

***FROM***  
***WELFARE CHECK***  
***TO PAY CHECK***

**Research on Barriers to Work  
and Employment Outcomes  
of Washington State's  
Community Jobs Program**

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## **About the Economic Opportunity Institute**

The Economic Opportunity Institute (EOI) is an activist, progressive, public policy institute that focuses on improving economic security and increasing economic opportunity for children and families. The institute develops grassroots support through policy research, media outreach, public dialogue, and policy initiatives.

EOI is currently developing pragmatic policies in the following areas: workforce development, Social Security, early childhood education, health care, family leave, tax policy, and retirement security.

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## Introduction

Transitional jobs programs are wage-based work and skill development programs designed to promote employment among those who have little or no work experience. In this model, participants work at short-term, publicly subsidized jobs that combine real work, skill development, and support services to help them overcome substantial barriers to employment. Because participants earn paychecks rather than welfare grants, they pay into Social Security and qualify for the federal Earned Income Tax Credit, which gives them greater economic security. The transitional jobs model is growing in strength across the nation, with over 30 programs in rural, urban, and suburban areas of the country.

Washington State's Community Jobs program (CJ) sets a precedent as the nation's first and largest transitional jobs program for "hard-to-employ" welfare recipients. During the nine-month program, participants work 20 hours a week and earn a paycheck for the hours they work at local nonprofit or public agencies. In their remaining 20 hours each week, participants receive support, services and mentoring to resolve barriers to work. They also access subsidized education, work readiness, and vocational training opportunities.

Federal authorization for current welfare reform legislation will expire in September 2002, and the debate around reauthorization is already well underway in Congress and around the nation. The conclusion of this five-year welfare reform experiment allows policy makers to learn from the successes and failures of current welfare reform programs in planning new legislation. As a transitional jobs pioneer, the Community Jobs program provides a unique opportunity to analyze this model's ability to deliver on its goal of moving individuals with significant barriers into long-term employment.

To this end, the Economic Opportunity Institute coordinated two research studies on the Community Jobs program. The first study, performed in conjunction with the Washington State Office of Trade and Economic Development (OTED), conducted qualitative research to better understand the barriers that impact the ability of CJ participants to find and keep employment. This study found that the typical CJ participant is a 31-year-old single mom on welfare with two children, no high school degree, less than one year of prior job experience, and many personal issues ranging from lack of transportation and debt to an unstable housing situation or domestic violence. Average CJ participants are dealing simultaneously with eight such barriers to employment, placing them squarely among the least job ready of all welfare recipients.<sup>1</sup>

The second study utilized data on earnings to determine the employment patterns of CJ participants after they leave the program. Findings from this study demonstrate that a majority of participants are moving quickly into the workforce after CJ. Although average earnings are low, they increase by 60% during their first two years in the workforce, representing a real increase in income for the working family. Average earnings progression can be even more rapid for the many post-CJ workers that work consistently after leaving the program and for those that find jobs in promising sectors. In addition, CJ participants are steadily leaving welfare in the two years after entering the program.

By analyzing this combination of qualitative and quantitative data, researchers evaluated the program model for the population it is designed to serve. Recommendations for enhancing both the CJ program and the transitional jobs model of work, training, and support to advance low-income workers include: 1) streamline the participant's transition into the workforce, 2) providing retention and advancement services, 3) ensuring adequate funding for support services and CJ availability, 4) continuing the emphasis on an individualized and intensive case management approach, and 5) maintaining the essential income supports and training programs that enable participants to successfully move forward on a career and wage ladder.



## Program Overview

The new era of welfare reform emphasizing the movement from welfare to work began in 1996 with the passage of the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA). The PRWORA abolished entitlements to public assistance, created Temporary Assistance to Needy Families (TANF),<sup>2</sup> and gave primary responsibility to the states to develop new methods of encouraging welfare recipients to work. In response to this legislation, Washington state developed the WorkFirst program, which was designed to move welfare recipients quickly into the workforce and off the welfare caseloads.

Anticipating that this new strategy would not work for all of Washington's welfare recipients, the Community Jobs program began as a pilot program in June 1998 specifically designed for individuals facing multiple barriers to employment, people who were being left behind because of welfare reform's strong emphasis on work. The Office of Trade and Economic Development (OTED) first implemented CJ in five diverse Washington state areas ranging from the highly urban Seattle and King County area to the rural and economically depressed Okanogan County.

Due to the pilot's success, the program expanded statewide in July 1999. During the nearly four years of CJ operation, the program has grown dramatically, now engaging several thousand participants each year. As of April 2002, 7200 welfare recipients had participated in the Community Jobs program.

In CJ, participants are required to work a minimum of 20 hours per week. They are paid the hourly minimum wage, receive a 50% earned income disregard on their regular TANF grant, as do all TANF recipients in unsubsidized jobs, and are eligible to receive the Earned Income Tax Credit.<sup>3</sup> Wages are derived from the TANF block grant. Participants use the remaining 20 hours each week to address the barriers that have kept them from working through a combination of mentoring, services and targeted training. CJ participants are often simultaneously enrolled in community college training, Welfare-to-Work services, and other activities designed to improve the participant's job market value.<sup>4</sup> Participants also receive intensive work support services such as childcare and transportation.

Although OTED administers CJ, a statewide network of 16 community-based organizations and 4 Tribes provides direct services. These contractors include Workforce Development Councils, Community Action Agencies and other nonprofit community organizations. This community-based approach guarantees the flexibility necessary for contractors to pinpoint the services most appropriate for each individual while also responding to changes in the local economy.

The community-based contracting agencies work closely with WorkFirst agencies to ensure that participants receive all services necessary to support their transition into the workforce. Washington State Department of Social and Health Services (DSHS) case managers provide participant referrals to Community Jobs contractors who then engage, assess, and provide support services to participants while developing an appropriate worksite placement for the individual. CJ design emphasizes close support and mentoring for CJ participants and also regular communication and support between worksite supervisors and DSHS case managers. Near the end of a participant's time in CJ, the Washington State Employment Security Department (ESD) provides job search assistance as the participant begins their transition from a Community Job to the unsubsidized workforce.

Community Jobs contracts are based on performance: contractors' payments for services (pay points) are directly linked to specific measures of performance that are structured to achieve the goals of the program. Specific components include: in-depth assessments of each participant to understand their barriers to employment and career interests, an Individual Development Plan (IDP) that CJ participants

create with their CJ contractor for use as a personal and career/training plan during and after their experience in Community Jobs, and a five-month IDP review to make changes as needed and begin the modified job search process at month seven of the CJ experience. The final payment is received either when participants complete a nine-month community job, or when they leave the program early to enter an unsubsidized job.



## Barriers to Employment Faced by Participants

Many view welfare reform as a success. They point to the fact that thousands of individuals have moved off the public assistance rolls since its passage: nationally welfare rolls have decreased by 52% since legislation was implemented in 1997.<sup>5</sup> Washington state experienced a similar decline with a 45% reduction in the WorkFirst caseload between August 1996 and September 2001.<sup>6</sup>

Caseload reduction, however, only tells one side of the story. Not all welfare recipients have left the caseloads for the workforce. In general, the overall welfare population can be divided into three categories: 1) those who have left welfare and entered the workforce with little help or services from a caseworker, 2) those who have needed only a one-time intervention, such as pre-employment training or a job search workshop, and 3) those who have been unable to leave assistance behind and find work.<sup>7</sup> The movement into work for the first two groups represents the majority of the dramatic drops in caseloads in every state across the country.

The remaining group of “hard-to-employ” welfare recipients are failing to make the transition into the labor force. Washington state’s response to this challenge has been to create the Community Jobs program, designed to deliver the job experience and training necessary for these participants to move from welfare to work.

In order to best serve these “hard-to-employ” participants, it is important to understand what barriers have kept this group out of the workforce. For years, CJ practitioners providing direct services to participants have understood on an individual level that their caseload includes participants who had experienced barriers such as the lack of a solid work history, recent domestic violence victimization, mental illness, or the care of a disabled child.

In 2001 and 2002, statewide research was conducted to analyze the rates at which these barriers are present within the CJ participant population as a whole. Data provided both a demographic picture of participants and a better understanding of how barriers individually and collectively complicate a participant’s ability to move from welfare to work.<sup>8</sup> In particular, the sporadic work history and low level of education typical of CJ enrollees are highly problematic for future employment success. Understanding the nature and frequency of these barriers strengthens the program’s ability to provide targeted job experience, support and training to move these participants from welfare to work.

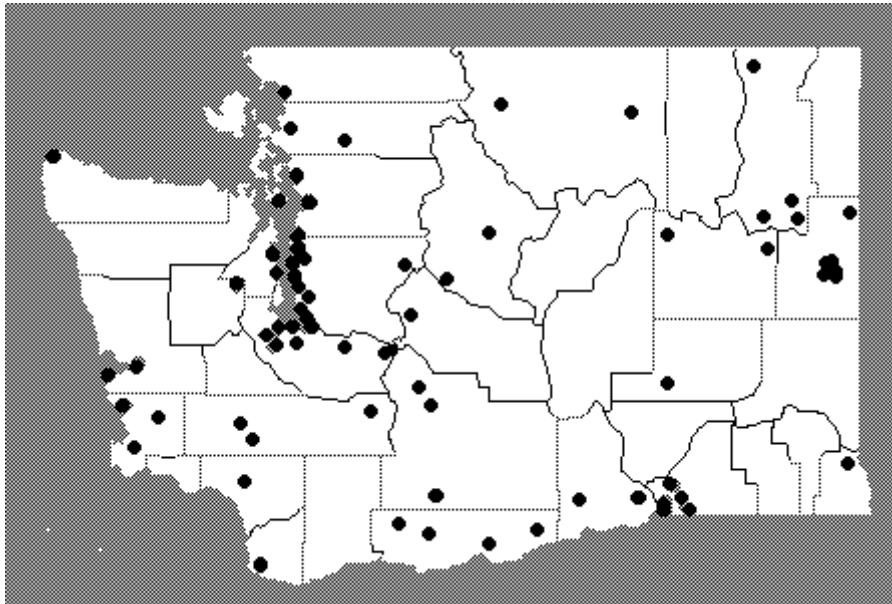
## METHODOLOGY

Research on barriers in the CJ population began in July 2001. In 161 phone interviews, CJ practitioners were asked to identify and describe barriers to employment faced by a randomly selected member of their caseload with whom they had at least two months of contact. The 150-question survey covered 25 specific barriers that national and local research indicated as barriers to employment for this population:

