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Strategies for Increasing Participation in TANF Education and Training Activities

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Introduction

The Temporary Assistance for Needy Families (TANF) provisions in the fiscal year 2006 federal budget will require most states to substantially increase the number of TANF recipients participating in work-related activities.¹ As states analyze their alternatives, it is important to do more than simply focus on the narrow questions of federal compliance, but to also use this time to identify approaches that will improve programs' effectiveness in helping families enter and maintain sustainable employment.

Such a reconsideration of approaches is needed in light of the evidence about the labor market experience of former welfare recipients. Employment rates for those leaving welfare rose rapidly in the 1990s—but in recent years, these rates have fallen for former recipients, as they have for single parents generally. Nevertheless, employment rates are still higher than they were in the mid-1990s and the employment rate for single mothers is higher than that for married mothers. While the majority of former TANF recipients are employed after they leave welfare, the work patterns of current and former welfare recipients are on average more unstable than those of other workers, resulting in lower annual income and more limited wage progression.² One study found that the average annual earnings of women leaving welfare in 1995 and 1997 was about \$8,000-9,000 and about two-thirds of the welfare leavers remained poor. Moreover, few welfare leavers were able to significantly increase their wages or earnings over time.³

This paper is one of a series being prepared by the Center for Law and Social Policy that is intended to inform the decisions of state legislators, program administrators, service providers, and advocates and to enable policy choices that simultaneously help low-income families improve their labor market success and states meet federal participation rates. The paper summarizes the research on the contribution of skills and credentials to labor market success and the lessons learned about effective welfare-to-work training and postsecondary education strategies. It also discusses current levels of participation in

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education and training activities and provides guidance on how states can expand access to such programs within the new TANF policy context.

When Can Education and Training Count toward Participation?

Participation in education and training can count toward meeting a state's work participation rates under several provisions. Up to 30 percent of individuals counting toward any hours of required participation⁴ may do so by:

- engaging in vocational educational training for a period not to exceed 12 months; or
- for single teen heads of household or married teens, either maintaining satisfactory attendance in secondary school or participating in education that is directly related to employment if they have not received a high school diploma or a certificate of high school equivalency.⁵

In addition, participation in on-the-job training can count toward any hours of participation. Typically, on-the-job training contracts reimburse employers for a portion of the costs associated with providing training and the decreased productivity of the newly hired employee during a specified training period.

Participation in a range of education-related activities may also count toward the work participation rates after the first 20 hours of work per week under the all-families rate, or 30 hours per week for the two-parent families rate. Education-related activities that may count for these additional hours include:

- job skills training directly related to employment;
- education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; or
- satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence if a recipient who has not completed secondary school or received such a certificate.

In addition, TANF funds can be used to cover the direct education costs—for example, tuition, books, fees, uniforms, and others—of skill-building for low-income working parents who are not receiving TANF assistance without these parents being included in the work participation calculation at all. However, if TANF is used to cover indirect education costs that meet the definition of “TANF assistance”—such as living expenses or supportive services such as child care or transportation for unemployed parents—these families may become part of the work participation calculation.⁶

Why Increase Participation in Education and Training?

There are several reasons that encouraging education and training among TANF participants makes sense for states and business.

Skills and credentials have value in the labor market. Higher levels of education are closely associated with increased earnings and lower rates of unemployment. Between 1973 and 2003, the real wages of workers with less than a high school diploma declined by 20 percent while real wages of those with a college education increased by 18 percent.⁷ In 2001, adults with a high school diploma earned on average 25 percent more and had an unemployment rate about one-third lower than those with less than a high school degree. Postsecondary education and training offers significantly greater rewards. Those with an Associate degree earned 25 percent more on average and had an unemployment rate almost one-third lower than did those with only a high school education. Workers with a bachelor's degree earned nearly 75 percent more and had nearly a two-thirds lower rate of unemployment than did those with a high school education.⁸ Families headed by persons with less than a high school diploma were 2.6 times as likely to be poor than the average worker and 13 times more likely to be poor than college graduates.⁹

Many welfare recipients lack the education needed to successfully compete in the labor market. Close to half of TANF recipients lack even a high school diploma,¹⁰ and thus lack the qualifications that are increasingly necessary to gain employment in good jobs that provide family-supporting wages and offer benefits. More than one-third of these recipients have completed 10 years or less of school.¹¹ In addition, various studies have estimated that about 45 percent of welfare recipients have cognitive impairments including learning disabilities, which serve as barriers to success in education and the workplace.¹²

