

Estimating the Impact of Job Search Assistance on the Employment Outcomes for TANF Recipients

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Roadmap

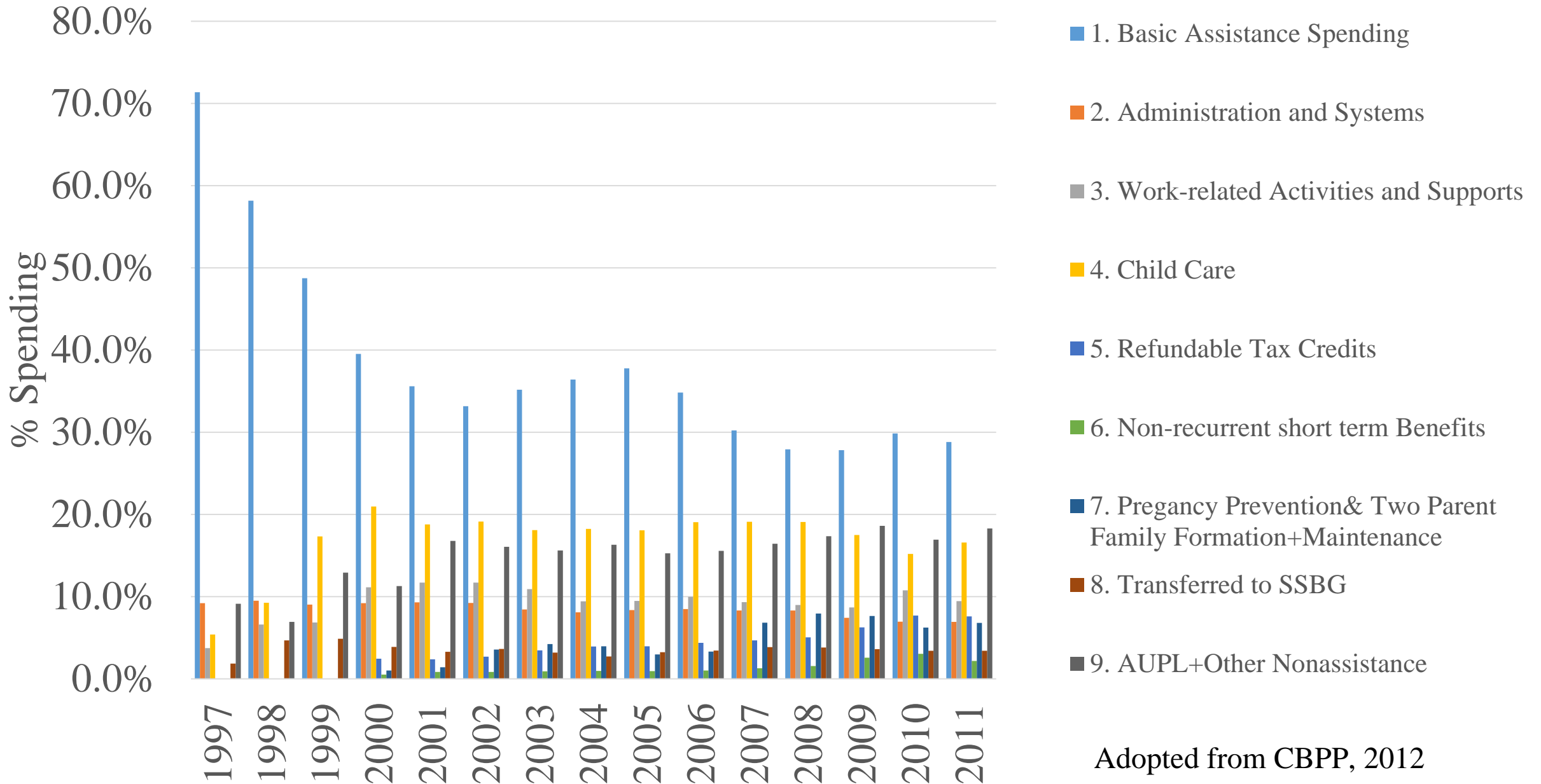
- Background
- Research Question
- Previous Research
- Data
- Preliminary Results
- Next Steps

Background

- Personal Responsibility and Work Opportunity Reconciliation Act, PRWORA (1996)
- “End of Welfare as We know it” – President Bill Clinton
- Making Work Pay
- “Work” is the focus of welfare reform
- Assessing the effect of employment treatments is important particularly during recessions and jobless recoveries

- States have utilized TANF dollars for fulfilling the activities that are commensurate with the four main goals established under PRWORA.
- These activities can be divided into five main sections: cash assistance, child care, administration, work support and employment programs and other services (such as transportation, substance abuse treatments etc.) (Klerman, et.al, 2012).

