2: Average Earnings by Community Service Office Controlling for Job Search and Other Factors ..... 23-24
    - Exhibit IV.D.3: Community Service Offices by Region ..... 25
  
- APPENDIX A: ANALYSIS GROUP CHARACTERISTICS ..... 27**
  
- APPENDIX B: DATA TABLES TO SUPPORT EXHIBITS ..... 29**

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# I. EXECUTIVE SUMMARY

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## Purpose

This report is part of an ongoing evaluation of the Washington State WorkFirst program, mandated by the Washington State Legislature. The overall goal of the evaluation is to identify the most cost-effective WorkFirst program elements that improve employment outcomes and reduce welfare dependency.

Subsequent to the Phase I Process Study performed by the Joint Legislative Audit and Review Committee, this report analyzes the welfare and employment outcomes of WorkFirst clients during the program's first year of operation. The analysis focuses on one WorkFirst service: Job Search. In Job Search, clients attend workshops and receive assistance in finding a job.

During the 1999-2001 biennium, additional reports will present information on other elements of WorkFirst.

## Approach

This report provides a statistical analysis of outcomes associated with clients participating in WorkFirst Job Search activities between August 1, 1997 and June 30, 1998. Two groups of WorkFirst clients are compared. The first group contains female clients who entered the program as Job Search participants but who did not participate in any other WorkFirst activities (*Job Search* group). The second group includes non-exempt female clients with no record of participation in WorkFirst activities during the same period (*No Recorded Activity* group). During the analysis period, 88 percent of WorkFirst households were headed by females. There were too few observations to conduct a separate analysis of males at this time. Comparisons are based on the following outcomes, measured over one to four calendar quarters after a client enters the WorkFirst program: the likelihood of being employed, earnings, the likelihood of using welfare, and welfare grant amounts.

## Key Findings

The bottom line of this analysis is that, so far, Job Search appears to be working. That is, based on a statistical comparison of females who participated in Job Search with those who did not participate in any WorkFirst activities, Job Search participants have higher employment rates, higher earnings, and lower welfare use. This finding needs to be regarded as a preliminary "early return" on the Job Search activity. Subsequent analyses will provide a stronger indication of whether this finding persists.

After statistically controlling for client characteristics, local economic conditions, and local welfare office administrative practices, the services provided to Job Search clients are estimated to have a significant impact on the following client outcomes:

- ❑ **Job Search participants' employment rates are higher.** During the first three quarters following Job Search, estimated employment rates of the *Job Search* group are 12 to 27 percent higher than those of the *No Recorded Activity* group. There is some indication that this positive effect diminishes after a year, but it is too early to draw conclusions about this; additional research over the next biennium will help identify if Job Search causes long-term increases in employment rates.
- ❑ **Job Search participants' earnings are higher.** On average, employed clients in the *Job Search* group earn an estimated \$639 more per quarter than working clients from the *No Recorded Activity* group during all four follow-up quarters. There is some indication that this positive earning effect is increasing over time.
- ❑ **Job Search participants' welfare use is lower.** During the last three follow-up quarters, the estimated rate of welfare enrollment for clients in the *Job Search* group averages 14 to 20 percent less than the rate for clients in the *No Recorded Activity* group.
- ❑ **Job Search participants' average welfare grant has not changed.** The average grants of welfare recipients in the *Job Search* and *No Recorded Activity* groups do not differ significantly during any quarter. This is consistent with findings that much of the earnings impact, as noted above, occurs after individuals have left the caseload. Therefore, average grant amounts are not affected once clients are off the caseload.

## II. INTRODUCTION

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This report is the first in a series of statistical analyses of Washington State's WorkFirst program and is part of the legislatively-mandated WorkFirst evaluation. The focus of this analysis is the first year of WorkFirst and its associated outcomes for two specific groups of females in the program—those participating only in Job Search (*Job Search* group) and those who do not have a record of participating in any activities (*No Recorded Activity* group). In addition to the analyses of specific employment and welfare outcomes, this report describes the evolution of WorkFirst client activities during the program's first 18 months. (See Section IV for a detailed discussion of why these groups were selected.)

### A. Purpose

WorkFirst is Washington State's implementation of the federal Temporary Assistance for Needy Families (TANF) program. Since its enactment in April 1997, WorkFirst has changed the nature of income assistance in Washington State, replacing the Aid to Families with Dependent Children (AFDC) entitlement program. WorkFirst clients are required to participate in employment, job search, or other approved activities and face lifetime limits on welfare receipt.

The Washington State Legislature directed the Joint Legislative Audit and Review Committee (JLARC) and the Washington State Institute for Public Policy (Institute) to collaborate on an evaluation of WorkFirst that assesses:

*. . . the success of the program in assisting clients to become employed and to reduce their use of temporary assistance for needy families.<sup>1</sup>*

This report covers the implementation phase of WorkFirst, analyzing the effectiveness of key program elements, differences in administrative practices of local WorkFirst offices, and outcomes of female adult clients. The analysis in this report is limited to female clients, who account for the majority of adults on welfare. During the analysis period, 88 percent of welfare households were headed by females. Future Institute reports will examine the program as it matures, including WorkFirst elements that were not available during the startup period, and will expand the analysis to men as well as women. Simultaneously, JLARC staff will update and expand the WorkFirst Process Study, in part based on information from Institute analyses. The overall goal of the evaluation is to identify the most cost-effective program elements designed to improve employment outcomes and reduce welfare dependency.

### B. WorkFirst Client Activities

**Section III** of this report describes key WorkFirst program elements and identifies the most common client activities. Understanding the type and pattern of client activities is an

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<sup>1</sup> RCW 44.28.155.

important first step in analyzing the impact of WorkFirst on employment and welfare outcomes. Client activities fall into five major groups: Job Search, Working 20 or More Hours a Week, Alternative Services, Work Preparation, and Post-employment Services. In addition, some clients are not participating in WorkFirst activities. These *inactive* clients are identified as either Exempt, Sanctioned, or having No Recorded Activity.

WorkFirst agency administrative records show that Job Search is the most common initial activity of WorkFirst clients. Over time, records indicate an increase in the use of Alternative Services and a lower incidence of clients with no recorded activity (see Exhibit III.C.1).

### **C. WorkFirst Employment and Welfare Outcome Measures and Definitions**

The WorkFirst legislation requires an assessment of program employment outcomes and welfare dependency. In **Section IV**, outcomes of female clients who began WorkFirst between August 1, 1997 and June 30, 1998, are examined using administrative records on welfare receipt and earnings. Outcomes are measured in quarters to coincide with quarterly earnings recorded by the Washington State Employment Security Department (ESD). Over four follow-up quarters, four client outcomes are addressed in this report:

- ❑ ***Likelihood of being employed:*** a calculation based on data from client Unemployment Insurance (UI) records in Washington State. If the records indicate any earnings during part or all of a quarter, clients are considered employed during that quarter.<sup>2</sup>
- ❑ ***Change in earned income:*** a client's quarterly earnings in Washington State as indicated by UI records.
- ❑ ***Likelihood of using welfare:*** a calculation based on the Department of Social and Health Services' Automated Client Eligibility System records. If records indicate a client received welfare one or more months during a quarter, the client is considered on the caseload during that quarter.
- ❑ ***Change in welfare grants:*** the sum of monthly welfare (TANF) payments over the quarter as indicated by Automated Client Eligibility System records.

### **D. Outcomes Associated With WorkFirst Job Search**

The results presented in **Section IV** find that clients participating in Job Search services are more likely to be employed, earn more, and are less likely to be on welfare than clients with no record of activity in the program. No significant differences in average welfare grant levels between the groups are observed. Statistical techniques are used to estimate the relative impact of client characteristics, local economic conditions, and other factors that may also affect observed outcomes.

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<sup>2</sup> Unemployment Insurance (UI) records include 99 percent of non-agricultural employment in Washington State. Clients without UI records may be in uncovered employment or working out of state.

The outcomes described in this report are based on an analysis of persons participating in WorkFirst Job Search activities between August 1, 1997 and June 30, 1998. Female clients who entered the program as Job Search participants but who did not participate in any other WorkFirst activities (*Job Search* group) are compared with non-exempt female clients with no record of participation in WorkFirst activities during the same period (*No Recorded Activity* group).



### III. WORKFIRST ACTIVITIES

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To examine the impact of WorkFirst services on employment and welfare outcomes, it is necessary to understand the characteristics and patterns of client activities in the program over time. Clients can receive a variety of services. While participation in Job Search remained consistent, Alternative Services grew, and No Recorded Activity continues to be common.

#### A. Description of WorkFirst Activities

Rather than provide extensive assessment and training, WorkFirst initially assists clients with job search. Clients unable to find employment may be referred to other services intended to overcome employment barriers, such as substance abuse treatment, high school completion, work experience, and job skills training. Employed clients are eligible for additional services to help them stay employed and obtain higher-paying jobs. All clients are eligible for financial assistance for child care, transportation, and other services necessary to participate in approved WorkFirst activities.