There is substantial room for expanding recipient participation in education and training activities. Despite the educational deficiencies of many welfare recipients and the clear connection between education and labor market success, the TANF system has invested relatively little in education and training services. In fiscal year 2003, fewer than 2 percent of federal TANF and State Maintenance of Effort funds were spent on such services. In addition, preliminary, unofficial estimates by the Congressional Research Service indicate that in fiscal year 2004, just over 5 percent of families in TANF and separate state programs—in other words, families who would count toward the participation rates under the new law—participated in vocational educational training or were teens who maintained satisfactory attendance in secondary school or participated in a course of study leading to a GED. Up to 30 percent of families counting toward the participation rates can be in these activities; thus, participation levels in these activities could be increased threefold in states meeting the 50 percent participation rate for “all families” required by the law.

The table below provides state-by-state estimates of combined overall participation rates in TANF and separate state programs and participation in education and training activities subject to the 30 percent cap (see Appendix).

What is the Evidence on the Effectiveness of Education and Training Services?

Effective education and training programs have strong connections to local labor markets. Employer involvement helps TANF recipients gain access to entry-level jobs and internship opportunities and ensures that training addresses skills in demand in the local labor market. Research on vocational education and job training consistently finds that the most effective programs are closely tied to employers and target training for jobs with relatively high earnings, employment growth, and opportunities for advancement. In this way, effective programs connect students to better jobs than they could have gotten without the training and start them on pathways or “career ladders” to further learning on and off the job.¹³

Mixed-strategy programs outperform employment-only or education-only programs. Over the past ten years, research on welfare-to-work programs has shown that the most successful strategies for helping parents work more consistently and increase earnings over time emphasize employment *and* provide a range of services that includes a strong education and training component.

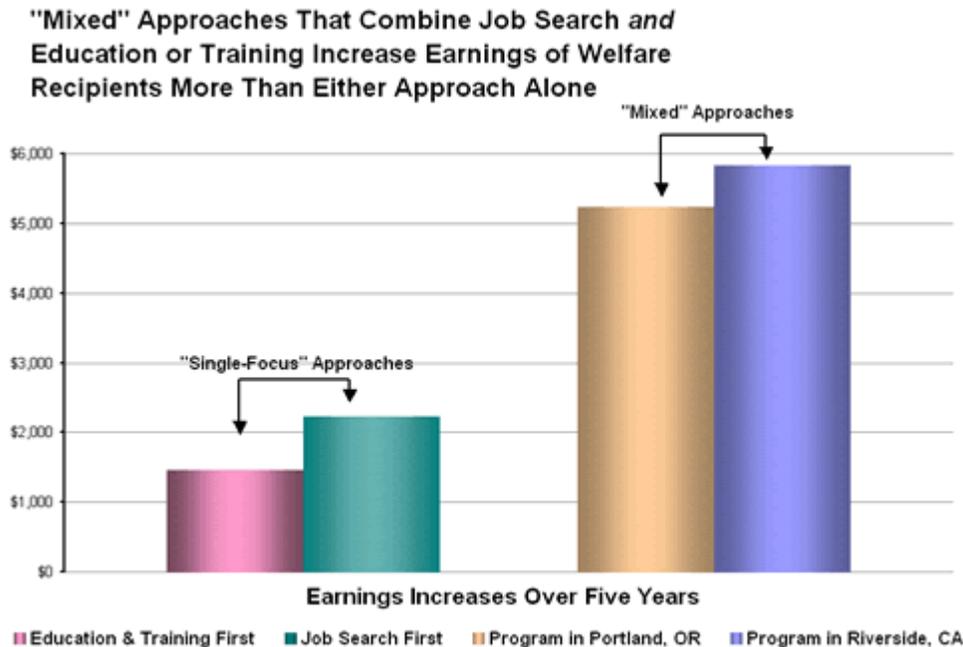
The best source of information on the role of education for helping adult recipients transition to employment comes from the National Evaluation of Welfare-to-Work Strategies (NEWWS).¹⁴ The study estimated the effects of “work first” and education-focused welfare-to-work programs. The work first approach emphasized immediate assignment of people to short-term job search activities in order to get them into any job, even a low-paying one, as quickly as possible. Only those people who did not get jobs were referred to education or training. In contrast, the education-focused approach emphasized first enrolling people in short-term education and training (primarily basic and remedial education or GED preparation rather than postsecondary education) before steering them into the labor market. The goal of these programs was to help people obtain better jobs, which, in turn, would result in higher long-term earnings.

