

## **WorkFirst Wage Progression and Returns Report: Through Third Quarter 2011**

### **Introduction**

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RCW [74.08A.411](#) mandates a quarterly report on performance measures of WorkFirst clients 12, 24 and 36 months after leaving the program. Performance measures reported under this requirement are:

1. Percentage increase in earnings and hourly wage
2. Percentage of WorkFirst returns.

### **Statutory Requirement**

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RCW 74.08A.411 requires the Department of Social and Health Services to report WorkFirst outcome measures to the Legislature as follows:

The department shall continue to implement WorkFirst program improvements that are designed to achieve progress against outcome measures specified in RCW [74.08A.410](#). Outcome data regarding job retention and wage progression shall be reported quarterly to appropriate fiscal and policy committees of the legislature for families who leave assistance, measured after twelve months, twenty-four months, and thirty-six months. The department shall also report the percentage of families who have returned to temporary assistance for needy families after twelve months, twenty-four months, and thirty-six months. The department shall make every effort to maximize vocational training, as allowed by federal and state requirements.  
[2009 c 85 § 3.]

### **Performance Report**

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#### ***WorkFirst Exiters***

The quarterly WorkFirst performance report provides follow-up data for three groups (cohorts) of TANF exiters. This report uses third quarter 2011 (2011Q3) Unemployment Insurance wage data to provide updates on clients who exited TANF in 2008Q3, 2009Q3 and 2010Q3. For purposes of this report, exiters are defined as TANF clients who:

- Received a TANF grant at least one month during April, May or June (during Quarter 2)
- Did not receive a TANF grant at any time during July, August or September of the following quarter (Quarter 3).

Beginning with the October 2011 WorkFirst performance report, an exiter is defined as having been off TANF all three months of a quarter, compared to the previous definition that required only one month off TANF. The three-month requirement more clearly identifies true exiters by minimizing instances where a client cycles off TANF for a single month due to circumstances such as late reporting or one-time changes to monthly income.

<b>WorkFirst Performance Report -- TANF Cohorts</b>		
<b>Received TANF at Least Once During</b>	<b>No TANF All Three Months (Exit Quarter)</b>	<b>Cohort Name</b>
Apr-May-Jun 2008	Jul-Aug-Sep 2008	2008Q3
Apr-May-Jun 2009	Jul-Aug-Sep 2009	2009Q3
Apr-May-Jun 2010	Jul-Aug-Sep 2010	2010Q3

Source: Office of Financial Management AFARRAYS file.

***Median Quarterly Earnings and Percentage Increase in Earnings***

Table 1 shows *real*, or inflation-adjusted ([HTTP://WWW.SSA.GOV/OACT/STATS/AVGCPLHTML](http://www.ssa.gov/oact/stats/avgcpl.html)), median quarterly earnings for exiters. Earnings progressions are shown in Table 2. Earnings progression is measured as change in total quarterly earnings over one, two or three years. Earnings are a more accurate reflection of true progression than are hourly wages because quarterly earnings reflect both an individual’s hourly wage and any changes between part- and full-time work. Not all TANF exiters will have reported earnings in the exit and follow-up quarters. These individuals may not have worked during the quarter or may have worked in a job not covered by Unemployment Insurance. Exiters who had missing, zero or negative earnings are excluded from the calculations.

<b>Table 1. Median Quarterly Earnings for Adult TANF Exiters (2011 CPI-W Dollars)</b>					
TANF Cohort <sup>1</sup>	Number Exiting TANF in Cohort Qtr	Quarter of Exit	After 12 Months	After 24 Months	After 36 Months
2008Q3	11,322	\$3,642 n=5,916	\$3,917 n=4,596	\$4,098 n=4,301	\$4,179 n=4,269
2009Q3	12,095	\$3,626 n=5,215	\$3,843 n=4,665	\$4,133 n=4,655	n/a
2010Q3	13,199	\$3,697 n=5,567	\$3,985 n=5,245	n/a	n/a

<sup>1</sup>The 2008Q3 TANF cohort is defined as those on TANF at least one month during 2008Q2 and off TANF all three months of 2008Q3. Note: The number of TANF exiters who had earnings from covered employment during the quarter is shown as "n".

Source: Employment Security Department/LMEA, Unemployment Insurance Data Warehouse Wage Tables.

TANF Cohort	Change in Earnings After 12 Months	Change in Earnings After 24 Months	Change in Earnings After 36 Months	Latest Quarter Compared to Exit Quarter
2008Q3	7.6%	4.6%	2.0%	14.7%
2009Q3	6.0%	7.5%	n/a	14.0%
2010Q3	7.8%	n/a	n/a	7.8%

Source: Employment Security Department/LMEA, Unemployment Insurance Data Warehouse Wage Tables.

### ***Median Hourly Wage Rates***

The hourly wage rate was obtained by dividing quarterly earnings by hours worked in the quarter. While employers report both quarterly earnings and hours worked to the Unemployment Insurance program, the hours data are incomplete or, in some cases, inaccurate. Records with missing hours were deleted from the calculations. Hourly wage rates greater than \$50 per hour or less than \$5 per hour were dropped, since these rates most likely reflected employer reporting errors. Table 3 displays *real*, or inflation-adjusted, median hourly wage rates for TANF exiters.

TANF Cohort	Quarter of Exit	After 12 Months	After 24 Months	After 36 Months
2008Q3	\$10.50 n=5,616	\$10.81 n=4,422	\$10.86 n=4,133	\$10.82 n=4,126
2009Q3	\$10.57 n=5,015	\$10.60 n=4,498	\$10.65 n=4,502	n/a
2010Q3	\$10.37 n=5,319	\$10.37 n=5,057	na	na

Note: The number of observations used in the analysis is shown as "n".  
Source: Employment Security Department/LMEA, Unemployment Insurance Data Warehouse Wage Tables.

### ***WorkFirst Return Rate***

Table 4 shows the return rate of exiters 12, 24 and 36 months after leaving WorkFirst.

TANF Cohort	Number with No TANF in Cohort Quarter	12 Months Later			24 Months Later			36 Months Later		
		on TANF any time during	number on TANF	% of cohort	on TANF any time during	number on TANF	% of cohort	on TANF any time during	number on TANF	% of cohort
2008Q3	11,322	2009Q3	2,446	21.6%	2010Q3	2,273	20.1%	2011Q3	1,544	13.6%
2009Q3	12,095	2010Q3	2,252	18.6%	2011Q3	1,649	13.6%	n/a	n/a	n/a
2010Q3	13,199	2011Q3	1,782	13.5%	n/a	n/a	n/a	n/a	n/a	n/a

Source: Office of Financial Management AFARRAYS file.