All adult TANF clients must participate in WorkFirst activities unless they have a child under one year of age or can provide good cause for not participating, such as a lack of child care.<sup>3</sup> Beginning in July 1999, the age of the client's child must be 3 months or younger in order to claim an exemption from WorkFirst participation.

**Active WorkFirst clients** are referred to, and eventually engage in, one or more of the following categories of activities after orientation to the WorkFirst program and application for assistance:

- ❑ **Job Search:** Clients are referred to the Employment Security Department for Job Search, where they must actively seek employment by making a minimum number of contacts as specified by the local WorkFirst office. Services may include a Job Search workshop where clients are taught job search skills in a classroom setting. Job Search clients also have access to a resource room with personal computers and printers; hands-on help with job applications, letters, and resumes; job postings; and organized hiring events.
- ❑ **Working 20 or More Hours a Week:** This category comprises clients who work 20 or more hours a week at an unsubsidized job. Clients working less than 20 hours a week are required to participate in Job Search or another program component.
- ❑ **Alternative Services:** Clients unable to work or look for a job because of problems with substance abuse, domestic violence, temporary disabilities, or dependent care are placed in Alternative Services. Some clients in this category receive specific services, such as substance abuse treatment. Other clients in this category do not

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<sup>3</sup> Non-exempt clients who refuse to participate are subject to financial sanctions.

receive Alternative Services as such, but may be caring for a disabled family member or unable to find child care.

- ❑ **Work Preparation:** Clients unable to find unsubsidized employment may be directed to unpaid work experience, on-the-job training, subsidized employment, job-specific vocational education, job skills training, or other services designed to improve employability. Before participating in Work Preparation activities, however, clients are required to engage in Job Search.
- ❑ **Post-employment Services:** Employed clients on the caseload have access to mentors, job-specific education, career planning, and other services intended to help them stay employed and find higher-paying jobs. Employed clients who leave the caseload are eligible for post-employment services for up to one year after exiting TANF.

**Inactive WorkFirst clients** (those not participating in at least one of the above WorkFirst participation categories) fall into one of three categories:

- ❑ **Exempt:** Single parents with children 12 months of age and younger may elect to use an exemption from the work requirement. A parent may not claim a child care exemption for longer than one year. By law, the child's maximum age for this exemption drops from 12 months to 3 months in July 1999.
- ❑ **Sanctioned:** Non-exempt clients who refuse to participate in required activities and do not show good cause for deferral into Alternative Services are subject to financial sanction.<sup>4</sup>
- ❑ **No Recorded Activity:** For the purpose of this analysis, clients who are receiving a welfare grant, have been referred to a WorkFirst activity, but have not participated in any activity for over 28 days are characterized as having No Recorded Activity.<sup>5</sup>

## **B. Clients Entering the WorkFirst Program**

Individuals enter the WorkFirst program as either continuing or new TANF clients. Every 12 months, caseworkers review and update the eligibility information of continuing TANF clients.<sup>6</sup> During the first year of WorkFirst implementation, continuing TANF clients were referred to the WorkFirst program at the time of their annual review. Phasing continuing TANF clients into WorkFirst allowed caseworkers to provide orientation and services at a manageable pace.

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<sup>4</sup> In the first month of sanction, the client's welfare grant is reduced by the adult's share. In the second month, a protective payee is assigned to the case. In the third month, the original grant amount is reduced by 40 percent or by the adult's share, whichever reduction is the largest.

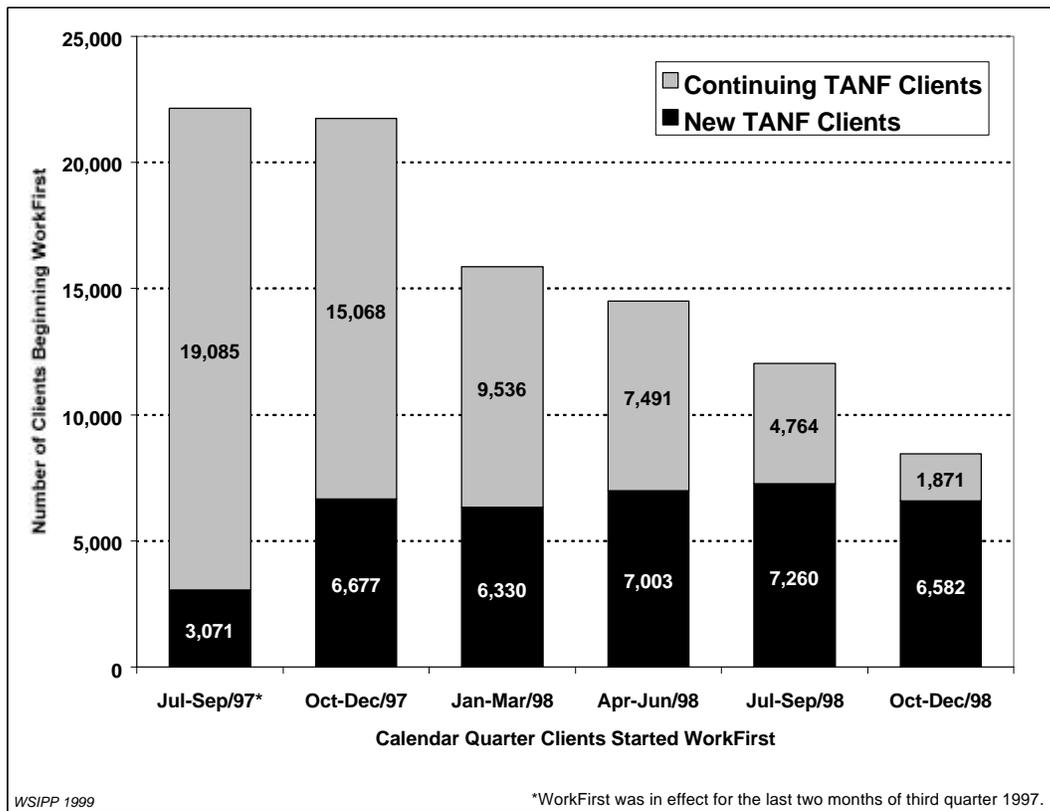
<sup>5</sup> Department of Social and Health Services case managers are alerted if clients have not begun an assigned activity within 28 days of referral. According to administrative practice, caseworkers may issue written warnings to inactive clients before beginning the sanction process.

<sup>6</sup> Continuing TANF clients include clients who were on AFDC when the program changed to TANF.

The other group of clients entering WorkFirst are new TANF clients. These individuals were not on the TANF caseload when WorkFirst began (August 1997). All non-exempt new TANF clients entering the caseload are referred directly to WorkFirst.

Exhibit III.B.1 shows the number of clients beginning WorkFirst during each quarter since implementation. The number of clients requiring WorkFirst orientation and initial referral has fallen considerably as the pool of continuing TANF clients cycling into WorkFirst decreases. New TANF clients will eventually become the only source of WorkFirst initiates requiring orientation to the program.