The NEWWS evaluation found that both work first and education-focused programs increased single parents’ employment and earnings, and decreased their welfare receipt and payments, but the education-focused programs cost more and had smaller effects than the job search-focused programs. This is likely a reflection of the kinds of programs that were implemented, according to researchers from MDRC, the policy organization that conducted the NEWWS evaluation. They found that few recipients in these programs received a high enough “dosage” of instruction to gain either literacy skills or a GED. In addition, they didn’t reap the potential benefit of GED receipt because it was not followed by postsecondary vocational training that results in a degree or certificate that has value in the labor market. They note that the few who obtained a GED and then

received some form of vocational training saw the biggest payoff in terms of earnings. Accomplishing these gains took about a year.¹⁵

More importantly, the NEWWS evaluation found that the most successful strategy for helping parents work more consistently and increasing earnings over the long run was a mixed strategy that focused on employment *and* a range of services—including education and training—specifically designed to address recipients’ barriers to employment. The mixed-strategy program operated in Portland, Oregon, offered a substantial number of instructional hours per week in short-term education and training usually lasting six months or less; linked training to job search assistance; closely monitored participation; and emphasized obtaining jobs that paid above the minimum wage and offered a good chance of stable employment. It also increased receipt of education and training credentials, including helping more high school dropouts earn both a GED and an occupational certificate.¹⁶

The Portland findings are consistent with earlier research on California’s Greater Avenue for Independence (GAIN) program operated under the Job Opportunities and Basic Skills (JOBS) program, which found that Riverside County’s mixed-strategy program outperformed others. As the chart below shows, mixed-strategy programs in Portland, Oregon, and Riverside, California created more than double the earnings gains for welfare recipients than programs using either of the approaches alone.



Source: Gayle Hamilton, *Moving People from Welfare to Work: Lessons from the National Evaluation of Welfare-to-Work Strategies*. New York: MDRC, 2002.

Postsecondary education leads to greater employment and earnings gains. In addition, several non-experimental studies provide evidence of the substantial economic benefits of postsecondary education for welfare recipients. A study comparing the employment and earnings of TANF recipients who participated in the California Work Opportunity and Responsibility to Kids (CalWORKS) program and other women students who exited California community colleges in 1999 and 2000¹⁷ found the following.

- While only 21 percent of female CalWORKS students held full-year employment prior to entering college, this rate doubled in the first and second years out of school. As with other women who received Associate degrees, 60 percent of CalWORKS female students with Associate degrees worked a full year in their second year out.
- CalWORKS women increased their earnings substantially after college. By the second year out of school, median annual earnings of CalWORKS women with Associate degrees increased by 403 percent compared to earnings before entering college (from \$3,916 to \$19,690). Those with vocational Associate degrees had approximately 25 percent greater median annual earnings than those without (about \$4,000 more the second year out of school).
- Longer vocational certificate programs had greater economic payoff than shorter certificate programs, particularly in the nursing and dental fields. Among vocational certificate holders who had earnings in the first and second year out of school, only those who participated in certificate programs that were at least 30 units long earned more than \$15,000 their second year out.

Furthermore, a 2004 report by the Kentucky Legislative Research Commission found that TANF recipients who received more than one year of postsecondary education or training (classified as “Job Skills Education” in the state’s participation data) had the best outcomes among TANF recipients participating in a range of activities—four of five postsecondary participants became employed and more than 30 percent of participants remained employed for four consecutive quarters. Participants in long-term postsecondary education also had the highest wages of those employed for four quarters, about \$3,500 more than those in any other activity.¹⁸

While combining work and education can be effective, too much work is counterproductive. In recent years, some states have sought to implement post-employment advancement programs for families who have entered employment. These post-employment programs for welfare recipients have generally suffered from very low participation, reflecting the difficulty many single parents face in juggling work, family, and school responsibilities.¹⁹ The recently completed final evaluation of the New Visions Self-Sufficiency and Lifelong Learning Project provides clear evidence of the difficulty TANF recipients have in balancing school, family, and work responsibilities. The New Visions “bridge” program was operated by Riverside Community College to prepare recipients for success in college. The evaluation found that conflicts with work were the single most common reason for students dropping out of the core program or failing to stay in

school after completion of the bridge program. The study found that participants who worked 120 hours per month or more were substantially less likely to participate in New Visions or other employment and training activities.²⁰

Research by the U.S. Department of Education found that students working 15 hours or more were much more likely to report that work interfered with their schooling by limiting their class choices and schedules, the number of classes they could take, and students' academic performance. The study also found that those working full time were much less likely to attend classes for a full year. Additional research determined that full-time work and part-time schooling are each independently related to lower rates of persistence and degree attainment.²¹

What Should States do to Implement Effective Education and Training Programs?