Lack of high school diploma	Literacy issues
Problematic work history	English as a second language (ESL)
Domestic violence	Debt
One parent home	Care of multiple children
Unstable housing	Care of young children
Individual substance abuse	Family substance abuse
Individual mental health issues	Family member with mental health issues
Child with school problems	Child in special education
Child in juvenile detention	Legal history – criminal background
Chronic medical condition	Pregnancy
Disability	Family health/disability
Transportation issues	
Lack of soft skills – such as the ability to work in a team, manage personal time and crises, etc	
Lack of hard skills – such as the technical skills necessary to perform a particular job	

Practitioners working at each of the contract sites were interviewed, ensuring a well-represented and statistically significant study sample of CJ participants. The map below demonstrates that the study included participants living throughout the state, covering a range from highly rural to highly urban areas. Each dot represents the residence of one or more participants in the study group.<sup>9</sup>

**Locations of CJ Participants Included in the Study**



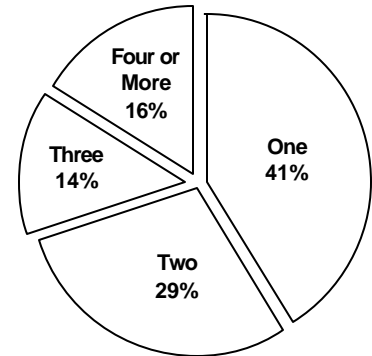
# FINDINGS

## Confirming the Basic Demographics

The study confirmed that the typical CJ participant was a young, white, single mother with two children. In nearly every demographic category, the CJ population mirrored the general WorkFirst population. However, CJ participants were more likely to have a large family (three or more children). The CJ program also had a slightly higher minority population, 26% versus 21% for the WorkFirst group.<sup>10</sup>

The average age for a CJ participant was 31. However, there were a large number of CJ participants in their late 30s and early 40s. Those participants between the ages of 39 and 42 were slightly more likely to have more children and to have a disability or health problem than their younger CJ counterparts.

Number of Children in a CJ Family



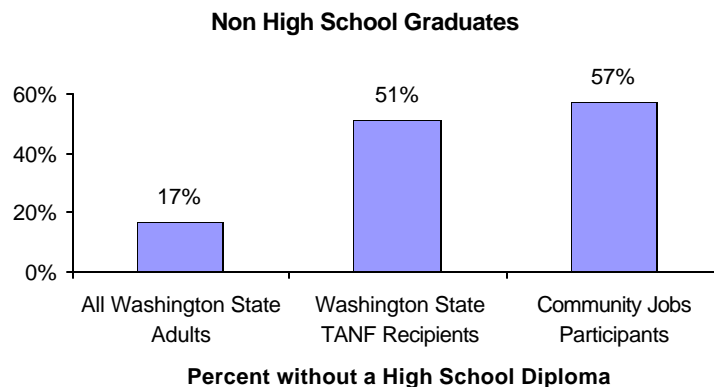
## Problematic Work History

Community Jobs practitioners stated that the most disabling barrier to successful employment for participants was an inadequate work history. Indeed, the inability to find employment was the essence of what had brought the participant through the process of becoming a TANF recipient, failing in some or several job search programs and finally enrolling in CJ. Close to 70% of all participants had less than a year of employment experience in total and more than half were described as having a “highly sporadic work history.” For many CJ enrollees, what stood in their way the most was not their recent domestic violence victimization or their severely disabled child’s medical care; rather it was the fact that they had never worked before.

Although some participants had more extensive work histories than others, this experience did not always produce higher levels of hard or technical skills, such as computer expertise, or soft skills, such as punctuality, use of appropriate work attire, and ability to take direction. Practitioners indicated that four out of ten participants could not begin working, even at a subsidized job placement, prior to receiving intensive training in either hard or soft skills.

## Low Education Levels

The second greatest barrier to employment for CJ participants was lack of education. As the graph illustrates, well over half of all Community Jobs enrollees began the program without a high school diploma. A sizeable number started CJ with a 9th grade education or less (19%) and could not read or



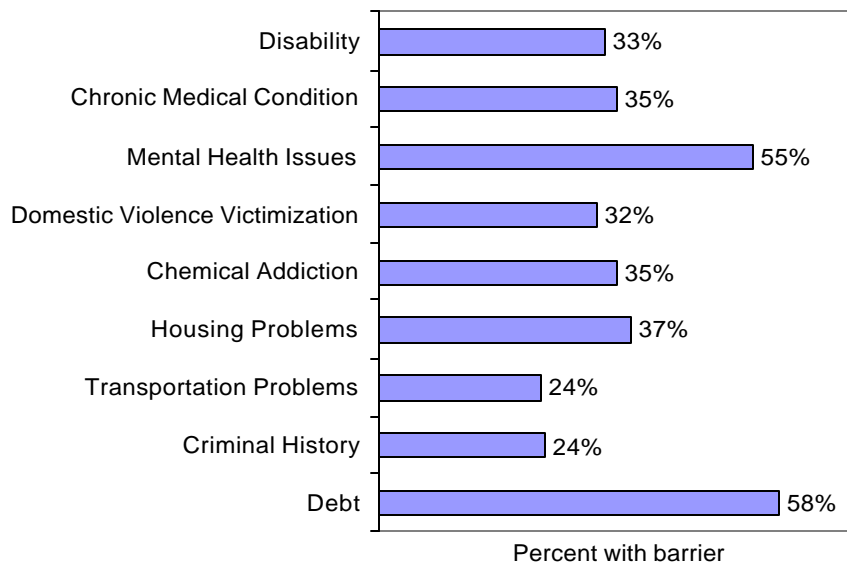
write in any language (11%). Education research points to the dramatic increase in likelihood of finding and maintaining at least part-time employment for someone with a high school diploma.<sup>11</sup> This effect is often exaggerated when combined with sporadic or brief employment history.

The English language can present another type of education barrier to CJ participants. Overall, the CJ population was overwhelmingly English speaking, with only 8% needing the use of an interpreter for general interactions or for legal or medical appointments. However, for an individual struggling to learn English as a second language, the overwhelming majority of their practitioners listed the language barrier as the issue most interfering with that person's ability to find work.

### Personal and Family Barriers

Not only were most CJ participants facing the task of finding a job without the benefit of a high school diploma or solid work history, they were also dealing with a myriad of other issues from domestic violence to mental health to debt. Barrier rates for CJ participants mirrored that of welfare recipients and in several categories were significantly higher than seen in the general population.

**Personal and Family Barrier Frequencies**



With the exception of debt, each of the barriers shown on the graph has been linked to lower employment rates within the public assistance population.<sup>12</sup> The second highest barrier represented on the graph is mental health. Over half of all CJ participants were in need of some level of mental health care, from an assessment to intensive psychiatric treatment and medication. Those judged to be in need of treatment were diagnosed with issues ranging from mild depression to a major psychiatric disorder.

Many barriers, such as debt, unstable housing and domestic violence, were seen by practitioners as causing a chain reaction that eventually stood in the way of success at work. For example, they described participants with high debt who were unable to secure stable housing, which in turn led to problems finding or keeping a job.

Other barriers, such as the presence of a criminal history or a transportation barrier, were more likely to be cited as a stand-alone barrier. For both rural and urban residents, even those with higher levels of education or work skills, a felony conviction or an inability to secure reliable transportation to work often precluded employment. Although they posed very different problems, practitioners described great difficulty in helping participants confront these standalone barriers.

*For “Elena” childcare was an issue. She has a Nurse’s Aid license but can’t use it because the only job openings are at night and she cannot find childcare at night. In her area, childcare is only available during the day so that really limits her ability to find work in her field.*

-CJ case manager from southwest Washington

CJ participants’ ability to succeed was also highly impacted by their family situations. When such issues as criminal history, unstable housing, or domestic violence were present for family members of participants, they complicated the task of securing employment. In addition, although childcare was provided for participants during their time in CJ, this support might end once they leave the program and increase their income. For these low-income single parents, finding affordable and quality childcare added a hurdle to their transition into the workforce. This difficulty was exaggerated when multiple children at varying ages were in need of care.

*“Sheila” has lost lots of sleep over her son’s behavioral problems. This was a major barrier to work, as she very often needed to go to his juvenile court hearings.*

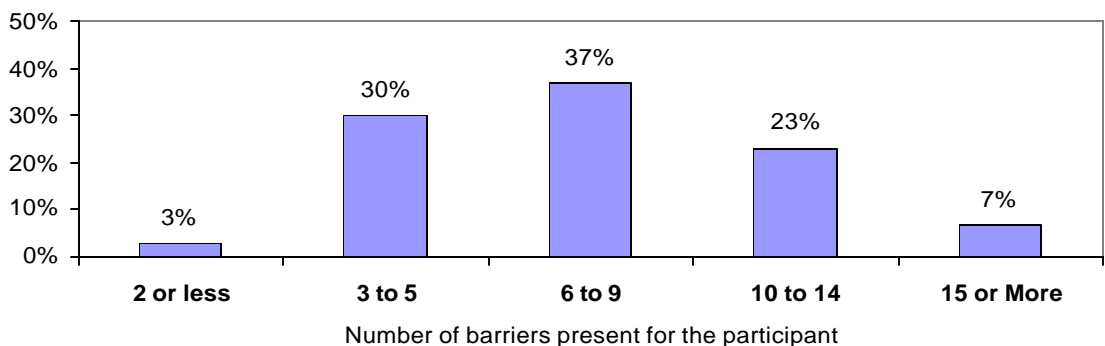
-CJ case manager from eastern Washington

The financial costs and time demands inherent in caring for several children presented a disadvantage in succeeding in the labor market, even for parents with emotionally and physically healthy children. The impact of caring for a child with a disability or behavior problem presented yet a greater impediment. Similarly, having an adult family member with these issues some times interfered with the participant’s ability to work or to find work.

### The Compounding Effect of Multiple Barriers

In addition to the difficulties presented by each one of these individual barriers, transitioning to unsubsidized employment can be further complicated when several barriers are present and interacting with each other. The typical CJ participant faced an average combination of 8 of the 25 barriers to employment studied. For the overwhelming majority, therefore, multiple barriers were a way of life with over three-quarters of the participants struggling with five or more at any given point.

**Frequency of Barriers for CJ Participants**



Practitioners described a compounding effect that came from dealing with more than one major problem at a time. Research confirms their first-hand observations.<sup>13</sup> Just as these challenges served as a disadvantage in the workforce, they often blocked resolution of other barriers. For example, a transportation problem prevented a participant from getting to work *and* from getting to her counseling appointment. Furthermore, practitioners described how one obstacle could lead to the creation of others.