**Exhibit III.B.1**  
**Clients Beginning WorkFirst by Quarter**



### C. Initial Activities of Clients Entering the WorkFirst Program

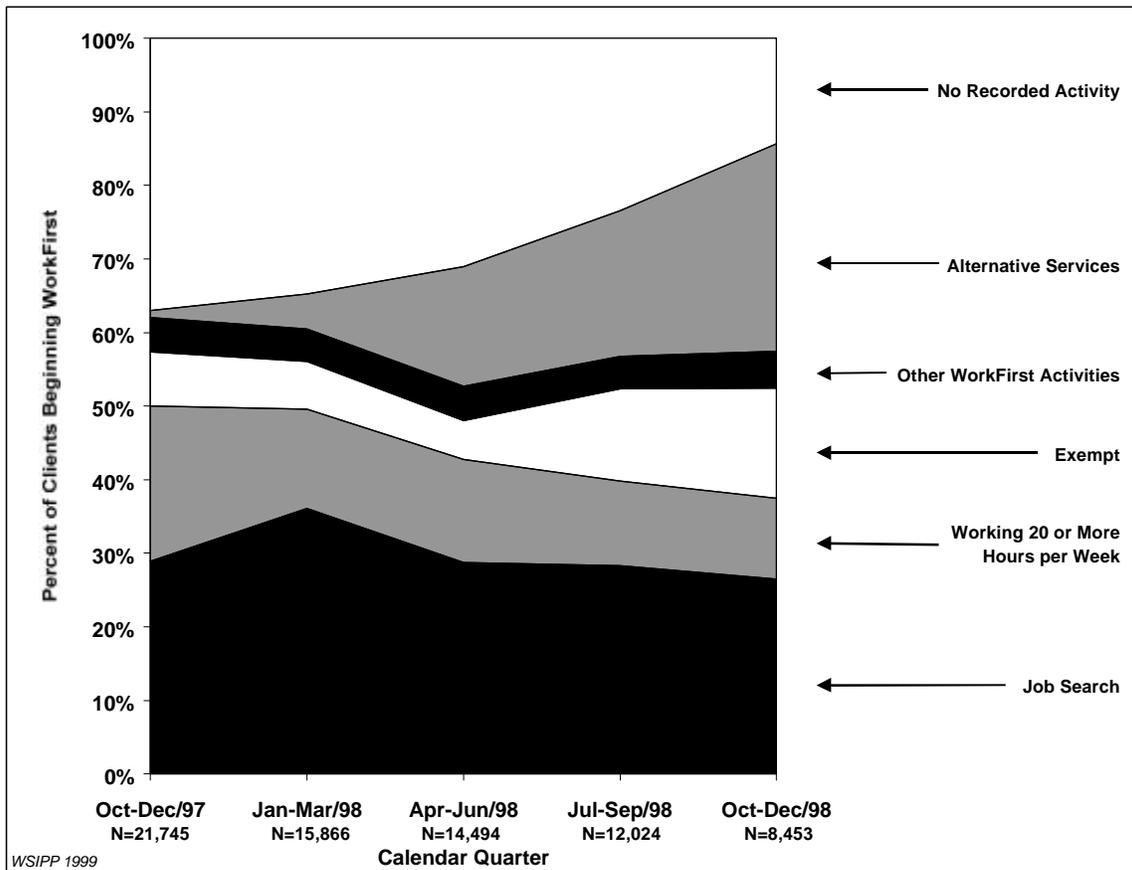
All non-exempt clients beginning WorkFirst can be grouped into one of the following categories: Job Search, Working 20 or More Hours a Week, Alternative Services, Other WorkFirst Activities,<sup>7</sup> or have No Recorded Activity.<sup>8</sup> Activities such as education and

<sup>7</sup> Work Preparation and Post-employment Services are uncommon initial activities and for simplicity are combined into Other WorkFirst Activities. Also included are 19- and 20-year-old clients completing a high school degree.

<sup>8</sup> As noted, "No Recorded Activity" refers to non-exempt clients who have been referred to their initial WorkFirst activity but have not participated for over 28 days. Fewer than 1 percent of these clients are sanctioned during the same quarter they begin WorkFirst.

training are reserved for clients who work 20 hours a week or more, are in Job Search, or after a period of time are unable to find work. Exhibit III.C.1 shows the changes over time of starting activities for WorkFirst clients from the last calendar quarter of 1997 through 1998.

**Exhibit III.C.1**  
**Initial Activities of WorkFirst Clients Change Over Time**



As shown in Exhibit III.C.1, the initial activities of WorkFirst clients have changed over time. Several patterns are apparent:

- ❑ **Job Search** consistently accounts for about 30 percent of initial activities.
- ❑ **Alternative Services**, the *fastest-growing category*, has become as common an initial activity as Job Search.
- ❑ The share of clients beginning the program with 28 or more days of **No Recorded Activity** fell from 37 to 14 percent of the initial activities.

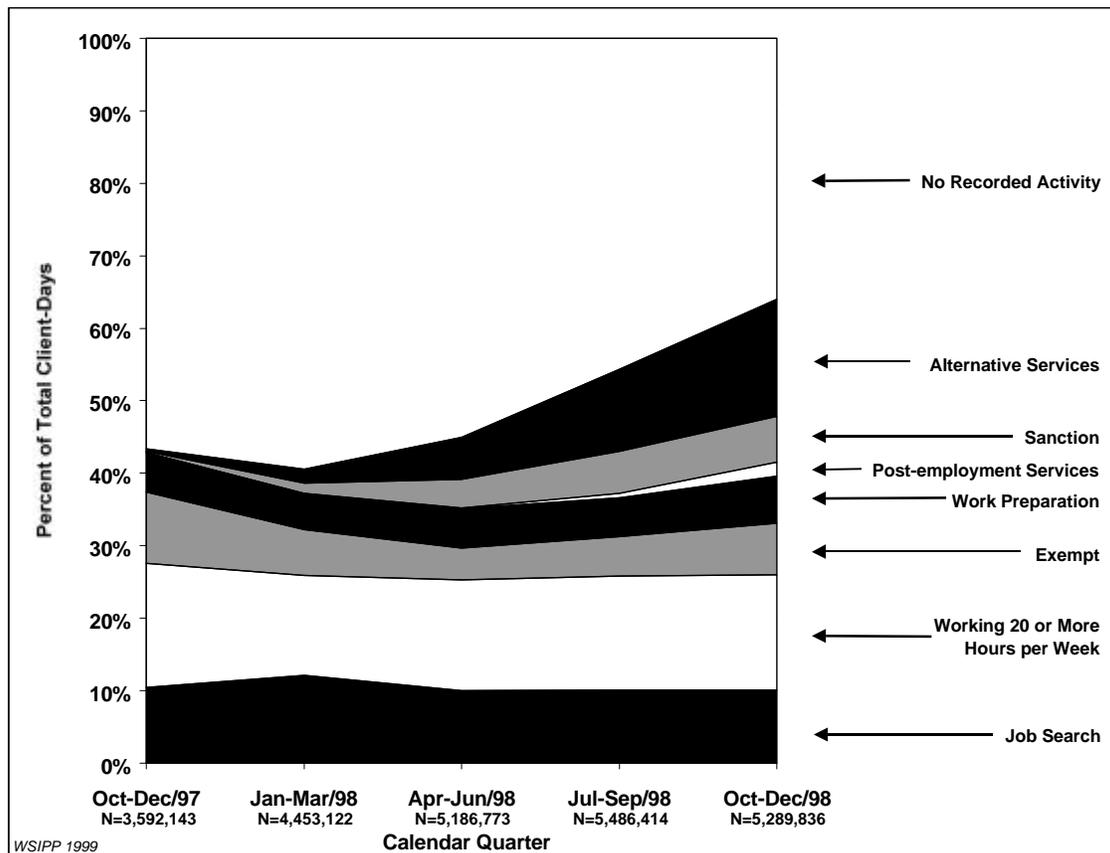
Future research conducted by the Institute will examine which clients are more likely to begin WorkFirst in various activities based on demographic characteristics, education, work experience, and local WorkFirst office practices. Future research will also address the growth of Alternative Services as a starting activity.

## D. WorkFirst Activities in the First Program Year

Eventually, clients may engage in activities other than those initially prescribed when entering the program. For instance, clients unsuccessful at Job Search may enter subsidized employment, receive vocational training, and return to Job Search after learning new skills. Clients may also alternate between periods of No Recorded Activity and Working 20 or More Hours a Week. These patterns are revealed by examining the distribution of the number of days clients are in each activity (client-days).

Exhibit III.D.1 displays the distribution of total client-days in all WorkFirst activities (including No Recorded Activity) by quarter. For example, of the total days all clients spent in WorkFirst during fourth quarter 1998, approximately 15 percent were days in Alternative Services. However, this does not suggest that the *typical* client spent 15 percent of her time in Alternative Services. Instead, this indicates that for every 100 days of clients in WorkFirst during fourth quarter 1998, 15 were days in Alternative Services.

**Exhibit III.D.1**  
**WorkFirst Activities Change Over Time**



The previous exhibit indicates a number of other patterns in WorkFirst activities during the first year of the program as measured by total client-days in WorkFirst:<sup>9</sup>

- ❑ The largest percentage of client-days were spent in No Recorded Activity.
- ❑ The proportion of client-days spent with No Recorded Activity fell from 57 percent to 36 percent.
- ❑ Alternative Services grew from 0 to 16 percent, while Job Search has remained constant at 10 percent.
- ❑ Sanction increased from 0 to 6 percent.

In future phases of the WorkFirst evaluation, participation in WorkFirst program components will be examined to determine if the sequence and duration of activities improves employment outcomes for welfare recipients.

## **E. Associating Activities With Outcomes**

Understanding the effectiveness of the various program elements in WorkFirst will require a longer follow-up period than currently available. The number of individuals in *Alternative Services*, *Work Preparation*, *Sanction* status, and *Post-Employment Services* has increased significantly during the course of the program. However, since very few persons were engaged in these activities at the start of the program, sufficient time has not elapsed to monitor employment outcomes for these services.

Job Search services, on the other hand, have been a primary feature of WorkFirst since the beginning of the program. During the first phase of this evaluation, interviews with caseworkers and program administrators revealed that Job Search services were being provided to WorkFirst clients in a consistent and widespread manner.<sup>10</sup> The analysis in the following section uses a statistically reliable approach to identify outcomes related to Job Search.

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<sup>9</sup> Please refer to Appendix B, *Table for Exhibit III.D.1*, for details.

<sup>10</sup> Joint Legislative Audit and Review Committee, *WorkFirst Process Study—Phase I*, Report 98-10 (December 1998).