There is an important role for education and training as a key part of state efforts to promote employment for TANF recipients. As states structure their programs, they should draw on research findings and insights from effective practices and the most effective program designs. We recommend that states consider the following policy options.

1. Maximize the Use of Pre-Employment Vocational Educational Training to Count toward any Hours of Required Participation

States should expand the use of pre-employment vocational educational training so that individuals can obtain a substantial amount of skill-building before their time and energies are focused on a new job. In designing vocational educational training programs, states should:

- ensure that skill-building is accessible to a significant number of low-income parents with low levels of basic skills and/or limited English proficiency;
- offer intensive programs that result in a certificate and fit within the 12-month cap; and
- connect programs to further education in year two that can be pursued in hours in excess of 20 and that leads to postsecondary occupational credentials with demonstrated value in the local labor market.

States can take the following actions to build pathways to postsecondary education and credentials that have a significant payoff in the labor market.

Create college “bridge” programs for students with low skills. Bridge programs are community college-based programs designed to help disadvantaged students with low academic skills enter and succeed in college. These programs help students master the academic, problem solving, communication, and critical thinking skills needed for immediate employment and entry into postsecondary occupational training programs that

lead to better jobs and earnings gains. Research suggests that students with skills in the seventh- to tenth-grade range are most likely to benefit from such programs. It also finds that extensive collaboration between welfare agencies and community colleges is needed, particularly in the areas of student recruitment and identification of appropriate candidates. It is worth noting however, that more than half of volunteers in the New Visions program entered with math and language skills below the seventh-grade level.²²

KENTUCKY

Kentucky's "Ready-to-Work" (RTW) is a bridge program developed in partnership by the Kentucky Community and Technical College System (KCTCS) and the Kentucky Cabinet for Health and Family Services (KCHFS). The program serves TANF recipients who are interested in attending community and technical colleges and could benefit from a certificate, diploma, Associate degree, or other short-term training opportunities. The program assists with job skills, life skills, academic success training, counseling, mentoring, service referrals, and securing and retaining employment. The program also provides participants with work-study opportunities relevant to their fields of study in both private and nonprofit settings, which gives workers experience and income, and employers an opportunity to recruit students. Since 2001, 749 RTW participants and 200 former participants have graduated from KCTCS colleges, and 731 participants went on to four-year institutions. In 2004 the semester-to-semester retention rate for RTW participants was between 77 and 90 percent. In the fall semester, the overall GPA for RTW was 2.63 compared to 2.44, the average GPA for the KCTCS colleges.¹ For more information, visit <http://www.kctcs.edu/readytowork/facts.html>.

Integrate basic skills and English language instruction with jobs skills training.

Parents with English language and basic skill deficiencies seldom complete traditional adult basic education (ABE), English as a Second Language (ESL) or GED programs that qualify them for immediate entry into training programs leading to credentials that can bring better jobs and earnings gains. Integrating job skills training with basic skills and English language instruction helps make ESL programs more relevant to students' needs and increases the likelihood that ESL students will enter and complete workforce training and earn college credits.

WASHINGTON

Washington's Integrated Basic Education and Skills Training (I-BEST) program pairs ABE/ESL instructors and professional technical instructors in the classroom to teach literacy and work skills concurrently. This approach teaches higher-level ESL students college study skills and English within the context of the students' chosen occupation. A non-experimental design evaluation found that students gained English skills at the same rate as students in traditional ESL courses, and were five times more likely to earn college credits and 15 times more likely to complete workforce training than traditional ESL students during the same amount of time.²³

2. Help Recipients Combine Education and Work

States should consider the following options to help low-income parents combine work and skill-building.

Use On-the-job training and other incentives to promote employer-based training.

