

Who Meets the Work Participation Requirements?

A Study of Factors Associated with Meeting Participation

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Outline

Motivation Behind the Research

What Factors Are Related to Meeting Participation?

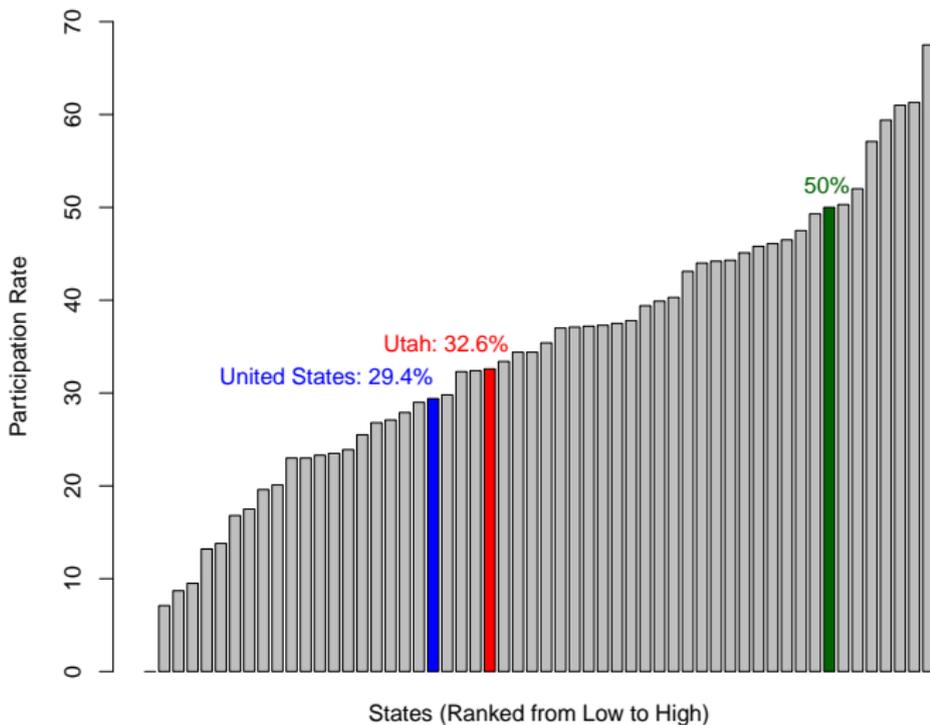
Does Meeting Participation Influence Employment Outcomes?

Policy Issues

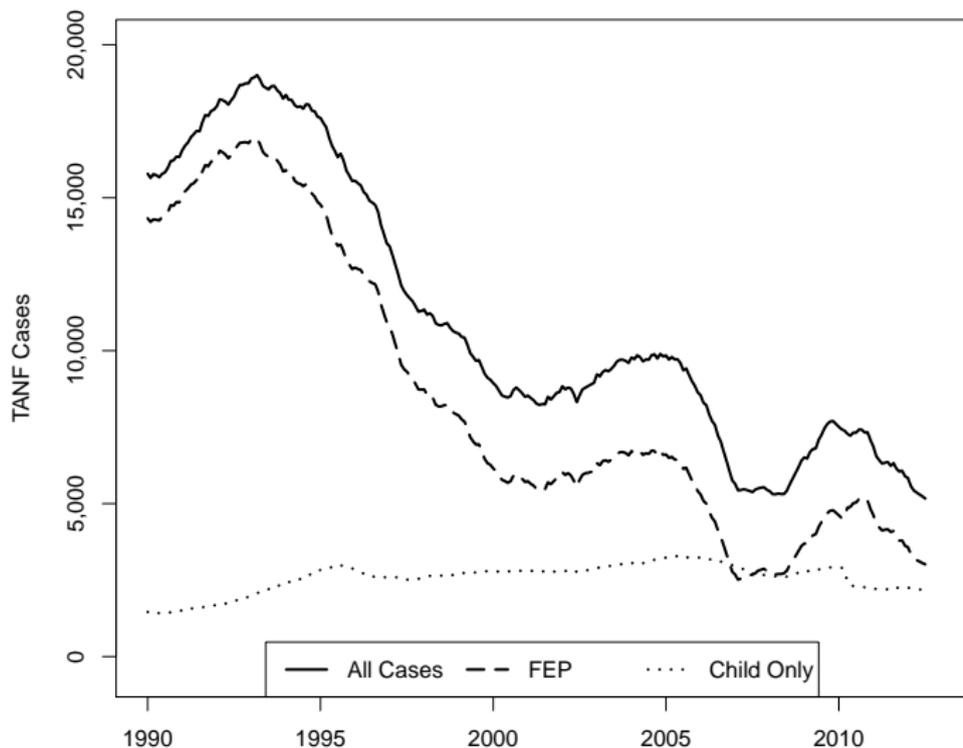
Motivation Behind the Research

- Very few states meet the 50% work participation rate and must rely on the caseload reduction credit to meet the requirement
- Deficit Reduction Act of 2005 shifted the measurement year for the caseload reduction credit from 1995 to 2005, making it more difficult to meet the requirement
- From 1995 to 2005, Utah's caseload reduction was 55%
- From 2005 to 2010, Utah's caseload reduction was 20%