Research from the University of Michigan confirms that the number of employment barriers serves as a reliable predictor of future employment in the absence of intervention. This research demonstrates how, with each additional barrier, the likelihood that a welfare recipient will work 20 hours a week or more dramatically decreases.<sup>14</sup>

### **Individualized Case Management Model of CJ**

The study also asked practitioners how often they were able to help a participant address a barrier when present. Once barrier information was shared with the practitioner, 85% of the time they were able to take action to assist the enrollee. There are certain barriers that CJ has been particularly successful in helping participants address. For example, when mental health services were available, the CJ program was found to actively assist the participant in accessing treatment: 43% of those CJ participants needing mental health treatment were engaged with a counselor, much higher than for those in the general population in need of similar services.<sup>15</sup>

Regrettably, CJ practitioners were not able to address barriers in all cases. Some of their efforts were hindered by a lack of services in the community or long waiting lists. Other times the participant and practitioner were forced to prioritize certain issues that would best help achieve employment while resolving to deal with others at a later date.

*“Darla” had decent soft skills but low on hard skills . . . she was the victim of DV (domestic violence) at the hands of a partner . . . has been in a psychiatric hospital several times in recent months.. she was recently in a car accident and now experiences severe headaches . . . in a bad housing situation and had to move . . . landlord was a slumlord – no locks on her doors, her electric bills were \$600 a month in and it was unsafe and very run down.*

- CJ case manager from northwest Washington

# Employment Outcomes

Once individuals enter CJ, they face a difficult challenge. CJ participants must simultaneously confront their unique combination of barriers to employment and work to gain the job experience and training necessary to move into the workforce. If the program meets its goals, these “hard-to-employ” welfare participants leave CJ ready to find unsubsidized jobs.

The following study tracks CJ participant employment patterns after they leave the program. Findings demonstrate that former CJ participants are moving into the workforce -- nearly three-fourths of participants moved into unsubsidized jobs after the program. Although earnings were low, workers were experiencing positive earnings progression with average worker incomes increasing 60% during their first two years in the workforce. Further, once participants entered the workforce, many tended to stay in the workforce. The majority of participants found jobs concentrated in the growing service sector, particularly in areas such as social services, business, health, and education. Nearly 60% of CJ participants were not receiving a TANF grant two years after entering CJ.

## METHODOLOGY

The following section presents the results of an employment outcomes study that utilized data on participant wages after the program. Wage data was analyzed on a quarterly basis to assess five main program outcomes:

- Employment
- Earnings progression
- Workforce attachment/job retention
- Sector employment
- TANF receipt

### Selecting the Study Group

This assessment included all 1132 participants from the pilot program CJ contractors that left the program early enough to have at least two quarters of available Unemployment Insurance data (UI). The five pilot CJ contractors represent both rural and urban areas with varied regional economic trends and employment opportunities.<sup>16</sup>

Focusing on participants from the pilot CJ program sites allows examination of outcomes for the participants that would have the longest possible time in the workforce post-CJ. Because the UI system incorporates a two-quarter lag in reporting data, wage data was only available for individuals who exited CJ by the first quarter of 2001.<sup>17</sup> Therefore, this group of participants was able to report earnings data in the period between September 1998 and September 2001.<sup>18</sup> A full year of wage data or more is available for 94% of the study’s participants (1067), and at least two quarters of wage data are available for all participants included in the study.

About three-fourths of individuals who are referred to Community Jobs are actually matched with and placed on a community worksite. “Participants” in this assessment, therefore, are defined as those that spent at least one day working at their Community Job. The average length of time from referral to leaving the program is 7.8 months, with an average of 6.4 months of this time spent at their Community Jobs worksite.

## Unemployment Insurance Earnings Data

Post-CJ quantitative employment data was provided by the Unemployment Insurance (UI) system.<sup>19</sup> The UI data consisted of the wages, hours and sector industry codes (SIC) reported for each quarter worked after a participant left CJ.

## TANF Grant and Demographic Data

Data on TANF grant receipt and grant amount, as well as demographic information on the study group, was available from the Department of Social and Health Services database that includes all WorkFirst participants. This information allowed researchers to track changes in TANF benefits, and also to analyze connections between employment patterns and basic demographic characteristics such as age, sex, and education.

TANF receipt data was available for the period of June 1998 through June 2000. Analysis of TANF receipt is limited to the 904 CJ participants that finished CJ early enough to have one year of post-CJ TANF data available. See Appendix C for a table of these participants.

## Rural and Urban Areas Included in the Study

For the purposes of this research, the five pilot CJ sites were divided into two groups in order to illuminate differences in outcomes between participants facing an employment market in predominantly urban and those in predominantly rural areas.<sup>20</sup>

**Predominantly urban:** The two direct service providers (contractors) serving Pierce and King County can be classified as serving predominantly urban areas, as most of their participants live in or near a major metropolitan center.<sup>21</sup>

- **King County:**  
Population of 1,685,600 in a predominantly urban and suburban county that includes the cities of Seattle and Bellevue. Unemployment rate of 3.1% in September 1998 rising to 6.9% in January 2002.
- **Pierce County:**  
Population of 706,000 in a predominantly urban and suburban county that includes the city of Tacoma. Unemployment rate of 4.4% in September 1998 rising to 8% in January 2002.

**Predominantly rural:** The remaining three direct service providers can be classified as serving predominantly rural areas. Although these contractors do serve the cities of Spokane and the state capital of Olympia, many of their participants live in rural areas, with county populations as low as 7,300 in Ferry County.<sup>22</sup>

- **Grays Harbor and Pacific counties:**  
Population of 88,400 in two primarily rural counties with a few small urban centers. Unemployment rate for Grays Harbor of 9.3% in September 1998 rising to 11.6% in January 2002 and for Pacific of 9.4% in September 1998 rising to 9.5% in January 2002.
- **Okanogan, Lincoln, Stevens, Ferry, Pend Orielle and Spokane counties:**  
Population of 520,500 in six primarily rural counties with a strong dependence on agriculture that also includes the city of Spokane. Unemployment rate ranging from 4.2% (Spokane) to 8.9% (Ferry) in September 1998 and ranging from 7.3% (Lincoln) to 15.1% (Okanogan) in January 2002.



- **Lewis, Thurston and Mason counties:** Population of 322,600 in three primarily rural counties that include the state capital of Olympia and its surrounding suburban area. Unemployment rate ranging from 4.7% (Thurston) to 8.6% (Lewis) in September 1998 and ranging from 6.4% (Thurston) to 9.9% (Mason) in January 2002.

## Comparing Post-CJ Workers to the Larger WorkFirst Population

A comparison with employment patterns for the larger WorkFirst population provides an important context for understanding CJ outcomes. The recent *WorkFirst Study of 3,000 Washington Families* provides an appropriate comparison group and analysis for this purpose. This longitudinal study examined 3,000 Washington state families that were receiving TANF in March 1999 and tracked their activities and earnings over the next several years.<sup>23</sup>

**Employment outcomes comparisons:** In order to appropriately compare employment outcomes of this larger group with the post-CJ group, however, it is important to look at the general WorkFirst group's employment and earnings during a comparable time period. To do so, a nine-month Community Jobs time period was reproduced by waiting to examine the earnings of the WorkFirst group until *nine months after* they were selected into the WorkFirst study. After this nine-month period, it is possible to more appropriately compare earnings and employment patterns between the general WorkFirst workers and post-CJ workers. The corresponding general WorkFirst worker employment and earnings patterns presented in this report, therefore, span the January 2000 through December 2001 time period.

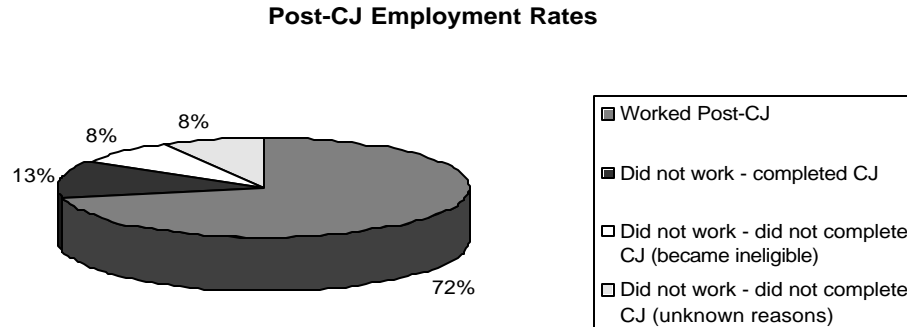
During this analogous nine-month period, many of the general WorkFirst participants were engaged in WorkFirst activities including job search activities (44%), unpaid work experience (10%), and specific pre-employment (4%) and job training programs.<sup>24</sup> In addition, some of the WorkFirst sample participants had already entered the workforce: in a given month of this nine-month period, between 40% and 50% of these participants were working.<sup>25</sup>

**TANF receipt comparisons:** When analyzing TANF receipt, comparisons between the two groups began at the month they were selected into their study group. For CJ participants, this meant the month they started CJ, and for the WorkFirst group, the March 1999 selection month.

# FINDINGS

## 1: Most CJ participants entered the workforce after they left the program.

The main goal of Community Jobs is to prepare participants who have the most barriers to employment to enter the workforce. CJ is meeting this program mandate: nearly three-fourths of all CJ participants found a job after they left the program. This is a dramatic shift in employment pattern for CJ participants. In the year before entering CJ, over half of the participants in the study did not work at all, and another 18% only worked for three months or less.

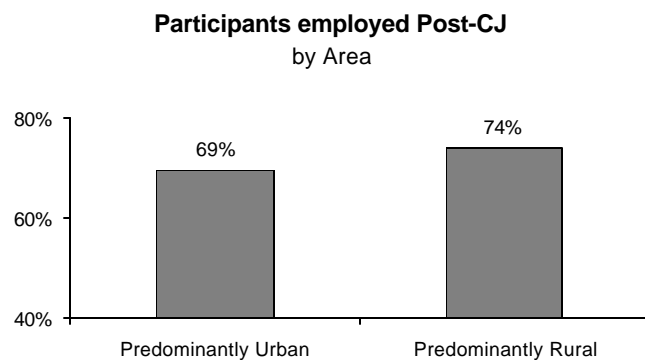


About 8% of participants did not find work after CJ, and had left CJ early because they became ineligible to complete the program for a variety of reasons, including: debilitating health or mental health issues, severe drug and alcohol issues, or a rise in income that made them ineligible to receive TANF. A second 8% also did not work or complete CJ, but for unknown reasons.

The remaining 13% of the study group did complete the program, but did not find work afterwards. This small group is of particular concern to program administrators. Anecdotal information indicates that this group may progress to another WorkFirst program to finish dealing with the extensive barriers that have prevented them from working. More detailed analysis of their post-CJ activities is necessary to determine why they did not enter employment and how the program can better serve them.