States should consider partnering with employers to provide training that is relevant to labor market requirements at or near the worksite, during work hours, and if possible, with workers paid for at least some of their time in class.²⁴ Within the TANF program itself, states can use on-the-job training—one of the work activities that counts towards all hours of a TANF recipient’s required hours of participation—to encourage employers to provide further training to their newly hired TANF recipients. This training has been rarely used in TANF. While there is not yet a TANF definition for on-the-job training, it has been recognized within the workforce system as a promising strategy, one in which government reimburses employers for a portion of the costs associated with providing training and the decreased productivity of the trainee. States can build on current on-the-job training models to encourage employers to structure training plans that clearly identify important skills and competencies, and how they will be taught. These contracts should be targeted to jobs and employers that provide benefits and family-supporting wages that can support a family, offer advancement opportunities, and have a history of retaining participants after the training period.

States can also partner with employers to promote work-based training through linkages with state industry-based training programs and state or local career pathway programs that have experience in providing pre-employment and incumbent worker training customized to employer specifications. Typically, business also contributes resources to these partnerships, and specific wage increases are often linked to completion of training.

LOUISIANA

Louisiana’s Incumbent Worker Training Program provides grants to partnerships of business and training providers for job-specific training for existing employees, primarily at the worksite. The aim is to promote the career and wage advancement of workers and help companies grow. Although the program does not target specific population of workers, it provides extra points in the review of grant applications for employers that have recently hired public assistance recipients or ex-offenders.²⁵

Link postsecondary attendance with the Federal Work Study program. The Federal Work Study program operates in most community and four-year colleges and provides jobs for low-income students who are eligible for federal financial aid, such as Pell Grants, through Title IV of the Higher Education Act (which includes most postsecondary students who are also receiving TANF). Federal work study jobs pay at least minimum wage and can be either on- or off-campus. The hours of employment are based on student financial need and the hours of attendance.

Work study employment can be used in two ways to help students combine work and education. Students in training programs may be able to use work study to stop the vocational education clock in months during which the student works more than 20 hours per week for all families or 30 hours per week for two-parent families. This is because training may be counted as “vocational educational training” or “job skills training”—the latter does not have a 12-month limit, but can be used only for hours after the first 20. If the individual participates in work study for 20 hours per week in a given month, and the remaining hours can be categorized as job skills training, the month would not need to count against the 12-month vocational educational training clock. Thus, students can lengthen their eligibility for enrollment in vocational education activities alone, enabling them to decrease hours of work during finals or the sickness of a child.

Work study can also be used to provide students with 20 or 30 hours of work experience while they participate in postsecondary job skills training directly related to employment. Depending on where the student is placed, work study may also offer the opportunity for full-time employment once school is completed. Work study jobs are typically easier for students to manage than regular employment because employers schedule hours around class schedules and understand that studies are the main priority for students.²⁶

Use block grant funds to augment Federal Work Study funds or fill in the gaps when a student’s Federal Work Study allotment is exhausted or over the summer or school breaks when students can work more hours. Some states have appropriated Workforce Investment Act funds, federal TANF funds, and state funds to provide additional work study opportunities for TANF participants pursuing postsecondary education.²⁷ These funds may augment Federal Work Study funds or fill in the gaps when a student’s Federal Work Study allotment is exhausted or during the summer or school breaks when students can work more hours. In some cases, states combine work study wages with state dollars to provide a student with 20 or more hours of work per week during the school year and up to full-time employment during breaks. This allows students to work consistently and to continue school past 12 months by meeting their core work requirement through 20 hours of work study employment. In addition, work study earnings are not considered income for purposes of TANF eligibility.

KENTUCKY

Under **Kentucky’s Ready-to-Work** program, TANF participants pursuing postsecondary education combine Federal Work Study awards with \$2,500 of state work study funds each year.

Over \$2 million in state funds have been appropriated to the work study component of this program. Although the allotment of federal work study hours is lower for those not pursuing full-time study, both part-time and full-time students qualify for Kentucky’s TANF work study award, which is contingent upon a minimum grade point average at some campuses. Students enrolled in only one class can qualify for the benefit. Campus-based coordinators help ensure students are drawing down the maximum in work study funds and help place students in jobs related to their field of study. Work study jobs have helped increase the state’s work participation rate and been integral in helping more rural counties with fewer opportunities for regular employment meet their rates.