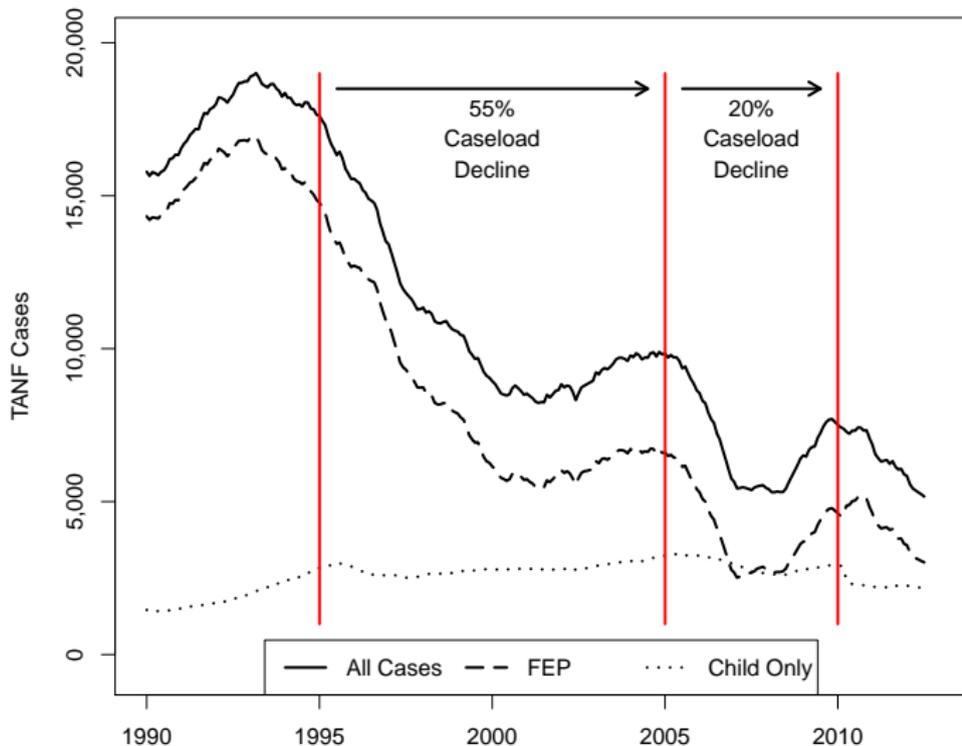
Work Participation Rates by State, 2009



Utah's AFDC-TANF Caseload, Jan 1990 - June 2012



Deficit Reduction Act and the Great Recession



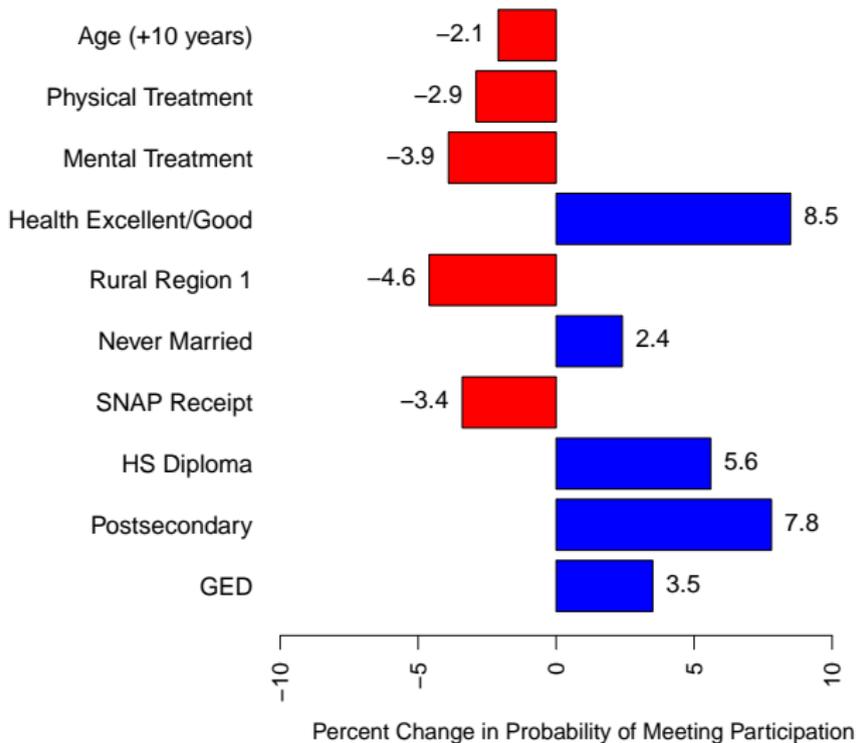
What Factors Are Related to Meeting Participation?