CJ participants who entered the program with some college education were no more likely to work after leaving the program than those with less education. There was also no significant difference in post-CJ employment rates for those with and without a high school degree/GED.<sup>26</sup>

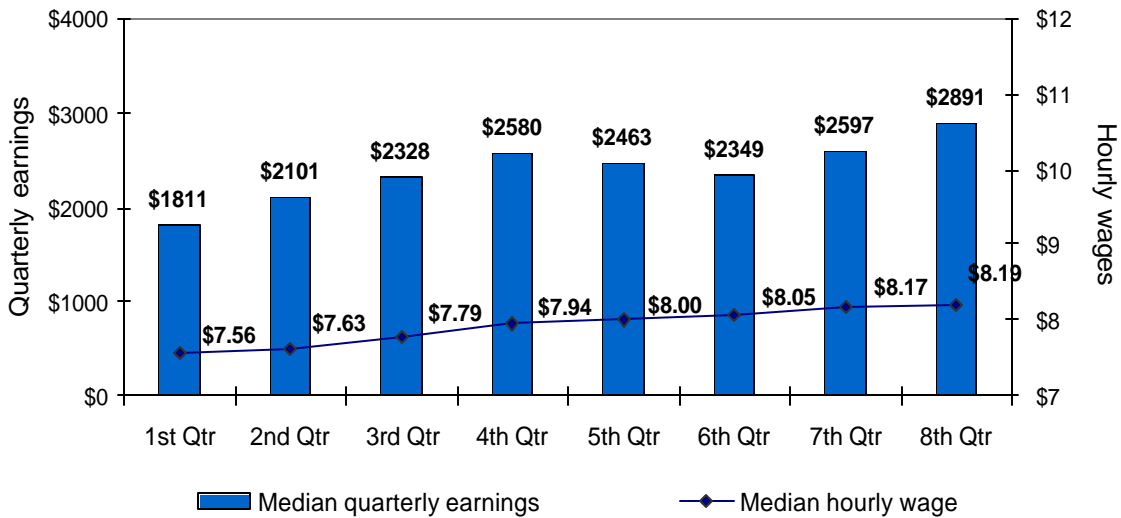
There was, however, a difference in post-CJ employment rates for participants entering the job market in rural and urban areas. Nearly three-fourths of those living in rural areas found employment after CJ, while a slightly lower percentage of those living in urban areas found jobs after the program (69%).<sup>27</sup> This outcome is striking given that almost all rural counties represented in this study posted consistently higher unemployment rates than the urban counties.



**2: Average earnings of working post-CJ participants increased 60% during their first two years in the workforce, primarily because of a strong increase in the number of hours worked each quarter.**

CJ participants that entered the workforce demonstrated earnings progression during the first two years after the program. By the end of their first year in the workforce, median participant earnings had risen by 42% from first quarter earnings of \$1811 to over \$2500 in the fourth quarter. Although slightly uneven, this rise continued in the second year with an additional 18% increase in median earnings by the end of the second year post-CJ. As a result, post-CJ workers realized a 60% increase in median earnings from the first quarter post-CJ to the end of the eighth quarter.<sup>28</sup>

**Median Quarterly Earnings and Hourly Wages for Workers in the first two years after CJ**



A comparison of pre- and post-CJ earnings further demonstrated the important change in employment patterns for these workers. Although most participants were not working in the year before CJ, earnings for the small group that did work were consistently low and steadily declined. Over the course of the year prior to CJ, earnings for this group declined by 34%, from a "high" of \$738 per quarter to only \$485 in median earnings the quarter before entering the program. Education levels did not significantly impact the earnings level.<sup>29</sup>

The positive earnings progression pattern of post-CJ workers compared favorably to the earnings progression for the larger population of welfare recipients who participated in WorkFirst.<sup>30</sup> Median earnings for general WorkFirst workers were consistently higher than those of post-CJ workers, starting at \$2331 in the first quarter and progressing to \$3341 by the eighth quarter.<sup>31</sup> Although earnings in a given quarter were greater for WorkFirst sample workers, those in the sample were not experiencing as rapid a progression of earnings as the post-CJ workers. Over the first four quarters, post-CJ worker earnings increased by 42%, while WorkFirst sample earnings increased by 24%. This pattern continued in the second year as well. By the end of two years, post-CJ worker earnings had increased 60%, as compared to the general WorkFirst worker increase of 43%. This earnings progression pattern is particularly striking given that post-CJ

workers entered the workforce as some of the “least job ready” welfare recipients in Washington.<sup>32</sup>

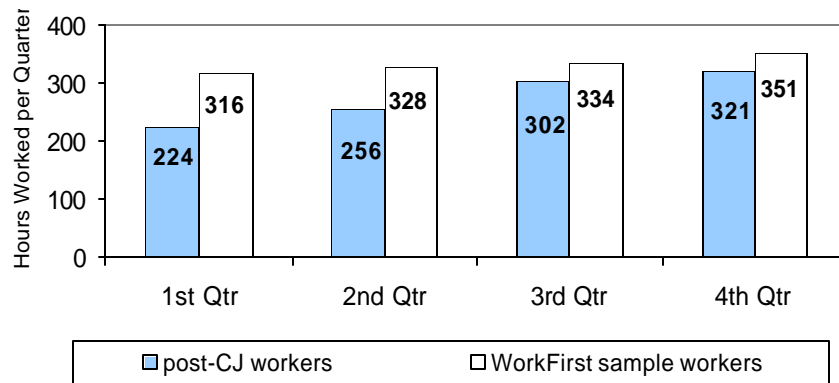
An increase in quarterly earnings was due to the combination of increasing hourly wages and/or an increasing number of hours worked each quarter. The difference in earnings progression for post-CJ workers and general WorkFirst workers was due to the variation in how wages and hours combine for each group.

In the first quarter after CJ, the median hourly wage for workers was \$7.56 an hour. Hourly wages did increase slowly each quarter after an individual left the CJ program and began working, rising to \$8.19 two years later. Washington’s minimum wage, which is indexed to inflation, rose yearly during this period. Beginning in 1998, the minimum wage was \$5.15. The 2002 state minimum wage is \$6.90.

Much of the earnings progression for post-CJ workers, however, was due to the other half of the earnings equation - a strong rise in the number of hours worked each quarter. During their first quarter of employment, post-CJ workers worked only 224 hours – less than half of the 520 hours per quarter that equal sustained full-time work.<sup>33</sup> This low number of hours indicates that many CJ participants were having difficulty in the workforce, either because they were working sporadically or because they were working less than half-time. Throughout the first year, however, there

was a rapid increase in hours worked, resulting in a 43% increase by the end of the year. The numbers of hours worked continued to rise throughout the second year, ending at 349 hours per quarter by the eighth quarter.

**Median Hours Worked per Quarter**  
for Post-CJ Workers and General WorkFirst Workers



The earnings

progression equation was reversed for the general WorkFirst workers. Much of their earnings progression was due to a greater increase in hourly wages. Both general WorkFirst workers and post-CJ workers started out with comparable hourly wages of approximately \$7.50 per hour.<sup>34</sup> By the end of the second year, however, the general WorkFirst worker posted an hourly wage of \$8.93 versus \$8.19 for post-CJ workers.

Although the hourly wages for general WorkFirst workers rose quickly, they did not post as substantial a rise in hours worked as the increase experienced by post-CJ workers. During the year, general WorkFirst workers experienced an 11% increase in hours worked, from 316 hours to 351 hours.<sup>35</sup>

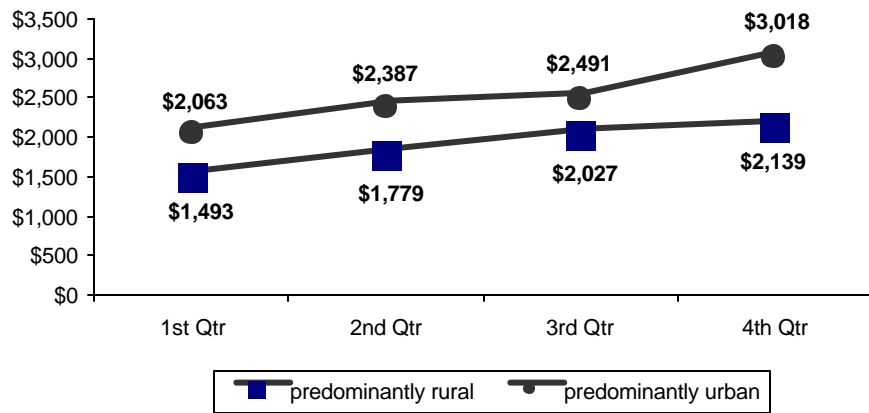
Wages and hours for both groups remained far lower than those for the larger Washington state population. The employment pattern for both these groups of welfare recipients can be compared to that of Washington women of a similar age group, 20 – 40 years old, who responded to the

annual Washington Population Survey. The statewide group of women reported earning \$11.63 per hour and working full time, or 40 hours per week (about 520 hours per quarter) at their primary job.<sup>36</sup>

**Rural and urban differences in earnings progression:** Post-CJ workers experienced positive earnings progression in all areas. However, post-CJ workers in urban areas earned more than those in rural areas. In their first quarter after CJ, those working in urban areas had median earnings that were 38% higher than their rural counterparts.<sup>37</sup> By the fourth quarter of work, the urban resident was earning nearly \$1,000 more per quarter than the rural resident. This pattern continued through the second year of employment.

Given this earnings pattern, it is important to remember that a slightly lower percentage of urban CJ participants entered the workforce after CJ. Therefore, although less urban CJ residents found work, when they did enter the workforce they posted higher median earnings than rural CJ workers.