## IV. THE IMPACT OF WORKFIRST JOB SEARCH ON EMPLOYMENT AND WELFARE OUTCOMES

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The findings presented in this section show that, after accounting for other factors, clients participating in Job Search services are more likely to be employed, earn more when working, and are less likely to be on welfare than clients with no record of activity in the WorkFirst program. However, the findings also indicate that Job Search services do not result in significant changes in average welfare grant amounts for clients on the caseload.

This section begins by describing the two WorkFirst groups used to study the impact of Job Search. Next, the employment, earnings, and welfare outcomes for these two groups are compared.

### A. Analysis Groups

To evaluate the effect of specific WorkFirst services on client outcomes in a statistically reliable way, a comparison must be made between the outcomes of a group of clients who receive services with the outcomes of an equivalent group who do not receive services at the same point in time. This measurement presents two challenges:

- (1) defining a *service* in a program where diverse clients participate in a variety of activities; and
- (2) identifying a relevant comparison group of clients who do not receive any services.

Over the first year of WorkFirst, the most common initial WorkFirst activity is Job Search.<sup>11</sup> The group of clients who received only Job Search services is referred to as the *Job Search* group.

*The **Job Search group** is defined as those female clients who participated in Job Search in the quarter they entered WorkFirst but did not engage in any other WorkFirst activities in subsequent quarters. Clients in the Job Search group may have been employed and/or left the caseload in subsequent quarters.*

A sufficient number of non-exempt clients who have not engaged in any WorkFirst activities is available to conduct a comparative analysis. This group is referred to as the *No Recorded Activity* group.

*The **No Recorded Activity group** is specifically defined as all female clients who had no recorded activity during the quarter they started WorkFirst. In subsequent quarters, clients in this group did not engage in any WorkFirst activities; however, they may have been employed and/or left the caseload in subsequent quarters.*

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<sup>11</sup> See Exhibit III.C.1.

Appendix A describes the similarities of the *Job Search* and *No Recorded Activity* groups with regard to program participation and demographic characteristics.

## **B. Outcomes Associated With Job Search**

Factors affecting employment and welfare outcomes between the *Job Search* and *No Recorded Activity* groups may differ for a variety of reasons in addition to participation in Job Search activities. For example, lower levels of education or fewer years of work experience in one group may contribute to lower average employment rates for the group as a whole.

The statistical analysis in this section accounts for client characteristics such as education, local economic conditions, and local welfare office administrative practices in addition to examining the impact of Job Search services on overall outcomes. Statistical techniques are also used to correct for the potential impact of unmeasured client characteristics, such as motivation. The resulting analysis estimates the average impact of Job Search for *any* client receiving Job Search services, not just clients with certain characteristics or traits.<sup>12</sup>

The data available for the outcomes analysis include all female clients in the *Job Search* and *No Recorded Activity* groups who were on the WorkFirst caseload at any time from third quarter 1997 through second quarter 1998. Employment and welfare outcomes for these clients are available for one to four follow-up quarters after entering WorkFirst.<sup>13</sup> By using data from quarters after clients entered WorkFirst, it is possible to examine the impact of Job Search services on outcomes and assess changes over time.

Exhibits IV.B.1 through IV.B.3 display differences in outcomes between the *Job Search* and *No Recorded Activity* groups. Because these figures cover the earliest phase of WorkFirst, they describe an evolving program. It is critical to continue monitoring the effectiveness of all WorkFirst activities, including Job Search, in achieving the desired outcomes.

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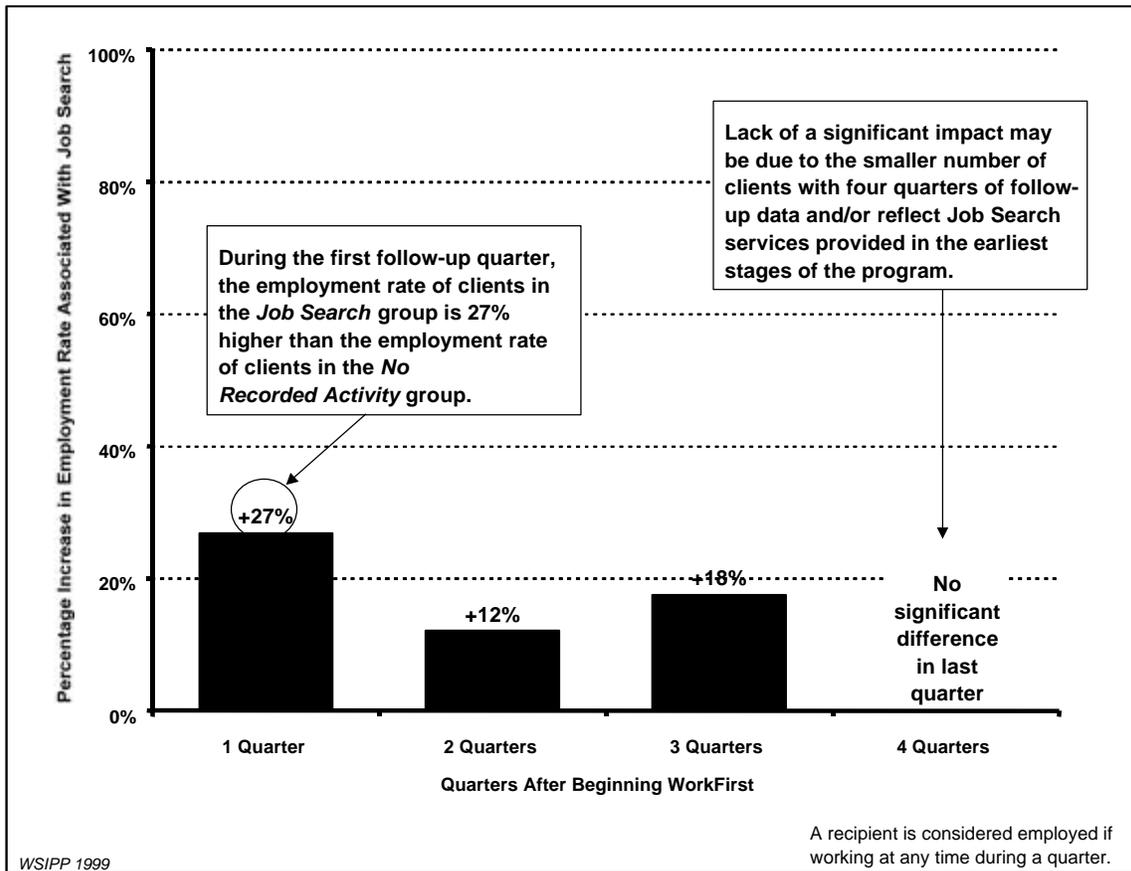
<sup>12</sup> All results discussed in this section are statistically significant at the 5 percent (.05) level.

<sup>13</sup> The number of follow-up quarters is limited by the availability of earnings data. Because third quarter 1998 earnings data are the most recent available information, clients entering WorkFirst in second quarter 1998 have only one follow-up quarter while those entering in third quarter 1997 have four follow-up quarters.

**Impact of Job Search on Employment.** After adjusting for the influence of client characteristics, local economic conditions, and local WorkFirst office administrative practices, Exhibit IV.B.1 indicates that clients in the *Job Search* group have higher rates of employment in three of the four follow-up quarters than do clients in the *No Recorded Activity* group. For example, during the first follow-up quarter, the percentage of employed clients in the *Job Search* group is estimated to be 27 percent higher than the percentage of employed clients in the *No Recorded Activity* group.

The estimated employment outcomes in the last quarter should be interpreted with caution. Fewer observations are available for that quarter, which may account for the insignificant finding. Also, clients with four follow-up quarters entered Job Search during the earliest stages of the WorkFirst program and may not be representative of the program as a whole. This longer-term effect will be re-examined as more data become available.

**Exhibit IV.B.1**  
**The Job Search Group Has Higher Employment Rates in Three of the Four Quarters**



**Impact of Job Search on Earnings.** Exhibit IV.B.2 focuses on the impact of Job Search services on client earnings. Employed clients in the *Job Search* group have higher average earnings than working members of the *No Recorded Activity* group. Because the analysis of earnings covers only persons (in either group) who are employed, the higher earnings observed for the *Job Search* group are not simply a reflection of their higher employment rate. The exhibit also suggests that the earnings gap between clients in the two groups increases over time. These higher earnings may be due to higher hourly wages, working more hours, or some combination of the two. Future analyses will separate these factors.