Total TANF and MOE Spending in 1997-2011



Adopted from CBPP, 2012

Research Question

Does participation in job search assistance programs through TANF increase the likelihood of employment?

Previous Literature

- The 1996 law sets forth 12 categories of work activities that count towards work participation (Schott and Pavetti, 2013).
- Job search assistance is one of the “core” activities that counts towards work.
- Two motivations for job search assistance (JSA) program:
 1. Assist job seekers to achieve employment
 2. Reduce their dependence on government assistance (Klerman et.al. 2012)

Government wants a job seeker to look intensively and accept job offers that job seeker would not accept in absence of the benefit. For a job seeker, the benefit subsidizes job search, and she may choose to search less intensively and not accept some job offers that she would have accepted in absence of the benefit. Thus, the motivation of JSA is to help individuals achieve the goal of employment and incentivize job seekers to search intensively than they would otherwise on their own.

Three components of a JSA program work together to influence outcomes of such program (Klerman et al, 2012).

- *Assistance mechanism* helps motivated job seekers to find jobs both directly and indirectly by teaching skills required for job search.
- *Training mechanism* helps improve employability of job seekers by providing education and skills
- *Enforcement mechanism* forces client to search intensively and accept a job offer or face sanctions as a penalty.

- Two approaches to welfare-to-work programs:
 1. Work first mandate
 2. Work first participation mandate(Holcomb et al. 1998, Hotz et.al 2006)
- Some studies find assistance programs focusing on less intensive treatments such as participation in job clubs leads to a short term increase in employment and earnings while more intensive treatment such as investment in education have a long term impact on employment and earnings (Dyke, Hotz, Imbens & Klerman, 2006; Heinrich, Mueser, Troske & Jeon, 2006; Michalopoulos, Schwartz & Adams-Ciardullo 2001).
- Studies focusing on unemployment insurance programs find that various combinations of increased enforcement of work search rules and additional job finding services can reduce UI receipt and unemployment in a cost effective way (Meyer, 1995; Krueger & Mueller, 2008).

- Self sufficiency through employment
- Job Search Assistance is important activity
- Does it matter? If so, how?

Data

- This paper uses data from the Survey of Income and Program Participation (SIPP) 2008 panel.
- SIPP is a longitudinal survey administered by the Census Bureau. It collects information on income, participation in government transfer programs, employment, health insurance coverage, and more.
- The analysis uses wave 3 from 2008 panel (May09 - Aug09) focusing on question about whether the person received help in getting a job from social service agency.
- Sample size = 74

Preliminary Results

Variable	Frequency	Percent
Employment		
Full Time	24	32.43
Part Time	42	56.76
No Work	8	10.81
Education		
Less than High School	37	50
High School/GED	12	16.22
More than High School (some college, associate's degree etc.)	25	33.78
Marital Status		
Married	14	18.92
Widowed	3	4.05
Divorced	5	6.76
Separated	5	6.76
Never Married	47	63.51

Variable	Frequency	Percent
Race		
White	45	60.81
Black	26	35.14
Residual	3	4.05
Ethnicity		
Hispanic/Latino	6	9.46
Not Hispanic/Latino	67	90.54
Sex		
Male	28	37.84
Female	46	62.16
Age		
18-30	29	39.19
31-45	21	28.38
46-60	20	27.03
61 and over	24	5.41

Type of Assistance	Frequency	Percent
Resume Writing	18	24.32
Learning how to interview	20	27.03
Learning how to dress	18	24.32
Self Esteem	19	25.68
Computer Training Assistance	11	14.86
Other Clerical Assistance	8	10.81
Machinery Training Assistance	8	10.81
GED Assistance	-	-
College Degree/Certificate Assistance	-	-
Literacy Assistance	7	9.46
ESL Assistance	6	8.11
Other job training Assistance	9	12.16

Next Steps

- Track the current sample before and after they received the job search assistance
- Understand how long the current employment situation lasts for the sample
- Which treatments lead to long term employment?