**Median Quarterly Earnings for Rural and Urban Post CJ Workers**



This higher level of earnings for urban post-CJ workers, however, is mediated by the much higher cost of living in urban areas than in rural areas. This is particularly true with the cost of housing, but is also represented in the cost of healthcare and other basic items such as groceries.<sup>38</sup>

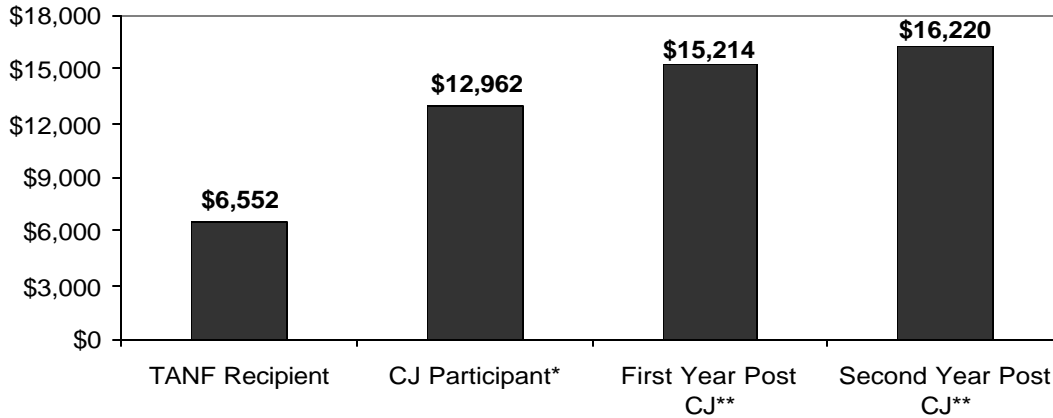
In addition, this rural/urban difference in median earnings is reflective of the overall difference in annual earnings for Washington workers living in the rural and urban counties included in this study. State labor market information for 2000 demonstrates that workers in urban counties averaged annual earnings that were 54% higher than their rural counterparts.<sup>39</sup>

**3: Average income for post-CJ workers increased \$1000 from the first to the second year after leaving the program and was 148% higher than they would have received on TANF.**

Before entering CJ, the average welfare family, a single mother and two children, received \$546 a month in the WorkFirst program (federal TANF funding) for an annual income of \$6552. Once this single mom entered CJ, she immediately increased her income. Working at minimum wage, she earned \$6.90 an hour (as of January 2002) for the required 20 hours a week and brought home a monthly paycheck of \$593, \$57 more a month than she would have received on TANF. In addition, because she was earning income she was eligible both for the Earned Income Tax Credit (EITC) and a residual TANF grant based on the 50% earnings disregard for which all working WorkFirst participants are eligible (averages \$249 per month). This combination of earnings and supports raised her average annual income to over \$12,900 – twice as much as her TANF grant alone -- and demonstrated that work pays.<sup>40</sup>

Once she entered the workforce, the increase in her average annual income continued. In addition to the steady increase in earnings reported in the prior section, the average CJ participant was still eligible to receive the EITC and, depending on earnings, could still access a residual TANF grant. In the first year after the program, average income for workers rose to \$15,214 and by the second year increased another \$1000.

**Statewide Community Jobs -  
Average Annual Income Comparison**



\*Includes average CJ wages, EITC, and earnings disregard on TANF assistance

\*\*Includes average post-CJ wages, EITC, and earnings disregard on TANF - only reflects post-CJ workers

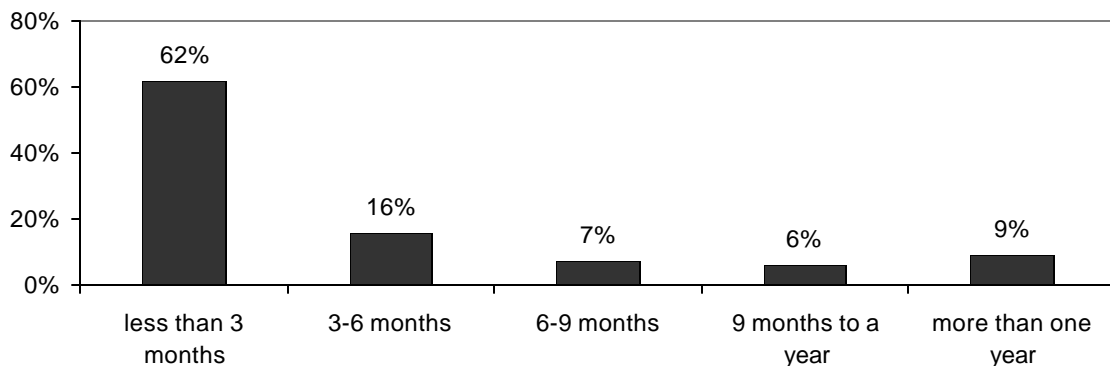
This increase represented an important first step in a post-CJ workers journey towards self-sufficiency for her family. By the end of the first year after CJ, she had increased family income to just over the federal poverty level.<sup>41</sup> Although this income level still presented a hardship for a family of three, it was a very real increase in income when compared to what the family was receiving while relying solely on TANF. Income continued to increase with the second year in the workforce. This means that her average annual income in the second year after CJ was about 150% higher than her family would have received with her TANF grant alone. This significant increase in real income for the families of post-CJ participants was primarily income *earned by the worker*. It is important to remember, however, that once family income began rising, the family may have confronted the loss of other important income and family supports such as childcare subsidies, healthcare coverage, or food stamps. This situation can complicate the transition for post-CJ participants as they enter the workforce.

#### 4. Over 60% of CJ participants that entered the workforce did so within the first three months after leaving the program.

The majority of CJ participants who found work moved rapidly into the workforce after they left the program. Over 60% of those that enter the workforce do so in the first quarter after the program. This rapid entry into the workforce was important, because they were able to begin the positive wage progression and income growth patterns associated with working.

About 22% of those that entered the workforce took longer than six months to find their first job. At this point, not much is known about what participants were doing between the time they left the program and the time they entered the workforce. Particularly concerning were the 9% of post-CJ workers who took longer than one year to find their first job.

**How long did it take post CJ workers to enter the workforce?**



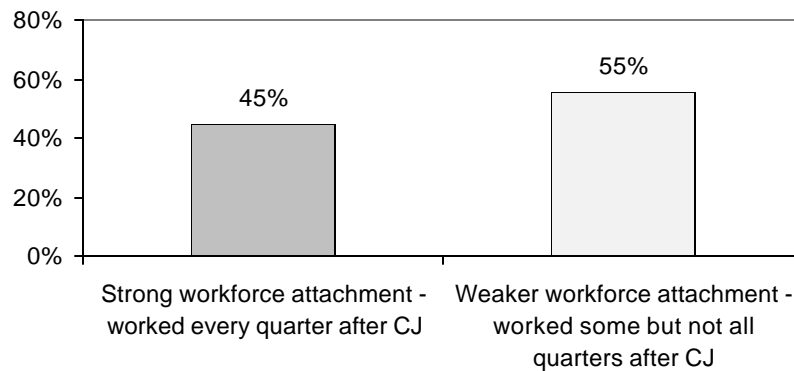
Further research is necessary to determine the circumstances surrounding the employment delay for this small percentage of CJ participants. This analysis, however, did find that demographics impacted this process. Urban post-CJ workers found jobs at a slightly quicker pace than rural post-CJ workers.<sup>42</sup> Education levels also impacted movement into the workforce: those without a high school degree took slightly longer to find a job than those with a high school degree or GED.<sup>43</sup>

#### 5. Once CJ participants entered the workforce, they worked 75% of the time span studied. Higher levels of workforce attachment were linked to higher earnings.

Another important measure of the program's success is the ability for those that entered the workforce to remain working over time. Analysis of wage data shows that once post-CJ individuals entered the workforce they demonstrated varying levels of workforce attachment, but that the average percent of time worked was high. On average, post-CJ participants worked an average of 75% of the time span covered in available data. In fact, almost half of this group demonstrated a high level of workforce attachment by working every quarter once they found employment.<sup>44</sup>

The other half of post-CJ workers demonstrated weaker levels of workforce attachment. Although all post-CJ workers in this group found a job after leaving the program, they did not keep working all the quarters covered in the wage data available.

**Workforce Attachment Once Post-CJ Workers Enter the Workforce**



The percentage of quarters they did work, however, varied widely. Over 61% of the weaker workforce attachment group worked at least half of the quarters covered in the data once they found a job. The remaining 39% of this group, however, were clearly not remaining active in the workforce over time. This contingent worked less than half of the quarters that were studied once they had found a job. Such a low percentage of quarters spent in the workforce indicate that this group of post-CJ workers continued to experience great difficulty sustaining employment over time.

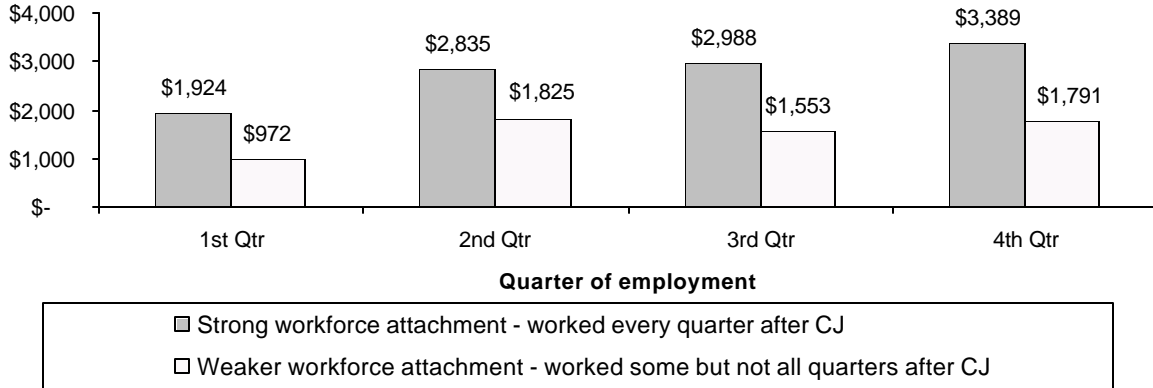
Overall, there were no significant demographic differences between workers that stayed attached to the workforce and those that did not. There was also no significant difference in workforce attachment for post-CJ workers in predominantly rural and predominantly urban areas, or with differing levels of education.<sup>45</sup>

However, the earnings of post-CJ workers were directly tied to their degree of workforce attachment. Analysis of the median earnings for the first year after CJ participants entered the workforce demonstrates two key factors.