**Exhibit IV.B.2**  
**The Job Search Group Has Higher Average Earnings**

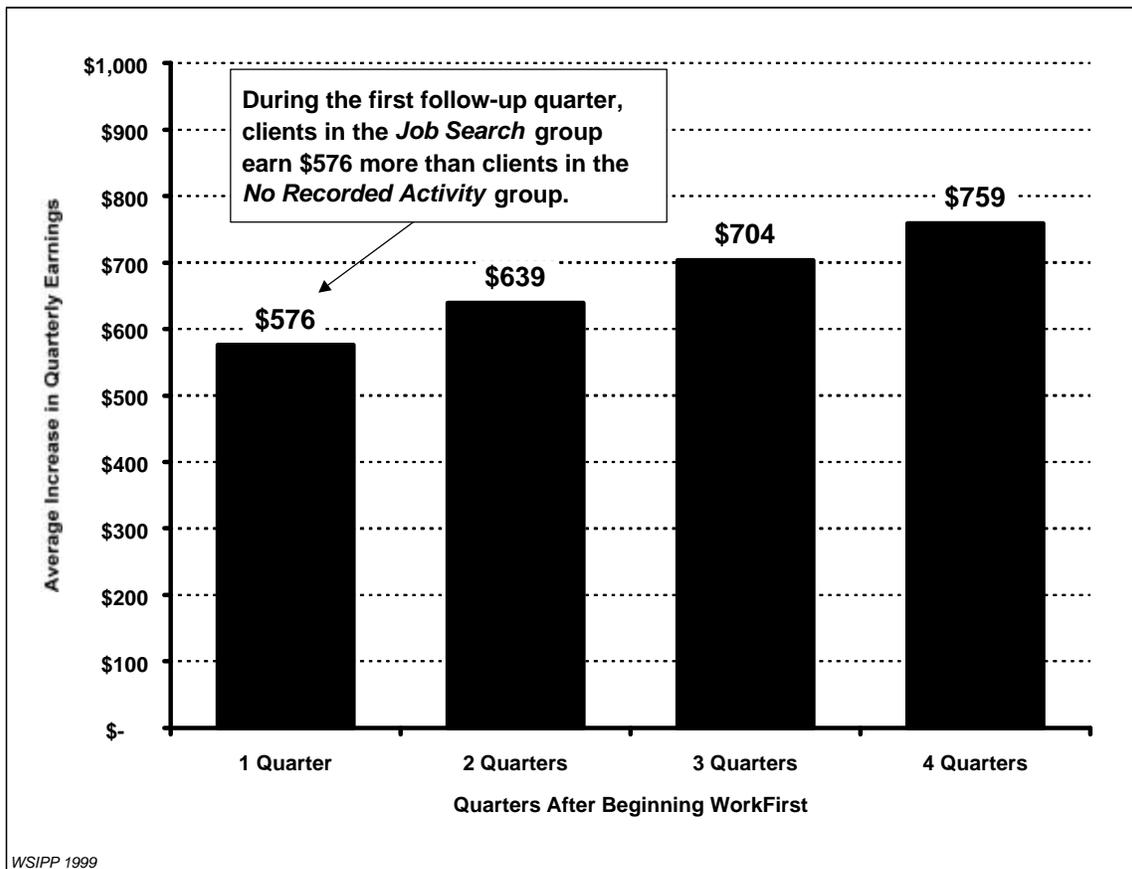
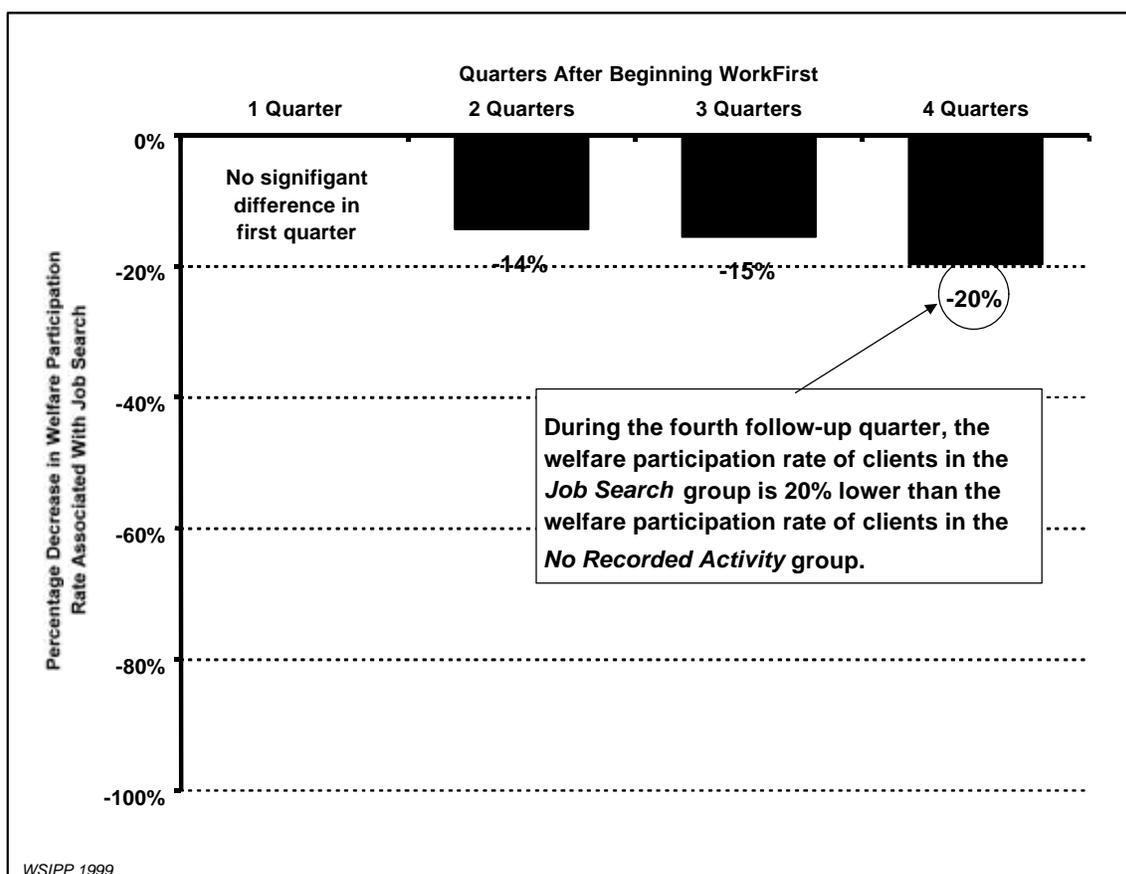


Exhibit IV.B.3



The Job Search Group Has Lower Welfare Enrollment

**Impact of Job Search on Welfare Enrollment.** Exhibit IV.B.3 displays the estimated impact of Job Search services on female clients using welfare.<sup>14</sup> Welfare recipients in the *Job Search* group are as likely to remain on welfare in the first follow-up quarter as those who receive no WorkFirst services. However, in the last three quarters, clients in the *Job Search* group are less likely to remain on welfare than are those in the *No Recorded Activity* group.

**Impact of Job Search on Welfare Benefits.** The fourth outcome measure examined is the change in quarterly welfare grants for those female clients remaining on welfare. No significant differences in cash benefits are observed between the *Job Search* and *No Recorded Activity* groups. This is consistent with findings that much of the earnings impact, as noted above, occurs *after* individuals have left the caseload. Therefore, average grant amounts are not affected once clients are off the caseload. Additional analyses over the next biennium will continue to investigate this issue.

<sup>14</sup> For purposes of this analysis, clients are considered to be off the welfare caseload in a particular quarter if they did not receive a welfare grant in any of the three months of the quarter.

## C. Impact of Other Factors on WorkFirst Clients

The analysis in this section identifies client and locality-specific characteristics other than Job Search services that impact client outcomes. The effects of these factors on employment and welfare outcomes are grouped as follows:

- Education and experience variables that directly affect one's wage rate and employment, such as education and job experience.
- Factors that directly affect the cost of holding a job, such as single parent marital status and the number and ages of one's children.
- Local economic conditions that may impact employment and earnings.

**Education and Experience.** Years of education have a positive impact on both employment probability and quarterly earnings. Each additional year of education completed by female clients in the sample is associated with a 3 percent increase in the probability of quarterly employment, and, for those with a job, an \$84 increase in quarterly earnings. Having a General Education Development certificate (GED) has a negative impact, reducing earnings by \$140 a quarter.<sup>15</sup> A GED also has a statistically significant positive effect of remaining on welfare. Clients with a GED were 16 percent less likely to leave the caseload than other recipients.

Female clients who worked in the previous quarter are 13 times (1,300 percent) more likely to have earnings in the current quarter. For each quarter a female client worked in the two previous years, the likelihood of being employed in the current quarter increases by 19 percent. Also, each additional year of age is associated with an additional \$17 in quarterly earnings.

**Factors That Affect the Cost of Holding a Job.** For each additional child in the family, there is no statistically significant effect on the likelihood of being employed, but female clients who do work earn an additional \$100 per quarter for each additional child. As a client's child ages by one year, the likelihood of employment increases by 1 percent. There is no difference in the likelihood of employment between female clients who were never married and all other female clients, nor does marital status affect earnings. As the number of adults in the family increases by one, the probability of being employed decreases by 6 percent.