Promote greater flexibility in educational programming. It will be difficult for parents to combine parenting, 20 hours of work, and substantial schooling each week. Juggling multiple obligations is especially difficult if work schedules change from week to week. States should work with education and training providers to increase the availability of classes on evenings and weekends and to provide more flexible class schedules to accommodate students' changing work schedules.



CALIFORNIA

Riverside, California, Community College's New Visions program offered classes four days a week in three-hour time blocks that were repeated three times daily to accommodate varying work, child care, and transportation needs. Courses were divided into three six-week segments, each providing one unit of credit to reward progress and make it easier for returning dropouts to pick up in the program where they had left off. Lessons and assignments were structured so that students who came into the program at different times could move through the curriculum at their own pace. In addition, existing occupational programs were broken down into mini-programs lasting four to seven months to prepare students for entry-level jobs such as medical transcription and pre-school teacher's aide.²⁸

Support the development of intensive modularized courses. Traditional educational programs often take a long time to complete. Students who don't complete their courses of study leave without credentials that would benefit them in the labor market. By "modularizing" courses—breaking longer programs into shorter, more manageable two- to three-week concentrated modules—students can get "credit" for completing a module as they build toward course completion and longer-term certificates over time.²⁹ This allows parents to complete studies as their schedules allow. Employers may also be more willing to provide release time for training of this duration.

Make available supportive services such as child care, transportation, and personalized career and academic counseling. The provision of supportive services is a critical component of helping families participate in work activities, move from welfare to work, and continue to work after leaving welfare. Because child care subsidies play a key role in helping families maintain employment, it is important to ensure that states do not seek to meet the new TANF requirements by reducing child care help to families who are already working.³⁰ For some states, this may necessitate committing additional TANF or other state funds to child care, as well as fully matching the newly available child care funds.

While the new TANF requirements may have significant impacts on state child care subsidy programs, it is important to analyze the nature of the potential impact when planning for next steps. In some states, because welfare caseloads have fallen, even a relatively large increase in the number of TANF families needing child care assistance will represent a small part of the state's child care system. For other states, the impact

will be much greater. As an initial step, states should map the projected need created by the changes and match that to the current funding. To do so, states must collect data on how many new families will need to be engaged in work activities in order for the state to meet its participation requirements; project the percentage of these families who will need a child care subsidy in order to participate; determine whether the newly available federal child care funds and corresponding state match will be sufficient to meet the new needs; and explore alternatives for expanding resources if (as will likely be the case in many states) the new funding appears insufficient.

Conclusion

Well-designed education and training services have been shown to contribute to welfare recipients' transition to work and their subsequent labor market success. With increased work participation rates, states now have the opportunity to substantially increase participation in such activities. In doing so, they can build on a variety of effective models developed by the states over the last ten years. These models target education and training to higher-paid jobs, provide a sufficiently high "dosage" of skill development to pay off in the labor market, and to build pathways to further education and career development. Given the long-term payoff from education and training, states should consider offering longer-term education and training options for TANF recipients, even if these participants will not count toward the participation rates.

Appendix:
Fiscal Year (FY) 2004 Vocational Education Training Cap Analysis

State	Combined FY04 TANF and SSP Work Participation Rate (no waivers) ¹	Share in Vocational Education as a Percent of Participating Families	Share of Teens Deemed Engaged in Work as a Percent of Participating Families	Combined Share of Families in Vocational Education or Teens Deemed Engaged as a Percent of Participating Families	Combined Share of Families in Vocational Education or Teens Deemed Engaged as a Percent of Families Counting Toward the Work Participation Rate
National Total	29%	15%	3%	17%	5.1%
Alabama	38%	13%	4%	17%	6.4%
Alaska	38%	17%	3%	20%	7.6%
Arizona	24%	18%	1%	19%	4.6%
Arkansas	27%	26%	0%	26%	7.1%
California	25%	14%	2%	15%	3.9%
Colorado	34%	27%	2%	29%	9.8%
Connecticut	22%	19%	1%	19%	4.3%
Delaware	21%	0%	3%	3%	0.5%
District of Columbia	17%	5%	0%	5%	0.9%
Florida	41%	21%	8%	29%	11.8%
Georgia	21%	27%	0%	27%	5.6%
Hawaii	39%	10%	3%	13%	5.2%
Idaho	40%	35%	0%	36%	14.3%
Illinois	41%	33%	4%	37%	15.2%
Indiana	32%	4%	5%	9%	2.8%
Iowa	45%	26%	3%	30%	13.3%
Kansas	88%	3%	2%	4%	3.9%
Kentucky	36%	39%	6%	44%	15.9%
Louisiana	33%	23%	4%	28%	9.1%
Maine	32%	19%	3%	21%	6.8%
Maryland	14%	14%	9%	23%	3.3%
Massachusetts	10%	6%	8%	14%	1.4%
Michigan	24%	5%	2%	7%	1.7%
Minnesota	28%	8%	19%	26%	7.4%
Mississippi	22%	11%	8%	18%	4.0%
Missouri	18%	25%	8%	34%	6.0%
Montana	86%	5%	0%	5%	4.7%
Nebraska	33%	26%	0%	26%	8.6%
Nevada	33%	8%	2%	10%	3.3%
New Hampshire	30%	6%	3%	9%	2.8%
New Jersey	32%	29%	0%	30%	9.4%
New Mexico	46%	19%	3%	23%	10.4%
New York	41%	11%	0%	11%	4.5%
North Carolina	32%	28%	10%	38%	12.3%