First, although both groups of participants saw a dramatic earnings jump between the first and second quarters, earnings continued to steadily increase only for the post-CJ workers that were strongly attached to the workforce and worked every quarter after finding their first job. By the end of the first year, their median earnings had increased by 76%. In fact, this group demonstrated earnings significantly higher than the average post-CJ workers.<sup>46</sup> The group of participants that were not strongly attached to the workforce, however, was not able to sustain earnings progression even during the first year after leaving the program. Not surprisingly, earnings for this group were consistently far below the earnings for average post-CJ workers in their first job post-CJ.<sup>47</sup>



**Median First Year of Employment Earnings for Post-CJ Workers**  
by post-CJ workforce attachment level



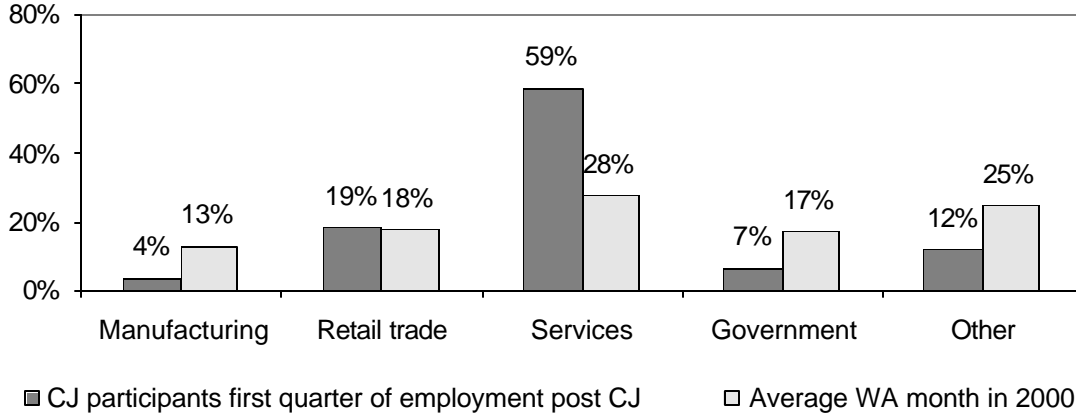
Second, those who demonstrated stronger workforce attachment over time appeared to enter the workforce at a higher earning level. Those who worked every quarter once they found a job started at a median earnings level that was more than twice the amount of those who were less attached to the workforce over time.<sup>48</sup> Although further research is necessary to determine if it is the wage level or other job characteristics that influenced this workforce attachment, this data indicates that obtaining a "good job" was a factor in strengthening workforce attachment.

Although the Unemployment Insurance system data used in this study did not include information on why people left their jobs, contextual data is available from a study of the general Washington welfare population. In this study, 3000 Washington families receiving welfare were interviewed about a wide variety of topics from their welfare experiences and personal backgrounds to their current family and economic situations. When asked why they had left their last job, over a quarter spoke about job characteristics, including "low pay, no benefits, no advancement opportunities, and not enough or too many hours." Another fifth gave health problems as the main reason. Other reasons included a problem with the job environment (14%), moving (10%), and family problems (10%). Only 4% cited school or training as the reason they left their job.<sup>49</sup>

**6. The majority of post-CJ workers found employment in the growing service sector, working primarily in the social services, business, health and educational services fields. The concentration of service sector employment for post-CJ workers was particularly strong in urban areas.**

Once post-CJ participants entered the workforce, 88% found employment in four of Washington state's four leading industry sectors: service, retail trade, government, and manufacturing. These four industries top the list for both post-CJ workers and the general state population.<sup>50</sup>

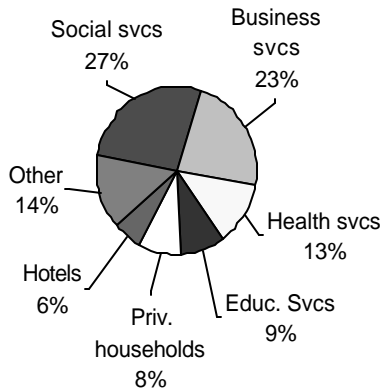
### Comparison of Post-CJ Workers and General Washington Workers Industry Sector Employment Rates



While the majority of post-CJ workers were strongly concentrated in the services sector, Washington workers as a whole were more evenly distributed across sectors.

**Service sector employment:** Given the types of Community Jobs performed by many participants while in the program, it is not surprising that post-CJ workers were strongly concentrated in service sector areas such as social services, business, health and education services. Overall, this can be a promising sector for post-CJ employment. According to Washington state labor projections, the service sector as a whole will be experiencing the highest job growth for any sector over the 2000-2005 projection period, with average annual earnings above the general state average.

#### Service Sector Employment for the First Quarter Post-CJ



Within the sector, however, average annual earnings varied dramatically. Although some areas of the sector did offer the possibility of higher annual earnings, average earnings in many other areas remain close to the poverty level.

Over a quarter of those who found jobs in this industry worked in the social services in areas such as family services, job training, day care, and residential care. Indeed, these social service workers were 16% of the total group of post-CJ workers. Social service work has a mixed outlook, with high job growth projections (2.2%), but one of the lowest average earning areas in the service sector (\$17,905).

The business service field also was a high employment area for post-CJ workers. This area had both the highest job growth rate (2.7%) and the highest average earnings level for the top six service sector areas (\$79,203). This high state average, however, may not reflect the earnings of many post-CJ workers who work in this area. Over 50% of the business services post-CJ workers were in the temporary service section of business services, which posted average earnings levels of only \$24,621 in 2000<sup>51</sup>.

Health and educational services, however, were areas that offered average annual earnings levels of over \$30,000,<sup>52</sup> while also traditionally offering stronger career advancement tracks. Most of the post-CJ workers who found employment in the health services area were working in nursing and personal care, and most of the post-CJ educational services employment were comprised of positions in elementary schools and colleges.

Finally, 8% of those employed in the services sector were employed in the private household area, which had the lowest annual earnings level of any service area (\$9,239). Private household positions included any positions in which workers are employed “on or about the premises in occupations usually considered as domestic service.”<sup>53</sup> The lack of a job growth projection and the extremely low earnings level in this area do not suggest optimistic job prospects in the future.

**Retail trade, manufacturing, and government sectors:** The remaining 41% of post-CJ workers found employment outside of the service sector. Although not as highly concentrated as the service sector, the second cluster of post-CJ employment was in retail trade. The 19% rate of post-CJ workers entering employment in this industry was very similar to the general state average of 18%. Industry growth in this historically low wage sector, however, did not appear to be strong in Washington state. Retail trade is projected to experience lower job growth than the state average projection of 1%, and average annual earnings for Washington state citizens in retail trade were among the lowest for any sector in the state.<sup>54</sup> Post-CJ workers tended toward the lowest wages in this sector with 37% working at “eating and drinking places” which showed average earnings of \$13,558 (in 2000).

**Table 1: Comparison of Industry Sector Employment for the General Washington State Population (2000) and Post-CJ Workers First Quarter of Employment**

	Post-CJ workers	General WA state workers	Average 2000 earnings - WA	Projected job growth for WA-2000-2005
Services*	59%	28%	\$41,012	2.2%
Retail trade	19%	18%	\$20,882	0.8%
Government*	7%	17%	\$36,302	1.1%
Manufacturing*	4%	13%	\$47,079	-1.4%
Finance, Insurance, and Real Estate*	3%	5%	\$44,433	1.2%
Transportation, Communication and Utilities*	3%	5%	\$47,483	0.6%
Agriculture, forestry, fishing**	2%	3%	\$18,029	N/a
Construction*	2%	6%	\$37,484	0.5%
Wholesale trade*	2%	6%	\$43,616	0.8%
<b>AVERAGE</b>			<b>\$37,070</b>	<b>1.0%</b>
*Significant difference between CJ and state employment rates at a .01 level. **Significant difference between CJ and state employment rates at a .05 level.				

The remaining two leading industries for both post-CJ workers and Washington state were the government and manufacturing sectors. Employment rates in both of these sectors were lower for post-CJ workers than for general Washington state workers.

Information about jobs in the manufacturing industry was mixed for the 4% of post-CJ workers that found employment this sector. Although manufacturing boasted one of the highest average earning levels for 2000, it is the only industry that is projected to experience negative job growth in the 2000-2005 period. Statewide projections for the 2005-2010 period do turn positive, particularly in specific urban areas such King County.

The 7% of post-CJ workers finding employment in the government sector may have a stronger employment outlook than those in manufacturing. The government sector is fairly comparable to the state average in both job growth projections and average earnings in 2000. Washington state, however, experienced large-scale budget shortfalls in 2002. As 2001 and 2002 data are not yet available, it is not possible to determine how the current budget shortfalls will affect future hiring and job advancement in this sector.

**Differences between rural and urban areas in sector employment:** Although the overall pattern of industry sector employment rates was similar in urban and rural areas, there were slight variations. The largest difference occurred in the services sector, with a significantly higher percentage of service sector jobs in the predominantly urban areas.<sup>55</sup> In addition, all but one of the post-CJ workers who found jobs in the finance, insurance and real estate sector lived in urban areas.

Not surprisingly, all but one of the agriculture, forestry and fishing sector jobs were located in predominantly rural areas. Post-CJ employment in the retail trade sector was also higher in the predominantly rural areas.<sup>56</sup> Over 20% of rural post-CJ workers were employed in the retail trade industry, which

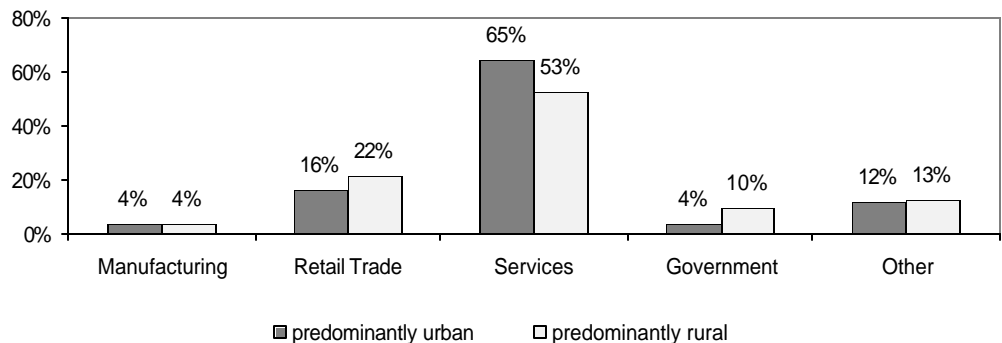
shows poor growth progression during the next five years.

Post-CJ employment in the government sector was also concentrated in rural areas.<sup>57</sup> In part, this effect may be due to the

inclusion of the state capital of Olympia within a specific service provider's predominantly rural area. The other two rural service providers, however, also had higher rates of government sector employment than either urban area. Anecdotal information from CJ contractors indicates that this may be due to a higher reliance on public sector CJ host sites in rural areas than urban areas, as there are less private non-profit host sites available in predominantly rural areas.

Overall, this pattern of rural and urban sector employment was very similar to that for Washington state workers from the counties included in the study. When Washington state labor market data was analyzed,<sup>58</sup> the urban and rural county groups had the same sector

**Comparison of First Quarter Post-CJ Employment Rates for Predominantly Rural and Urban Areas**



concentrations. In predominantly urban areas, there were a higher percentage of Washington workers in the service sector, while in predominantly rural areas; there was a greater concentration of agricultural, retail, and government sector workers.

