

June 1999

WorkFirst Job Search Services: Preliminary Analysis

EXECUTIVE SUMMARY

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.