

**WORKFIRST EVALUATION
SUMMARY:
HOW SUCCESSFUL HAS
WORKFIRST BEEN? WHAT
HAPPENS NEXT?**

BRIEFING REPORT 01-2

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REPORT DIGEST

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WORKFIRST EVALUATION

The 1997 Legislature enacted Washington's welfare reform—WorkFirst—and directed the Joint Legislative Audit and Review Committee (JLARC) to evaluate the program's success in meeting the mandates and directives included in the legislation. This report summarizes the findings of this on-going evaluation, conducted with the Washington State Institute for Public Policy (WSIPP), while providing context and analysis of the time limits that are to begin in August 2002.

MEETING LEGISLATIVE GOALS

In the clearest statement of its expectations of WorkFirst, the Legislature mandated that the welfare caseload in Washington decrease by 20 percent within four years. **After three years, the caseload had decreased by 37 percent—almost twice the level directed.**

The Legislature also expected WorkFirst to accomplish a series of other goals. WorkFirst was to reduce reliance on welfare, help people become and stay employed, raise the earnings of clients, and do a better job than the old welfare program—Aid to Families with Dependent Children (AFDC). WorkFirst has had success in meeting each of these goals.

LEGISLATIVE GOAL	OUTCOME
<i>Reduce Welfare Use</i>	WorkFirst clients are more likely to be off welfare after 12 months than AFDC clients.
<i>Increase Employment</i>	WorkFirst clients are 56 percent more likely to be employed than AFDC clients.
<i>Increase Earnings</i>	WorkFirst increases average quarterly earnings by \$263 per client compared to AFDC.
<i>Do Better Than AFDC</i>	Key indicators point to WorkFirst's success in meeting goals, and compared to AFDC, WorkFirst is cost effective.

MORE WORK EXPERIENCE MEANS CLIENTS NO HARDER TO EMPLOY

Welfare clients now have more work experience than in the past, and with this experience they are likely to have better chances of getting jobs, keeping jobs, and getting better-paying jobs. There has been a dramatic drop in the proportion of the caseload who are considered continuous, meaning that clients who might have stayed continuously on the welfare rolls in the past are now

leaving for some period and appear to be gaining work experience.

The evaluation assessed whether or not clients are now harder to serve than when the caseload was much bigger. The question, however, is: “Are they harder to employ?”

Now, because of the increase in work experience, clients are **not** harder to employ. Comparing the caseload in August 1997 to the caseload of February 2000, the evaluation finds that **the substantial increase in recent work experience outweighed the smaller increases in some commonly accepted barriers to employment.**

KEEPING CLIENTS EMPLOYED A CHALLENGE

The dramatic decrease in the proportion of clients who never leave the caseload has another side: the increase in the proportion of the caseload that are “repeating,” or coming back to welfare after leaving for some spell.

JLARC’s evaluation finds that steady employment among welfare recipients is not common. Since it may not be realistic to expect a client to keep his or her first job, fast re-employment when a recipient loses a job is a key. No proven success formula seems to exist in any other state for ensuring that clients are able to keep a job.

For these reasons, we recommend, and WorkFirst agrees, that a number of changes need to be implemented.

We also found that one of WorkFirst’s main ways of helping clients find work—Job Search—was of little assistance to clients with recent work experience.

By teaching clients how to look for work, and mandating employer contacts, Job Search is successful in assisting clients in getting an initial job. But for those with recent experience, it doesn’t work as well. The caseload has changed—it is now dominated by people who have worked and come back. Strategies such as Job Search

must be changed to recognize the more complex needs of this “changed” caseload.

Specifically, the approach to assisting clients in initially finding work, and then keeping work, needs to change. By engaging employers more, clients are likely to begin to participate more in services that have been developed to assist them in keeping a job. In addition, WorkFirst must focus on helping clients learn basic workplace skills and must begin to collect information on how fast clients are re-employed.

TIME LIMITS

In August 2002, some Washington families will no longer be eligible for welfare because they have reached the five-year time limit on benefits. The Legislature provided, however, that up to 20 percent of the caseload could get an extension on this limit.

Preliminary estimates of the number of cases that will reach the limit indicate that it will be **well under** that 20 percent ceiling.

Analyses in other states with time limits shorter than Washington’s indicate that they too have caseloads not staying continuously on welfare, with fewer people than originally anticipated hitting the limit.

Some trends are beginning to emerge from states that have reached their time limits. While averages can mask personal experiences, these trends indicate:

- Most clients are not on the caseload continuously, but leave for some period.
- Most who reach the limit get extensions, or are working after their welfare grant has stopped.
- There is yet little evidence of major deprivation caused by imposing the time limit.

These trends indicate that the severe impact of time limits, expected by some, has not happened in states where time limits have begun.