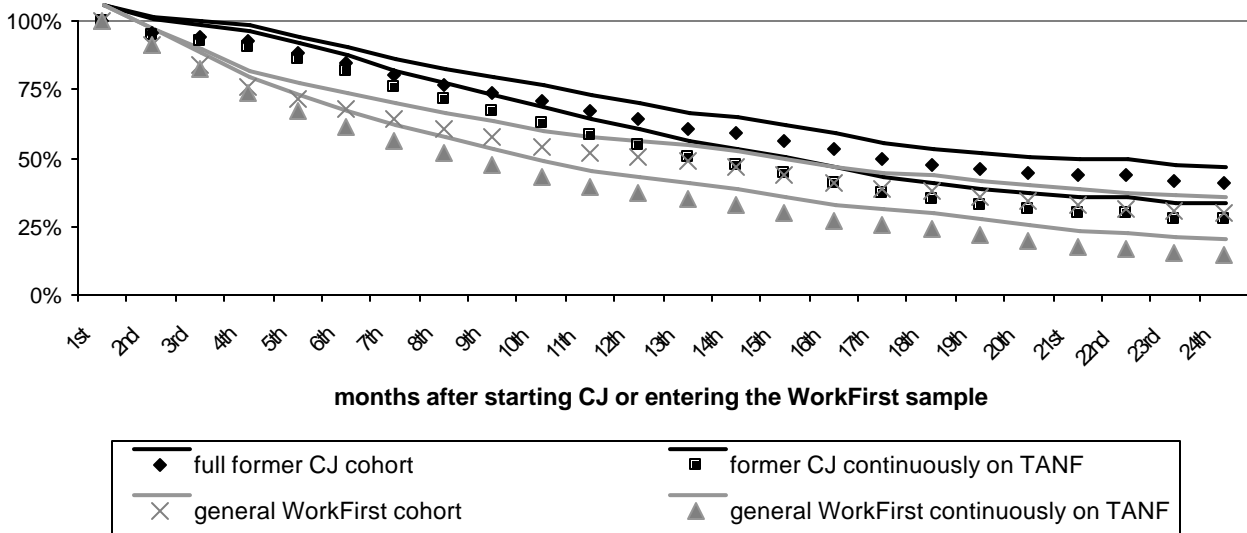
**7. Two years after CJ participants entered the program, 59% were not receiving a TANF grant. In the first year after participants left CJ, their average TANF grant decreased by 32%.**

**How long did CJ participants receive TANF after entering the program?** By definition, 100% of participants were receiving TANF during the month they started CJ.<sup>59</sup> Over the course of the following two years, however, participants steadily left welfare. A small proportion of participants left TANF during the first few months after starting CJ. By the end of the first year after CJ enrollment, the number of participants receiving TANF grants dropped 36%. By the end of the second year, the percent of CJ participants receiving TANF had declined to 41%, meaning that nearly 60% of former CJ participants were no longer receiving a TANF grant.<sup>60</sup>

The two black lines on the chart below compare this group of CJ participants with a subgroup: 1) the top black line represents the TANF benefit rate of *all CJ participants in this study* (discussed above) and the 2) lower black line represents a smaller subgroup, the *CJ participants that had remained continuously on TANF since entering CJ*.

By the end of the first year, the proportion of CJ participants that had been continuously receiving TANF since they entered CJ had nearly dropped in half (54%). By the end of the second year, however, this number was cut in half again, with only 28% of former CJ participants still continuously receiving TANF. This group remained unable to leave the TANF system behind during the two years after entering CJ. The most rapid decline for these participants that were continually receiving welfare occurred from the seventh through the eleventh month, which would be consistent with CJ participants finishing the program and entering the workforce. The average length of time in CJ was 7.8 months, and the maximum length is 9 months.

**TANF Receipt for CJ participants and General WorkFirst participants**



Comparing these two groups highlights a third group of CJ participants: the small gap between these two lines represents the group of former CJ participants that continued to “churn” on and off the TANF system. This gap grew from 1% to 13% during the first eighteen months, and then seemed to stabilize and hover between 13% and 14% for the last six months of this period. This proportion of CJ participants, therefore, was unable to leave and stay off of TANF during this period.

The steady decrease in welfare receipt for former CJ participants can be compared to the progress of the larger group of general Washington welfare recipients that is represented in gray on the chart above.<sup>61</sup> When this sample of general welfare recipients was selected (month 1), 100% were receiving TANF. After that selection month, recipients had a wide variety of experiences with TANF and employment. During the next nine months, the maximum length of the CJ program, many of the general WorkFirst participants were engaged in WorkFirst activities including job search activities (44%), unpaid work experience (10%), and specific pre-employment (4%) and job training programs.<sup>62</sup> In addition, some of this group entered the workforce: in a given month of this nine-month period, between 40% and 50% of these participants were working.<sup>63</sup>

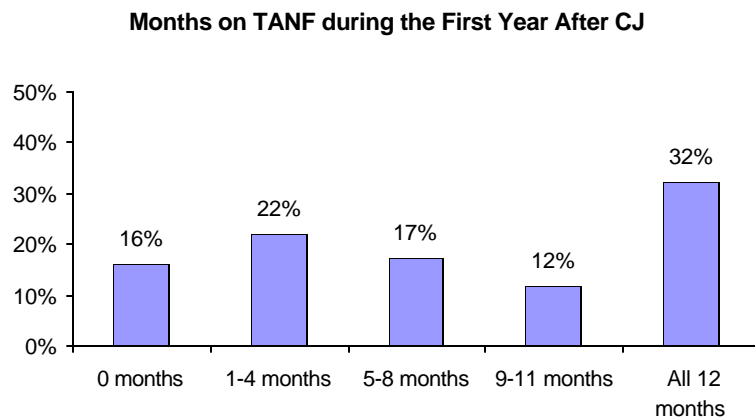
Given this employment rate, it is not surprising that by the end of the first year after being selected into the sample, nearly half of the general WorkFirst participants were not receiving TANF (51%). By the end of the second year, only 30% of the original sample was receiving TANF. Throughout both years, the proportion of the general WorkFirst group receiving TANF was consistently lower than the CJ group, by an average of 13%.<sup>64</sup> This relatively small difference is encouraging given the “hard to employ” characteristics of the CJ population.

The group of general WorkFirst participants that continued to remain steadily on TANF declined to 37% by the end of the first year, and to 15% by the end of the second year. Although this percentage of the general WorkFirst group remained lower than that of their CJ counterparts over the two-year period, the difference between the two groups slowly narrowed. By the end of two years, the difference between the two cohorts of continual welfare receivers had declined from a high of 17% in the fourth month to 11% by the 24<sup>th</sup> month.

**Focus on TANF receipt for the first year after participants leave CJ:** In order to better understand CJ outcomes, it is also important to specifically examine the pattern of TANF receipt for CJ participants in the first year after they left the program.<sup>65</sup>

**Time on TANF:** Overall, former CJ participants spent an average of 6.5 months on TANF in this first post-CJ year. Sixteen percent of the CJ group did not receive TANF at all during the first year, while 32% received TANF all twelve months.

There were no significant differences for rural and urban residents in the length of time on TANF during the first post-CJ year.<sup>66</sup> In general, those with less education spent more months on TANF, although



the only significant difference occurred between those with no degree and those with some college experience.<sup>67</sup>

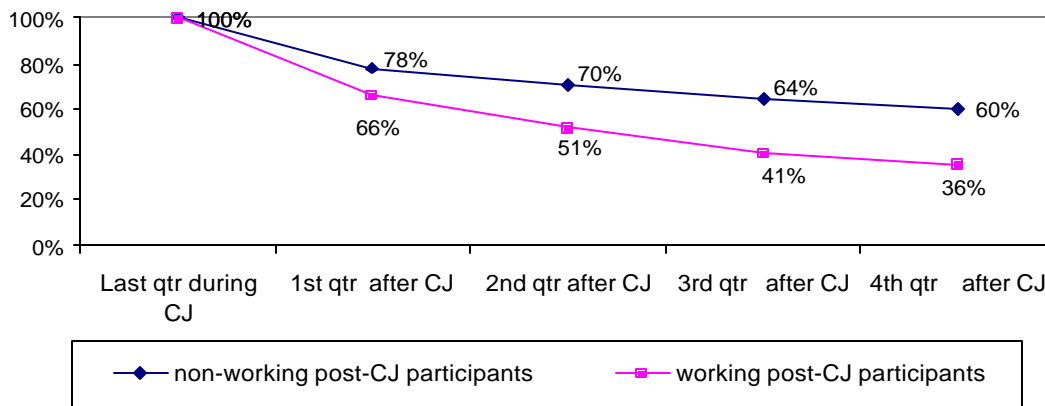
**TANF grant amount:** A second key factor is the amount of the TANF grant received by former CJ participants. As this grant amount can be directly affected by whether or not the participant was working, it is helpful to present the remaining TANF grant information in a quarterly format consistent with the employment data.<sup>68</sup>

The average size of TANF grants for all former CJ participants fell steadily during the first year after CJ, starting at \$972 during the first post-CJ quarter, and falling to \$664 by the end of the year.<sup>69</sup> In large part, this 32% decrease is due to former CJ participants entering the workforce and receiving lower or no TANF grants. In the first quarter post-CJ, the residence area of the former CJ participant significantly impacted their average benefit, with urban residents receiving a slightly higher benefit than rural residents.<sup>70</sup> In the remaining three quarters, however, those with less education received higher TANF grants. Those with some college consistently received a significantly higher benefit than those with no degree. The presence of a high school degree significantly impacted benefit levels in the third and fourth quarters.<sup>71</sup>

Although this overall average demonstrates the declining average amount of TANF grants for the total entire CJ cohort, it does not detail the average size of checks actually received by CJ participants. Average TANF grants for those participants still receiving TANF was \$1238 in the first post-CJ quarter. This is a lower amount than the statewide average TANF grant for a general WorkFirst family of three (\$1638 per quarter.) By the fourth quarter after CJ, the amount of a TANF grant for those still receiving a check had risen slightly to \$1336. This increase reflects a smaller proportion of participants that were still receiving TANF were receiving larger checks.

**Workers vs. non-workers:** Post-CJ TANF receipt can also be analyzed by dividing former CJ participants into two groups: those that were working in a given quarter, and those that were not.

**TANF Receipt in the First Year Post-CJ**  
For working and non-working post-CJ individuals



Not surprisingly, in each quarter after CJ a significantly lower percentage of post-CJ workers were receiving TANF than non-working participants.<sup>72</sup> By the fourth quarter, 64% of post-CJ workers were no longer receiving a TANF grant. In comparison, only 40% of non-working CJ participants were not receiving TANF at the end of this first year. As this data does not include reasons for the participants exit from TANF, it is not possible to determine why the

proportion of non-working former CJ participants receiving TANF is also decreasing over this first year.<sup>73</sup>

<b>Post -CJ Quarters</b>	<b>Working post-CJ participants</b>	<b>Non-working post-CJ participants</b>
<b>1st qtr</b>	\$ 795	\$ 1,109
<b>2nd qtr</b>	\$ 608	\$ 1,029
<b>3rd qtr</b>	\$ 492	\$ 955
<b>4th qtr</b>	\$ 412	\$ 873

In addition, post-CJ workers were receiving a smaller TANF benefit check than their non-working counterparts.<sup>74</sup> During the first quarter after CJ, non-working individuals were receiving an average TANF grant of \$1109, while post-CJ workers were receiving an average TANF grant of \$795. By the fourth quarter, TANF grants had dropped for both groups, with TANF benefits for post-CJ workers at nearly half of the first quarter level.



