



WorkFirst Wage Progression and Returns Report: Through First Quarter 2012

Introduction

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

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

WorkFirst Exiters

The quarterly WorkFirst performance report provides follow-up data for three groups (cohorts) of Temporary Assistance for Needy Families (TANF) exiters. This report uses first quarter 2012 (2012Q1) Unemployment Insurance wage data to provide updates on clients who exited TANF in 2009Q1, 2010Q1 and 2011Q1. For purposes of this report, exiters are defined as TANF clients who:

- Received a TANF grant at least one month during October, November or December (during Quarter 4)
- Did not receive a TANF grant at any time during January, February or March of the following quarter (Quarter 1)

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. Information on TANF receipt is obtained from Office of Financial Management's AFARRAYS file.

WorkFirst Performance Report -- TANF Cohorts		
Received TANF at Least Once During	No TANF All Three Months (Exit Quarter)	Cohort Name
Oct-Nov-Dec 2008	Jan-Feb-Mar 2009	2009Q1
Oct-Nov-Dec 2009	Jan-Feb-Mar 2010	2010Q1
Oct-Nov-Dec 2010	Jan-Feb-Mar 2011	2011Q1
<i>Source: Office of Financial Management AFARRAYS file.</i>		

Median Quarterly Earnings and Percentage Increase in Earnings

Table 1 shows *real*, or inflation-adjusted (<http://www.ssa.gov/oact/STATS/cpiw.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. All earnings are adjusted to current dollars using the 2011 annual average CPI-W as a base year.

Table 1. Median Quarterly Earnings for Adult TANF Exiters (2011 CPI-W Dollars)					
TANF Cohort ¹	Number Exiting TANF in Cohort Qtr	Quarter of Exit	After 12 Months	After 24 Months	After 36 Months
2009Q1	9,888	\$2,997 n=4,275	\$3,366 n=3,537	\$3,251 n=3,387	\$3,720 n=3,408
2010Q1	11,831	\$3,027 n=4,453	\$3,243 n=4,278	\$3,732 n=4,225	n/a
2011Q1	13,134	\$3,269 n=5,032	\$3,788 n=4,697	n/a	n/a
<ol style="list-style-type: none"> 1. The 2009Q1 TANF cohort is defined as those on TANF at least one month during 2008Q4 and off TANF all three months of 2009Q1. 2. The number of TANF exiters who had earnings from covered employment during the quarter is shown as "n." 3. Information not yet available is shown as "n/a." 4. 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
2009Q1	12.3%	8.5%	24.1%	24.1%
2010Q1	7.1%	23.3%	n/a	23.3%
2011Q1	15.9%	n/a	n/a	15.9%

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 exitters.

TANF Cohort	Quarter of Exit	After 12 Months	After 24 Months	After 36 Months
2009Q1	\$10.50 n=3,784	\$10.79 n=3,194	\$10.80 n=3,083	\$11.02 n=2,915
2010Q1	\$10.55 n=3,979	\$10.80 n=3,874	\$10.95 n=3,832	n/a
2011Q1	\$10.38 n=4,787	\$10.58 n=4,546	n/a	n/a

The number of observations used in the analysis is shown as "n."

WorkFirst Return Rate

Table 4 shows the return rate of exitters 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
2009Q1	9,888	2010Q1	2,005	20.3%	2011Q1	1,928	19.5%	2012Q1	1,196	12.1%
2010Q1	11,831	2011Q1	2,154	18.2%	2012Q1	1,507	12.7%	n/a	n/a	n/a
2011Q1 ^a	13,134	2012Q1	1,653	12.6%	n/a	n/a	n/a	n/a	n/a	n/a

a. Many TANF clients left the program due to the 60-month time limit. In February 2011, the Department implemented the time limit legislation. About 5,500 cases were terminated due to time limit.