¹ Based on Congressional Research Service preliminary estimate (see Source, below).

State	Combined FY04 TANF and SSP Work Participation Rate (no waivers) ¹	Share in Vocational Education as a Percent of Participating Families	Share of Teens Deemed Engaged in Work as a Percent of Participating Families	Combined Share of Families in Vocational Education or Teens Deemed Engaged as a Percent of Participating Families	Combined Share of Families in Vocational Education or Teens Deemed Engaged as a Percent of Families Counting Toward the Work Participation Rate
North Dakota	24%	22%	5%	27%	6.6%
Ohio	66%	22%	1%	23%	15.3%
Oklahoma	31%	19%	2%	21%	6.6%
Oregon	32%	5%	8%	13%	4.2%
Pennsylvania	7%	22%	2%	24%	1.7%
Rhode Island	21%	19%	0%	19%	4.0%
South Carolina	41%	4%	7%	11%	4.6%
South Dakota	55%	17%	4%	20%	11.1%
Tennessee	13%	0%	1%	1%	0.1%
Texas	35%	8%	2%	10%	3.6%
Utah	26%	18%	8%	26%	6.7%
Vermont	23%	3%	3%	7%	1.5%
Virginia	24%	0%	0%	0%	0.1%
Washington	34%	11%	4%	16%	5.3%
West Virginia	11%	36%	3%	40%	4.4%
Wisconsin	60%	1%	5%	6%	3.4%
Wyoming	82%	0%	2%	2%	1.4%
Guam	0%	--	--	--	--
Puerto Rico	8%	19%	3%	22%	1.8%
Virgin Islands	10%	31%	0%	31%	3.1%

Source: CLASP analysis of preliminary, unofficial Congressional Research Service data.

Shading designed to ease readability.

How to Read this Table: An Example

In fiscal year 2004, Alabama's overall participation rate—combining families receiving TANF and those in separate state programs—was 38 percent. Of the state's participating families, 17 percent did so through either vocational educational training or as teens who were countable through their participation in education. Overall, this meant that 5.1 percent of all families in the participation rate denominator were participating in either of these ways. If the state were reaching a 50 percent rate, 15 percent of families could participate through one of these activities.

Notes:

¹ For a full discussion of these changes, see: Greenberg, Mark. *The TANF Participation Rate Structure under the Budget Reconciliation Bill: A Summary of the Rules*. Center for Law and Social Policy, January 30, 2006.

² Holzer, H and Martinson, K. *Can We Improve Job Retention and Advancement among Low-Income Working Parents?* The Urban Institute, September 2005.

³ Wu, C., Cancian, M., and Meyer, D. *Standing Still or Moving Up? Evidence from Wisconsin on the Long-Term Employment and Earnings of TANF Recipients*. Paper prepared for the Association of Public Policy Analysis and Management Research Conference. October 2005.

⁴ To count toward the all-families participation rate, a single-parent family with a child under age 6 must participate for an average of 20 hours a week; all other families must participate for an average of 30 hours a week. To count toward the two-parent family rate, a family not receiving federally funded child care must participate for 35 hours a week; and a family receiving federally-funded child care must participate for 55 hours a week.

⁵ TANF requires minor heads of household to be enrolled in education or training in order to receive assistance. Issues related to engaging teens in effective and countable work activities are beyond the scope of this paper and will be addressed in a forthcoming CLASP publication.