## Conclusions and Recommendations

The results of these two studies on the Community Jobs program demonstrate that although participants come to the program as some of the “least job ready” of Washington welfare recipients, CJ can break their negative employment patterns and help them move into the workforce. The model has worked successfully for thousands of participants across the state, including those from rural and urban areas, as well as those in low and high unemployment areas.

The research on CJ participant barriers to employment provides compelling insights into what has kept CJ participants from being successful in the workforce. Understanding that the average CJ participant has experienced eight barriers to employment helps explain why the individual attention provided by intensive case management is so critical when moving these welfare recipients into permanent employment. Sparse and sporadic work history characterizes the typical CJ enrollee more than any other single issue, followed closely behind by low education levels. In addition, years of domestic violence victimization or long untreated medical conditions have brought many participants to a crisis situation. CJ practitioners are able to help participants first prioritize then confront their barriers so that they can stay on the worksite and gain the job experience that is essential for moving into the workforce.

Findings from the outcomes study demonstrate that the majority of CJ participants are moving into the workforce after leaving the program. Although average wages begin at a low level, they represent a very real increase in income for the families of CJ workers, and continue to increase every year after the program as participants spend more hours working. This is especially true for post-CJ workers that are strongly attached to the workforce and for those employed in sectors that boast a combination of growth and higher wages. Earnings progression, however, is not as stable for those who are not working every quarter they are able or are working in sectors characterized by poverty level earnings or a lack of career advancement tracks. After entering CJ, participants are slowly but steadily leaving TANF, and their average TANF benefits are decreasing. Post-CJ workers are leaving more quickly and drawing smaller TANF benefits than their non-working counterparts.

The following recommendations are designed to further improve CJ’s ability to help a participant move quickly into the workforce, stay actively employed, and boost earnings progression. They capitalize on the program’s effective combination of work and training while maintaining the customized approach that works with the “hard-to-employ” population.

### **Streamline the transition into the workforce: move from a job search process to a more intensive direct placement process.**

The positive earnings progression presented in this assessment is only possible once the participant becomes a worker. Although many CJ participants were finding jobs in the first quarter after leaving the program, 22% took six months or longer to move into the workforce. In addition, of particular concern are the 13% of participants that completed the program but did not find employment during the study period and the 28% of participants that continued to receive TANF benefits two years after entering the program.

Further research should be conducted to identify reasons why some participants are either slow to move into the workforce or do not enter it at all. Although data gathering can be difficult, this research would be aided by conducting and compiling CJ and TANF exit interviews or surveys.

Washington state can also learn from the experience of other transitional jobs programs across the country. A recent Mathematica comparison of transitional jobs programs from Philadelphia, San Francisco, Georgia, Arkansas, and Washington confirmed that all the programs except Washington work to directly locate available jobs and actively place participants in unsubsidized employment after program completion. The research demonstrated that between 81% and 94% of the participants that completed other TJ programs obtained a job by the time they finished the program.<sup>75</sup>

Within these transitional jobs programs, “job placement” is a term that goes beyond the modified job search process usually prescribed for CJ participants. Instead, job placement refers to a process of intensive job search, development, and matching by the service provider that is designed to ensure that the participant leaves the program and seamlessly transitions directly into their unsubsidized job. This intensity of wrap around services appears to be an effective strategy for these “hard to employ” transitional jobs participants.

Developing a more intensive “job placement” approach, that includes the intensive and direct services utilized in transitional jobs programs in other areas, could improve participant success in Washington. Anecdotal information from CJ direct service providers supports the idea that the most success occurs when CJ service providers or coordinating state agencies are able to help their participants enter a streamlined job search *and* placement service that is concurrent with their time in CJ.

Within this process of actively placing participants, it will be important to remember that the quality of the first job matters in the participant’s ability to keep work and to work at higher wages. Service providers will want to make connections with those industries and jobs that offer the greatest potential for earning growth and career ladders to participants. This combination will enable participants to make informed decisions about future careers, move quickly into post-CJ positions with a future, and begin the journey to self-sufficiency.

### **Provide retention and advancement services for post-CJ workers.**

Once working, former participants immediately experience real income growth, particularly when they stay attached to the workforce and when they begin increasing the number of hours they work. Analysis of earnings progression patterns demonstrates that post-CJ workers are catching up to the employment outcomes for general WorkFirst workers, quite an accomplishment for these “least job ready” of Washington’s welfare recipients. Although this represents an important change for this group of participants, these early outcomes still leave most post-CJ workers, as well as most WorkFirst workers, as members of the working poor.

Currently, the CJ model does not include a retention or advancement component. CJ service providers believe that directly providing continuing support, as the participant transitions into the unsubsidized workforce, would increase the worker’s ability to remain on the job and move ahead on career ladder. There are several key areas that could be targeted by such services.

First, there is a group of participants that is not staying active in the workforce after leaving the program and often has difficulty leaving TANF behind. This is not surprising given the multiple and difficult barriers to employment faced by most participants. Although it is possible to address the most critical barriers during the nine-month CJ program, not all issues can be resolved

that quickly and must still be managed after participants leave the program. Retention services can address this situation.

Second, these findings suggest that post-CJ workers could benefit from post-program services that target their ability to increase their earnings. Although average hours worked are increasing over the first two years of employment, post-CJ workers had not yet reached full-time work. More importantly, post-CJ workers were not increasing their hourly wage as rapidly as general WorkFirst workers – a component that would contribute to their overall earnings progression. A year after leaving CJ, nearly a third of the post-CJ workers were not earning enough to exit TANF. Advancement support becomes particularly important for this group.

Although research on *general* post-employment services for welfare recipients has shown mixed success, there are *targeted* strategies that have been effective in increasing employment and retention rates. Evaluations of program experience show that mixing pre- and post-employment services in the same program has achieved higher employment rates for post-welfare workers, particularly when participants establish a relationship with their retention specialist even before finding a job.<sup>76</sup> These findings suggest that the addition of a retention component to the CJ model would be effective in strengthening participant attachment to the workforce and lead to increasing earning levels.

### **Ensure adequate funding for support services and CJ availability for Washington’s “hard-to-employ”.**

Because the vast majority of CJ enrollees face a series of severe disadvantages in entering the workforce, providing support services during and after the CJ program is one of the critical factors leading to effective results. Barriers, from a needed GED to intensive mental health counseling, when addressed promptly reduce the occurrence of one barrier leading to several others. Research also demonstrates that the elimination of barriers has a direct and dramatic effect on the likelihood the participant will eventually secure employment, giving support service dollars a greater impact.

In addition, making CJ available for the “least job ready” welfare recipients should continue to be a WorkFirst priority. The demand for CJ services by local stakeholder groups across the state already exceeds the supply of funded spaces available in the program.<sup>77</sup> Now, with the cuts in state and federal funding for other programs designed to work with this “hard-to-employ” population, there will be an increased demand for the CJ program services. It is important that the state remain committed to providing the funding necessary to move these “least job ready” individuals from welfare to work.

### **Continue the emphasis on an individualized and intensive case management approach.**

Community Jobs practitioners are afforded great flexibility to provide support to best meet client needs. This approach is well suited to the diversity and unique combination of barriers which program enrollees experience. The high employment rates and earnings progression outcomes shown by CJ participants, as well as the high rates at which CJ practitioners have addressed barriers, suggest that customized support service delivery played an important role in achieving these outcomes.

## **Maintain and improve the essential federal and state income supports and training programs that enable participants to successfully move forward on a career ladder.**

The positive employment and earnings patterns demonstrated by post-CJ workers are the first important steps on a wage and career ladder that can lead their families out of poverty. Initially, however, most post-CJ workers joined a larger group of low-income workers that struggle to stay employed and support their families. Two years after entering CJ, 41% of CJ participants still relied on some level of TANF assistance to increase their family income. Even though post-CJ worker income had dramatically increased from TANF levels, their families were still living on an annual income that is just above poverty level.

In order to support this group of workers, it is important to maintain the existing federal and state worker supports available to all working poor and those that are leaving welfare behind. Supports such as the Earned Income Tax Credit (EITC), TANF grant earnings disregards, and childcare subsidies protect workers from falling back into greater poverty as they attempt to gain work experience and stay in their jobs. In addition, many studies show that a combination of work and training is necessary to experience real income growth. Participants are receiving this combination while in the program but access to further training and education once they enter the workforce is essential if they are to continue moving up a career ladder. Federal supports for these efforts become increasingly important as states face deep budget shortfalls and are forced to make difficult funding decisions.

### **Moving forward**

Support for the transitional jobs model is growing across the country. The strong outcomes demonstrated in this report have been echoed by the evaluations of other transitional jobs programs. Nationally, there is growing agreement that "transitional jobs are a promising approach for moving hard-to-employ welfare recipients into the workforce and towards self sufficiency."<sup>78</sup> The lessons learned through evaluations of these programs are being considered in the ongoing welfare reauthorization debate and funding for the transitional jobs model has been included in several federal reauthorization bills that are still awaiting action.<sup>79</sup> National organizations, such as the National League of Cities, are sponsoring efforts in local areas to start new transitional jobs programs. Important efforts such as these are supported by the National Transitional Jobs Network, a coalition designed to build the capacity of existing programs, develop new programs, and promote a national dialogue about the model.<sup>80</sup>

Within this growing national discussion, however, it is essential not to lose sight of one of the key aspects of these effective transitional jobs programs: instead of being punitive, they capitalize on the fact that *people want to work*. This model provides a clear alternative to "workfare" programs that do not provide real work experience, paychecks, skill development, or networking opportunities. Instead, transitional jobs participants work at real jobs that provide benefits to their community while they earn a paycheck for the hours they work.

In past evaluations of CJ, participants have stated time and time again that the opportunity to work in a transitional jobs setting increases their self-esteem, improves the quality of life for their families, and provides the first step onto a career path that they believe can lead out of poverty.<sup>81</sup> Statements such as these should remind policy makers that positive and pro-active programs, like CJ, capitalize on both a need and an opportunity – while providing a significant return on the initial investment. The transitional jobs model provides consistently positive results for participants across Washington state and the nation and should be sustained and expanded so that the "hard-to-employ" are not left behind.