- Given that the caseload reduction credit will generally be lower in the future, emphasis will be on increasing work participation
- Do TANF recipients have preferences for services that determine whether they participate?
- Are there barriers to participation?
- Is there an “optimal combination” of services for each individual that best facilitates transition into employment?

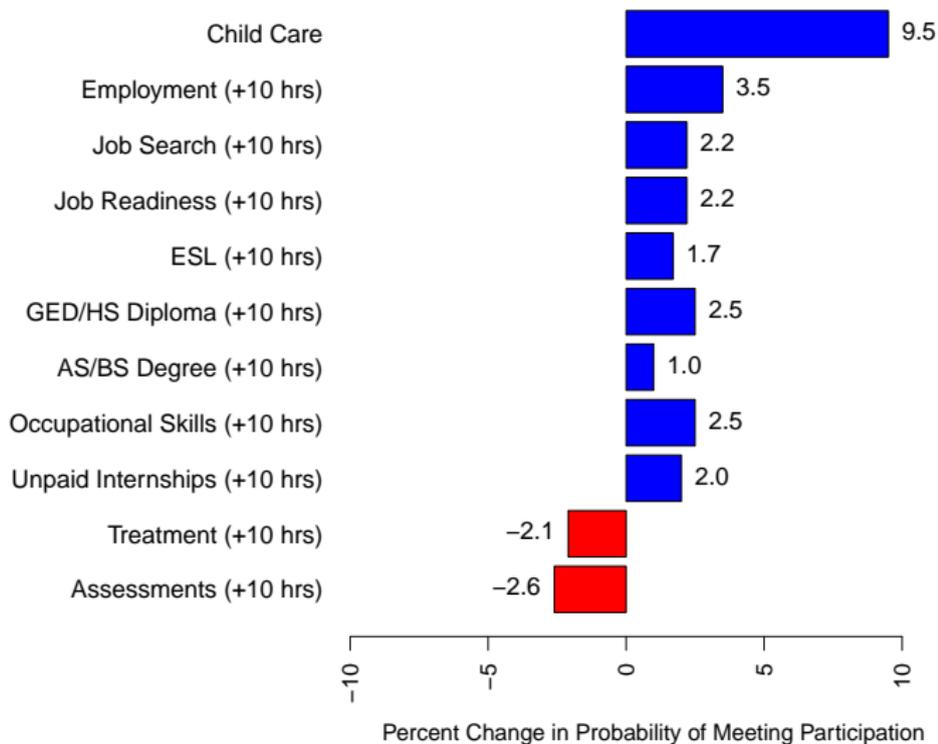
Methodology

- Work participation is used as a binary dependent variable
- A logistic regression model is used to model the probability that an individual meets the work participation requirement
- The data examines 1,396 first-time TANF recipients who entered the program between October 2006 and December 2007
- The data was arranged as an unbalanced panel with a total of 5,219 observations

Marginal Effects: Demographics and TANF Assessments



Marginal Effects: Child Care and DWS Services



Model Statistics and Unrelated Variables

- The model has a correct classification rate of 85.9% and a pseudo R-squared of 0.508.
- Unrelated Demographic and Assessment Variables: Gender, Race (White), Ethnicity, Health Insurance, Care Giver Status, Past Contact with Protective Services, Medicaid Eligibility, UI Payments, Past Substance Abuse Treatment
- Unrelated Countable and Non-Countable Services: Basic Skills Remediation (only 32 obs), On-The-Job Training (only 20 obs), Life Skills (Cultural Integration, Family Counseling, Pursuing Disability Income), Life Skills (Other)

Does Meeting Participation Influence Employment Outcomes?

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- What if there were no difference in the probability of becoming employed among those who meet and those who do not meet participation?
- Using the same data set, employment was regressed on average participation rates and other variables using a linear regression model
- Result: Participation rates are positively correlated with higher levels of future employment
- Effect: Individuals who meet participation 100% of the time are expected to be employed 4 months longer over two years than those who never meet participation

Policy Issues: Countable Services

- Loosening restrictions on countable services may improve work participation rates and future employment
- Increasing the number of allowable hours in job search and job readiness services may improve outcomes
- Making the pursuit of a HS Diploma/GED a priority activity can help more individuals achieve this basic level of education
- Lifting the one-year lifetime restriction on vocational education could raise the average level of educational attainment

Policy Issues: Non-Countable Services

- Many TANF recipients have barriers to both meeting participation and entering the labor market
- Physical, mental health, family violence, and substance abuse treatment and assessment services were negatively related to participation suggesting barriers
- If TANF recipients are in need of these types of non-countable services, why not allow them to count toward participation?
- Some TANF recipients have non-reversible permanent barriers to participation and employment. Should these individuals count toward participation?

Policy Issues: Additional Concerns

- Child care is strongly related to meeting participation and most TANF recipients are eligible for it. Is this service underutilized? If so, why?
- Currently, work participation is measured as an “all or nothing” variable. Is work participation better measured by counting partial participation?

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