⁶ See discussion on what constitutes assistance for working and non-working TANF recipients at 64CFR§ 260.31 and in U.S. Department of Health and Human Services. *Helping Families Achieve Self-Sufficiency: A Guide on Funding Services for Children and Families through the TANF Program*. <http://www.acf.hhs.gov/programs/ofa/funds2.htm>.

⁷ Mishel, L., Bernstein, J., and Allegretto, S. *The State of Working America 2004-2005*. Economic Policy Institute. 2005

⁸ Prince, D. and Jenkins, D. *Building Pathways to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice from a Statewide Longitudinal Tracking Study*. Community College Research Center Brief, Number 25. April 2005.

⁹ Mishel, L., Bernstein, J. and Allegretto, S. *The State of Working America 2004-2005*. Economic Policy Institute. 2005.

¹⁰ U.S. Department of Health and Human Services. *Fiscal year 2002 Characteristics and Financial Circumstances of TANF Recipients*.

¹¹ U.S. Department of Health and Human Services. *Fiscal year 2001 Characteristics and Financial Circumstances of TANF Recipients*.

¹² Discussion with Glen Young, consultant, generalizing from studies conducted in Arkansas, Kansas, Virginia, and Washington. Also, several Government Accountability Office reports: GAO-02-37, October, 2001; GAO-02-884, July 2002; and GAO-03-210, December, 2002.

¹³ Grubb, Norton; Badway, Norena; Bell, Denise; Castellano, Marisa. *Community Colleges and Welfare Reform: Emerging practices, Enduing Problems*. School of Education, University of California, Berkeley. February, 1999.

¹⁴ The NEWWS evaluation included 11 programs operated in seven sites throughout the country: Atlanta, Georgia; Grand Rapids, Michigan; Riverside, California; Columbus, Ohio; Detroit, Michigan; Oklahoma City, Oklahoma; and Portland, Oregon.

¹⁵ Gueron, Judith and Hamilton, Gayle. *The Role of Education and Training in Welfare Reform: Policy Brief*. MDRC. 2002.

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- ¹⁸ Hager, Greg, et al. *Improving Fiscal Accountability and Effectiveness of Services in the Kentucky Transitional Assistance program*. Research Report # 321. Legislative Research Commission. 2004. <http://lrc.ky.gov/lrcpubs/RR%20321.pdf>
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- ²⁰ Fein, David and Beecroft, E., *College as a Job Advancement Strategy: Final Report on the New Visions Self-Sufficiency and Lifelong Learning Project*. Abt Associates, Inc. January 2006.
- ²¹ Berker, Ali and Horn, Laura. *Work First, Study Second: Adult Undergraduates Who Combine Employment and Postsecondary Enrollment*. National Center for Education Statistics, U.S. Department of Education, Institute of Education Sciences. 2003.
- ²² Fein, David and Beecroft, E., op cit.
- ²³ *I BEST: A program Integrating Adult Basic education and Workforce Training*. Research Report No. 05-2. Washington State Board for Community and Technical Colleges, December 2005.
- ²⁴ For detailed descriptions of this approach, see Duke, Amy-Ellen, Martinson, Karin, and Strawn, Julie. *Wising Up: How Government Can Partner with Business to Advance Low-Wage Workers*. CLASP. April 2006.
- ²⁵ Ibid.
- ²⁶ Low-income students who are eligible for federal financial aid, such as Pell grants, through Title IV of the Higher Education Act are eligible for the Federal Work Study program. This includes most postsecondary students who are also receiving TANF. Federal work study jobs pay at least minimum wage and can be either on- or off-campus. Off-campus jobs are largely limited to private nonprofit organization or a public agency, although private, for-profit employers may be considered if the job relates directly to the student's area of study. Under Federal Work Study, the hours of employment are based on the amount of financial aid the student is awarded and the hours of attendance. Therefore, the lowest-income students qualify for more hours.
- ²⁷ State funds can be counted toward TANF maintenance-of-effort requirements.
- ²⁸ Fein, David and Beecroft, E. op cit.
- ²⁹ Strawn, J., and Martinson, K. *Steady Work and Better Jobs: How to Help Low-income Parents Sustain Employment and Advance in the Workforce*. MDRC. June 2000.
- ³⁰ Matthews, Hannah. *Child Care Assistance Helps Families Work: A Review of the Effects of Subsidy Receipt on Employment*. CLASP. April 2006.