**Effects of the Economy on Employment and Welfare Experience.** Local economic conditions should affect both employment and welfare eligibility. The county unemployment rate is used to control for local labor market conditions. As the county unemployment rate increases by 1 percent, the probability of a WorkFirst client being employed decreases by 10 percent. On average, a 1 percent increase in the county unemployment rate reduces quarterly earnings by \$35 for those female clients who are working. A 1 percent increase in

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<sup>15</sup> These results are consistent with those found for a sample of low-income women in Washington State. See J. Cao, E. W. Stromsdorfer, and G. C. Weeks, "The Human Capital Effect of General Education Development Certificates on Low Income Women," *Journal of Human Resources* 31 (Winter 1997).

the county unemployment rate reduces the probability of being off the caseload by 2 percent.

## D. Impacts Associated With Local Welfare Offices

The last area of analysis estimates the influence of local WorkFirst offices on employment and earnings, controlling for program factors (Job Search) and client-related characteristics described previously.<sup>16</sup> In other words, the results presented in this section identify the impacts associated with local offices on client employment and earnings over and above the effects of Job Search services and other observed factors.

As shown in Exhibits IV.D.1 and IV.D.2, the estimates reveal an association between some client employment outcomes and their Community Service Offices (CSO) arranged by DSHS regions. For example, the average employment rates of clients associated with CSO 1 (the Region 1 CSO in Othello) are higher than employment rates of clients associated with any other CSO shown.<sup>17</sup> Similarly, the average quarterly earnings of clients associated with CSO 74 (the Region 4 CSO in Lake City) are higher than the average earnings of clients associated with any other CSO shown.

***The employment and earnings outcomes associated with CSOs should be interpreted with caution.*** The differences among CSOs may represent other factors in the community that affect employment and earnings but are not accounted for in the analysis, such as availability of child care and highly-localized labor market conditions. Differences may also reflect limitations in the data used for the analysis. For example, clients working in neighboring states do not appear in Washington State Unemployment Insurance (UI) records. Because the definition of employment used in this analysis is based on UI data, clients working out of state *appear* to be unemployed. This may explain the low employment rates estimated for clients associated with CSO 2 (the Region 2 CSO in Clarkston) and CSO 6 (the Region 6 CSO in Vancouver). Clients from these offices who do not appear in the UI data may actually be employed in Idaho or Oregon.

During the first phase of the WorkFirst process study, JLARC randomly selected local WorkFirst offices to visit to determine issues affecting the implementation of WorkFirst. *Hiring events* were one administrative practice identified in these interviews as a promising strategy to improve the employment of WorkFirst clients. Some WorkFirst offices organize hiring events (sometimes referred to as job fairs) where Job Search clients meet local employers who have job openings. An analysis of the data revealed that job fairs did have significant impacts on client outcomes. Female clients associated with offices arranging

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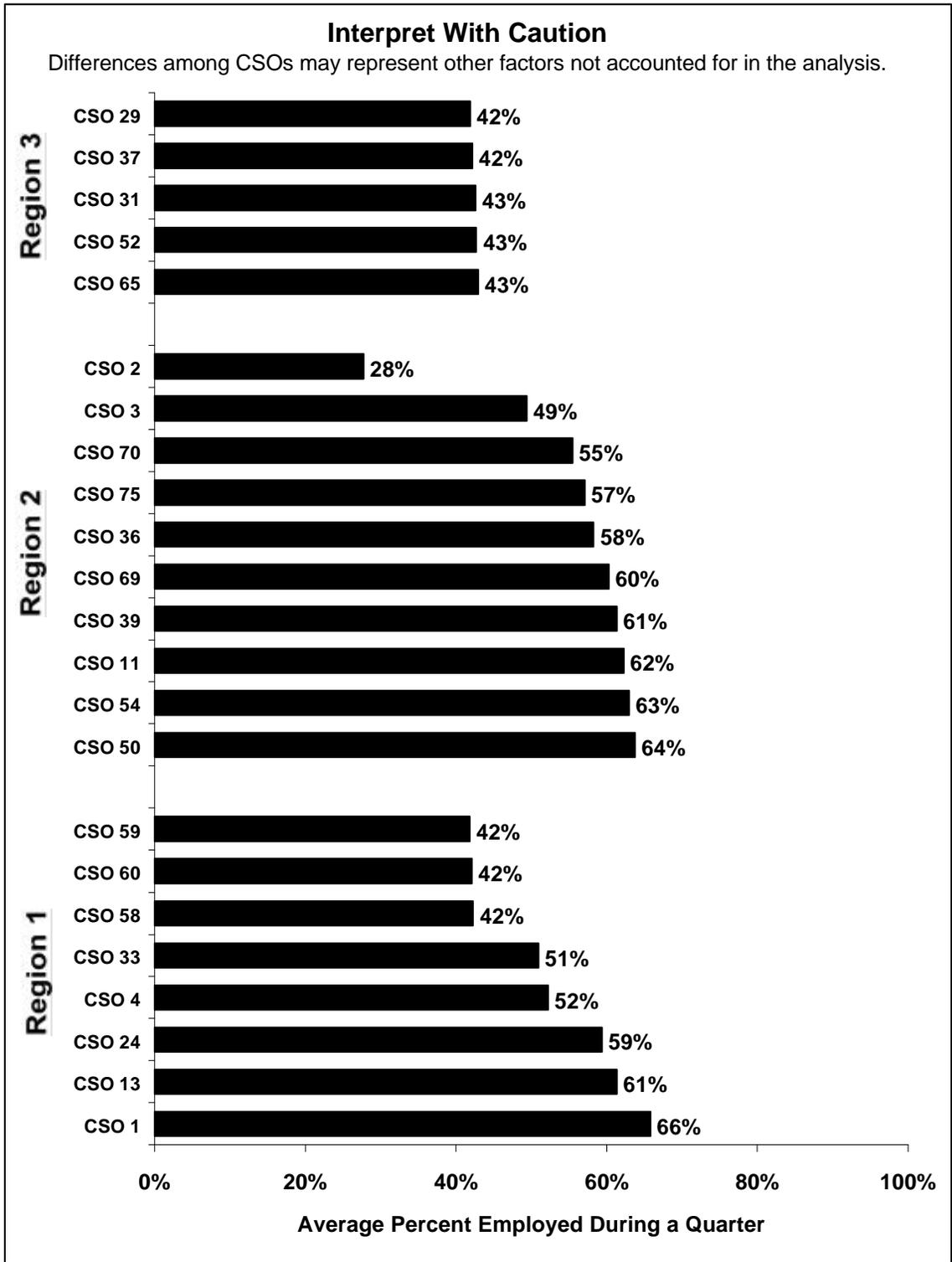
<sup>16</sup> Because WorkFirst is administered by multiple agencies (Department of Social and Health Services; Employment Security Department; Department of Community, Trade and Economic Development; and State Board for Community and Technical Colleges), the term "local WorkFirst office" encompasses more than the Community Service Office (CSO) where client eligibility is determined and case management occurs. In some communities, agencies are co-located in a single office. However, for analytic purposes, local WorkFirst offices are identified by the name of the local CSO; Department of Social and Health Service administrative regions are used to group offices.

<sup>17</sup> Not all CSOs are displayed in the exhibits. Some smaller CSOs are combined with larger, neighboring CSOs; other CSOs not shown had too few observations to report.

hiring events are 22 percent more likely to become employed and have increased earnings of \$167 per quarter.

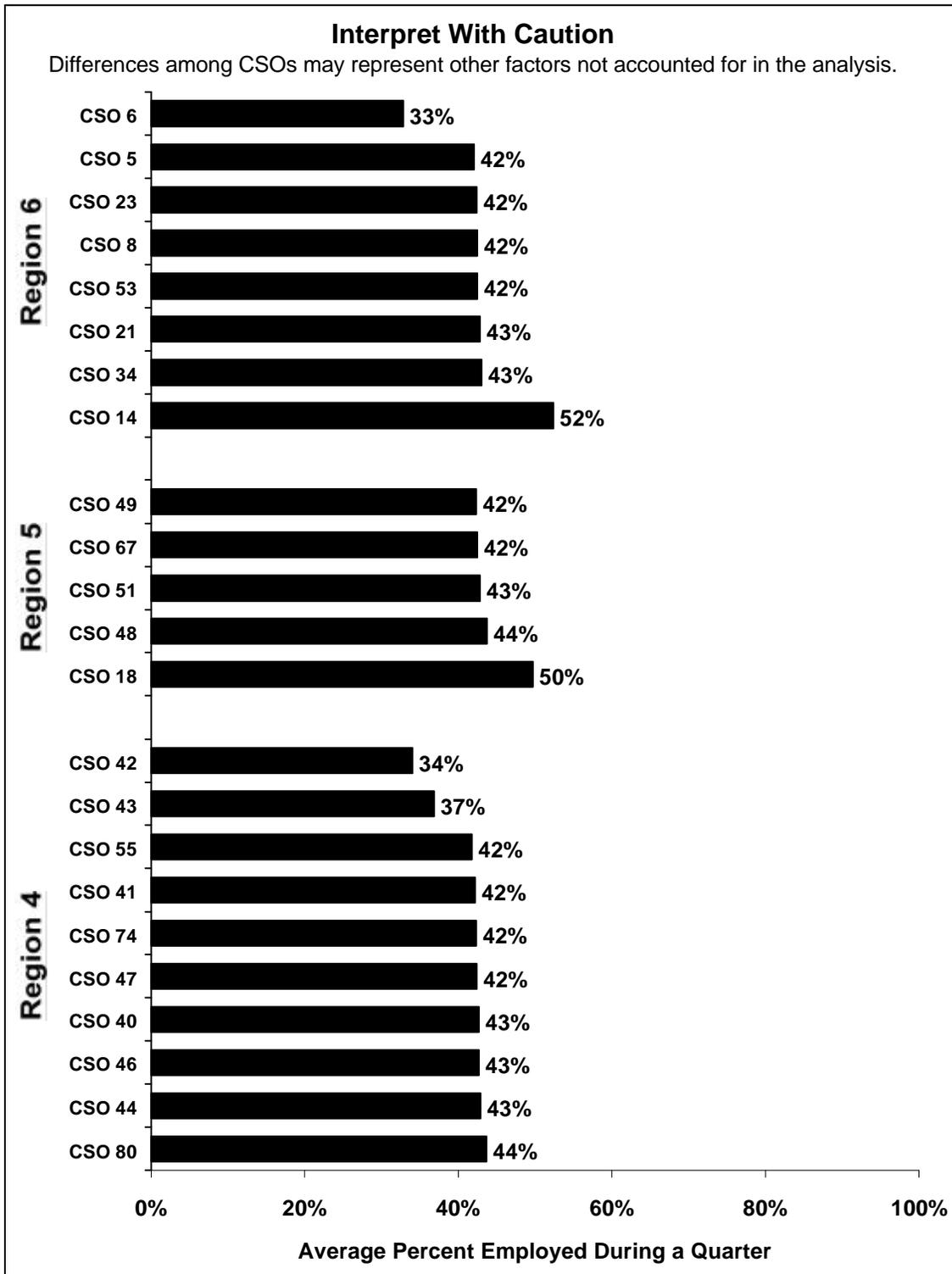
The estimated CSO effects described here reflect the combined influence of unmeasured local administrative practices, economic factors, and other locality-specific features. Review of offices associated with relatively large impacts may identify administrative practices or other locality-specific factors that affect client outcomes. The next phase of JLARC's process study will investigate local practices that appear to have a positive effect on the employment rates of WorkFirst clients.

**Exhibit IV.D.1**  
**Average Employment Rate by Community Service Office**  
**Controlling for Job Search and Other Factors**



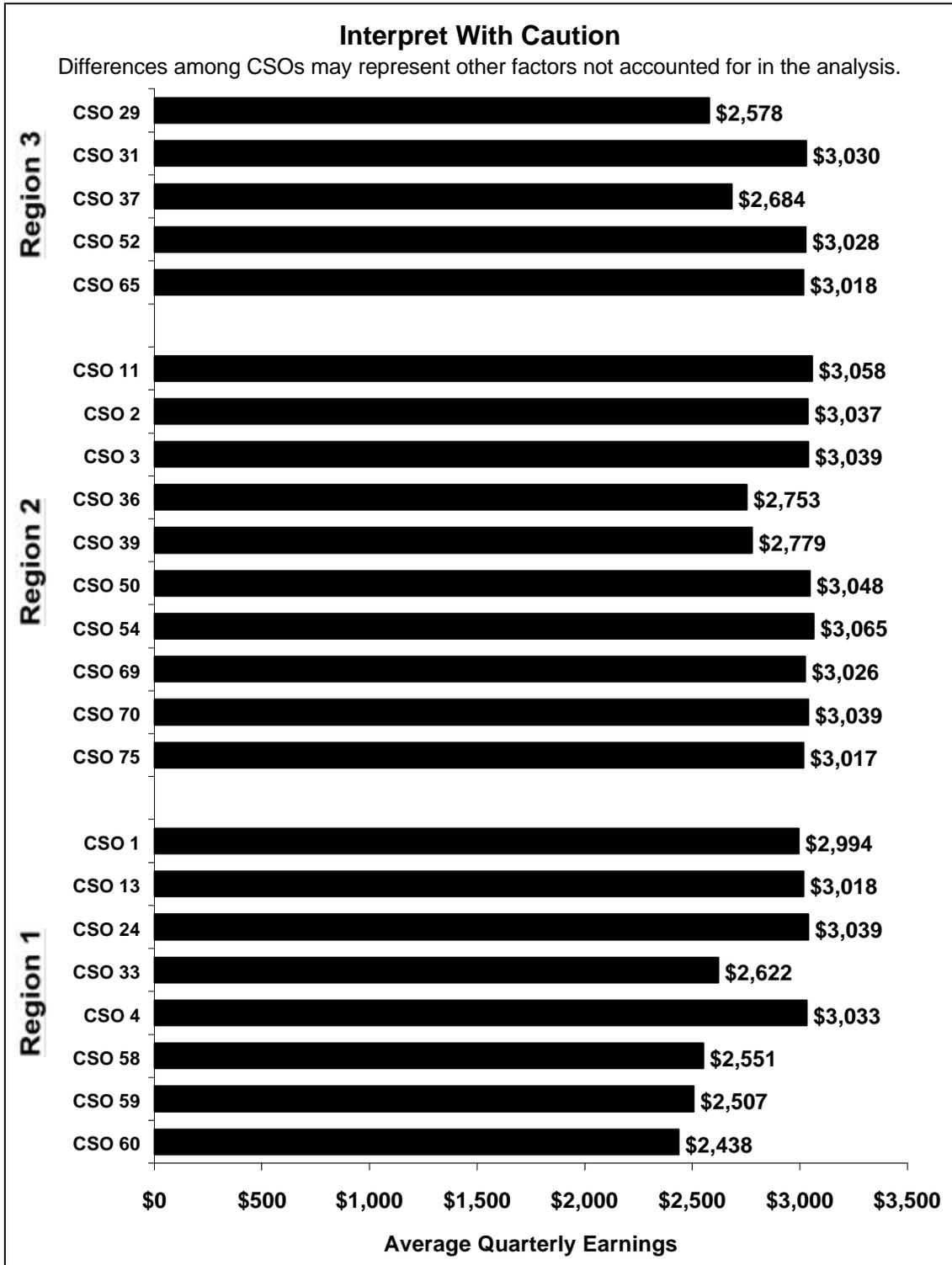
*CSOs not shown had too few clients to report findings.  
A key to the location of CSOs is provided in Exhibit IV.D.3.*

**Exhibit IV.D.1 (Continued)**  
**Average Employment Rate by Community Service Office**  
**Controlling for Job Search and Other Factors**



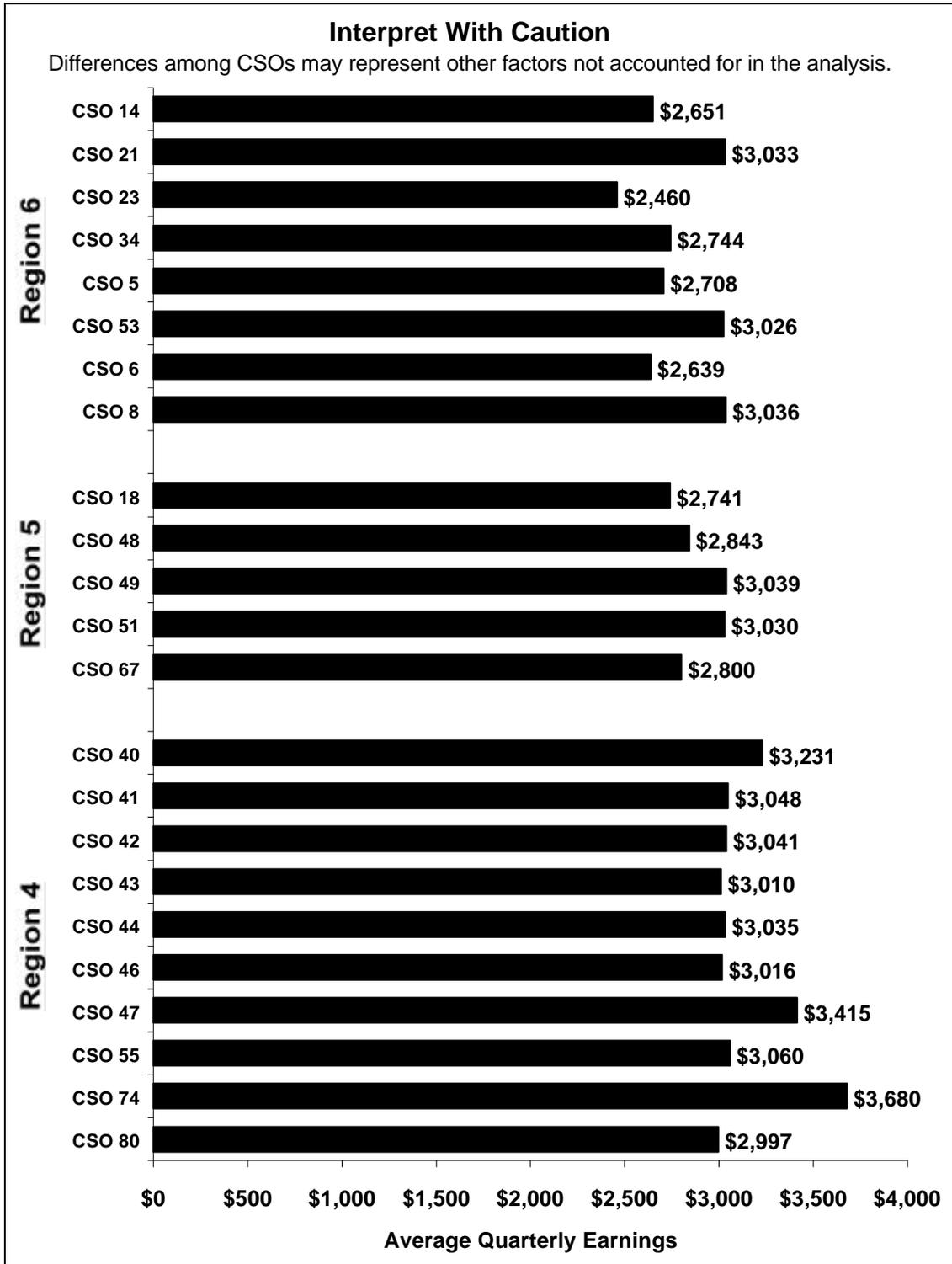
CSOs not shown had too few clients to report findings.  
A key to the location of CSOs is provided in Exhibit IV.D.3.

**Exhibit IV.D.2**  
**Average Earnings by Community Service Office**  
**Controlling for Job Search and Other Factors**



CSOs not shown had too few clients to report findings.  
A key to the location of CSOs is provided in Exhibit IV.D.3.

**Exhibit IV.D.2 (Continued)**  
**Average Earnings by Community Service Office**  
**Controlling for Job Search and Other Factors**



*CSOs not shown had too few clients to report findings.  
A key to the location of CSOs is provided in Exhibit IV.D.3.*

**Exhibit IV.D.3**  
**Community Service Offices by Region**

<b>CSO NUMBER</b>	<b>CSO OFFICE(S)</b>	<b>CSO NUMBER</b>	<b>CSO OFFICE(S)</b>
<b>REGION 1</b>		<b>REGION 2</b>	
1	Othello	2	Clarkston, Pomeroy
4	Wenatchee (Chelan County), Wenatchee (Douglas County)	3	Kennewick
13	Moses Lake	11	Pasco
24	Okanogan	36	Walla Walla, Dayton
33	Colville, Newport, Republic	39	Yakima
58	Spokane East Valley	50	Toppenish
59	Spokane North	54	Sunnyside
60	Spokane Southwest, Davenport	69	Yakima-Kittitas, Ellensburg
		70	Grandview
		75	Wapato
<b>REGION 3</b>		<b>REGION 4</b>	
29	Mount Vernon, Oak Harbor, Friday Harbor	40	Eastside
31	Everett	41	Rainier
37	Bellingham	42	Ballard
52	Alderwood, Skykomish	43	King South, Federal Way
65	Smokey Point	44	Burien
		46	Capitol Hill
		47	Belltown
		55	West Seattle
		74	Lake City
		80	Holgate-Renton
<b>REGION 5</b>		<b>REGION 6</b>	
18	Bremerton	5	Port Angeles, Port Townsend, Forks
48	Pierce South	6	Vancouver
49	Pierce North	8	Kelso, Cathlamet
51	Puyallup Valley	14	Aberdeen, South Bend, Elma, Long Beach
67	Pierce West	21	Chehalis
		23	Shelton
		34	Olympia
		53	Orchards, Goldendale, Stevenson, White Salmon

CSOs not listed had too few clients to report significant findings.



## APPENDIX A: ANALYSIS GROUP CHARACTERISTICS

*Exhibit A.1*  
Selected Characteristics of the WorkFirst Analysis Groups

<b>CLIENT PROGRAM CHARACTERISTICS</b>	<b>JOB SEARCH</b>	<b>NO RECORDED ACTIVITY</b>
RECEIVED A TANF GRANT DURING THE QUARTER THEY STARTED WORKFIRST	Yes	Yes
RECEIVED WORKFIRST ORIENTATION	Yes	Yes
REQUIRED TO PARTICIPATE IN WORKFIRST ACTIVITIES*	Yes	Yes
REFERRED TO AT LEAST ONE WORKFIRST ACTIVITY	Yes	Yes
BEGAN WORKFIRST ANY TIME FROM THIRD QUARTER 1997 THROUGH FIRST QUARTER 1998	Yes	Yes
MAY BE EMPLOYED IN LATER QUARTERS	Yes	Yes
MAY BE ON OR OFF THE CASELOAD IN LATER QUARTERS	Yes	Yes
PARTICIPATED IN JOB SEARCH	Yes	No
TOTAL NUMBER OF RECORDED WORKFIRST ACTIVITIES	1	0

\*Participation became mandatory November 1, 1997.

*Exhibit A.2*  
Socio-Demographic Characteristics of the WorkFirst Analysis Groups

<b>CLIENT CHARACTERISTICS</b>	<b>JOB SEARCH</b>	<b>NO RECORDED ACTIVITY</b>
TOTAL BEGINNING WORKFIRST AUGUST 1, 1997 – JUNE 30, 1998	<b>6,139</b>	<b>8,973</b>
PERCENT NEVER MARRIED	37%	38%
AVERAGE AGE	31.1	30.4
AVERAGE AGE OF YOUNGEST CHILD	5.6	5.5
AVERAGE YEARS OF EDUCATION	11.2	10.9
PERCENT WITH GENERAL EDUCATIONAL DEVELOPMENT CERTIFICATE (GED)	5.3%	6.0%
PERCENT WORKED IN THE LAST TWO YEARS	67.2%	61.5%
PERCENT WORKED ANY TIME LAST QUARTER	26.2%	27.9%
AVERAGE EARNINGS IN PRIOR QUARTER	\$1,702	\$1,622
AVERAGE NUMBER OF ADULTS IN HOUSEHOLD	1.2	1.2
AVERAGE NUMBER OF CHILDREN	1.9	1.8

Sources: Employment Security Department and Department of Social and Health Services



## APPENDIX B: DATA TABLES TO SUPPORT EXHIBITS

*Table for Exhibit III.B.1*  
**Clients Beginning WorkFirst by Quarter**

QUARTER	NEW OR RETURNING CLIENTS	CONTINUING CLIENTS
3Q97*	3,071	19,085
4Q97	6,677	15,068
1Q98	6,330	9,536
2Q98	7,003	7,491
3Q98	7,260	4,764
4Q98	6,582	1,871

\*WorkFirst was in effect for the last two months of third quarter 1997.

*Table for Exhibit III.C.1*  
**Initial Activities of WorkFirst Clients Change Over Time**

INITIAL WORKFIRST ACTIVITY	QUARTER CLIENT BEGINS WORKFIRST				
	4Q97	1Q98	2Q98	3Q98	4Q98
JOB SEARCH	6,286	5,723	4,165	3,399	2,241
WORKING 20 OR MORE HOURS A WEEK	4,595	2,147	2,033	1,383	925
NO RECORDED ACTIVITY	8,040	5,508	4,496	2,814	1,213
ALTERNATIVE SERVICES	223	770	2,363	2,387	2,383
OTHER WORKFIRST ACTIVITIES	1,006	689	674	525	425
EXEMPT	1,595	1,029	763	1,516	1,266
TOTAL	21,745	15,866	14,494	12,024	8,453

*Table for Exhibit III.D.1*  
**WorkFirst Activities Change Over Time**

QUARTER	NO RECORDED ACTIVITY	EXEMPT	SANCTION	ALTERNATIVE SERVICES	WORK PREPARATION	POST-EMPLOYMENT SERVICES	JOB SEARCH	WORKING 20 OR MORE HOURS A WEEK
4Q97	57%	10%	0%	0%	5%	0%	10%	17%
1Q98	59%	6%	1%	2%	5%	0%	12%	14%
2Q98	55%	4%	4%	6%	5%	0%	10%	15%
3Q98	46%	6%	6%	11%	5%	1%	10%	16%
4Q98	36%	7%	6%	16%	7%	2%	10%	16%