



Welfare Reform Progress Report

MARCH 2004



About the Welfare Caseload Reduction/Dependency Index

Developed in 2003, the Welfare Caseload Reduction/Dependency Index combines several welfare reform measures into one in order to illuminate a state's overall welfare reform progress. The measures include:

1. *Historic TANF caseload reduction from January 1993 to the most current month available;*
2. *Current TANF dependency or the number of people per capita that remain on TANF in the latest reporting period;*
3. *Historic TANF dependency as stated in the percentage improvement a state has made in reducing TANF dependency since January 1993.*

TANF caseload reduction accounts for half of the index, whereas the dependency measures each account for 25%.

This index measures both overall TANF reduction and reduction in TANF dependency—both historical and current. The index, therefore, accounts for successful reform efforts prior to TANF, as well as current welfare reform results.

Washington's Welfare Reform Effort . . .

Washington's welfare reform effort in the past ten years, as measured by the caseload reduction/dependency index, ranks 39th among all states and the District of Columbia. With an index score of 71, Washington's performance earns a "C-" grade. Washington has made below average progress in welfare reform compared to the other states.

RANK
39
GRADE
C-

STATE	SCORE	RANK
Washington	71	39th
Alaska	74	29th
Oregon	76	25th
Idaho	91	2nd

Caseload Reduction/ Dependency Comparison to Neighboring States

As a group, the Pacific Northwest states and Alaska rank behind many of the other states in caseload reduction and dependency. Washington's reform results fall far behind all of the neighboring states.

TANF Caseload Reduction

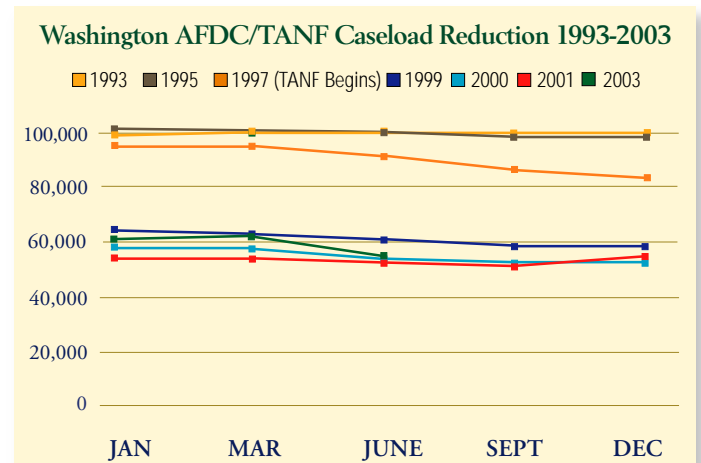
Washington reduced its TANF/AFDC caseload by 43.5% from January 1993 through March 2003. Washington ranks 39th among all states and the District of Columbia in caseload reduction.

October 1996 marked the beginning of the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA), the U.S.'s most significant welfare reform ever. Since the start of PRWORA, Washington ranks 33rd among all states in caseload reduction with TANF caseload reduction of 41.8%.

In the last quarter for which data are available (April 2003 through June 2003), Washington ranks 2nd among all states with a TANF caseload decrease of 8.4%.

Something to think about: If Washington had matched the average U.S. TANF caseload reduction rate, 12,333 families would be on the road to self-sufficiency, and the state would save \$65.5 million per year in avoided TANF grant costs. Also, \$225.9 million would be added annually to the state's economy.

If Washington had matched the top ten caseload reduction states, 31,964 families would be on the road to self-sufficiency, and the state would save \$169.7 million per year in avoided TANF grant costs, and nearly \$585.4 million would be added annually to the state's economy.



Source of Data: US Dept. of Health & Human Services

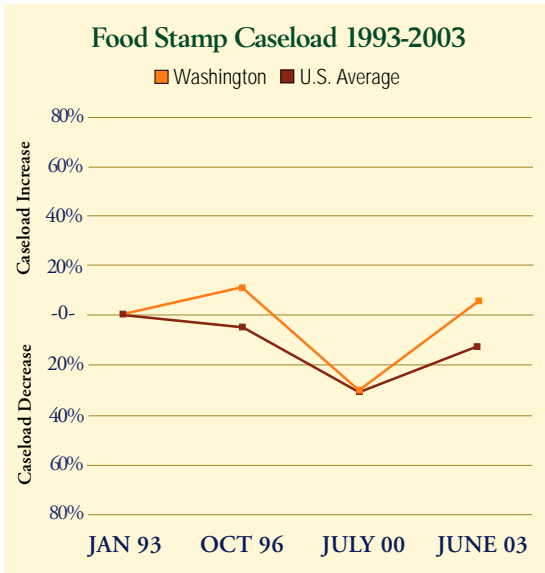
TANF Dependency

One in every 42 people in Washington remains on TANF. Washington currently ranks 40th among all states in TANF dependency.

Ten years ago, one in every 18 people in Washington was on TANF (AFDC). During this period, therefore, Washington has reduced its TANF dependency by 57.5%. Washington ranks 34th among all states in this historical TANF dependency measure.

Food Stamps

The Food Stamp program exists to "increase the food purchasing power of eligible low-income households to a point where they can buy a nutritionally adequate low-cost diet." While there is a great deal of debate about the effectiveness of the Food Stamp program, welfare reform, properly focused and administered, should result in a reduction of Food Stamp usage over time as more and more families become self-sufficient and their income rises above the thresholds for Food Stamp eligibility.



Source of Data: US Dept. of Health & Human Services

Washington's June 2003 Food Stamp caseload stands at 199,567. Washington's Food Stamp caseload has actually grown by 6% since January 1993. Nationally, Food Stamp caseloads decreased by 12% during this period. Washington ranks 36th among all states and the District of Columbia in Food Stamp caseload reduction.

Since TANF began (October 1996), Washington's Food Stamp caseload has decreased by 4.6% from 209,142 cases to 199,567. Washington ranks 23rd among all states and the District of Columbia for Food Stamp caseload reduction during this period. Nationally, Food Stamp caseloads began to fall after the beginning of TANF, bottoming out in July 2000. From July 2000 to June 2003, Washington's Food Stamp caseload has increased by 51.9%. Washington ranks 42nd among all states and the District of Columbia for Food Stamp caseload reduction during this period.

Best Practices

A number of states are updating their welfare reform efforts based on "best practices" from other states. Some things to consider:

- Implementing an up-front diversion program to move work-ready TANF applicants to jobs.
- Requiring job search, with efforts documented and verifiable, as a part of the TANF application process. Use employment/staffing companies to assist in this effort.
- Reviewing exemptions from work activities, both formal and informal. Maximize the number of participants who are required to participate in work activities.
- Instituting a full family sanction for non-compliance, which although immediately curable upon compliance, emphasizes the importance of meeting program requirements.
- Instituting a policy of full engagement and conducting a review of exemption policies. With a goal of full engagement, all recipients are engaged in appropriate work activities to become self-sufficient. No one is exempted from working towards this goal, although activities are customized to fit individual needs.
- Implementing a subsidized wage job program for participants who cannot obtain unsubsidized employment.
- Work and jobs should determine additional training and education needs. National studies indicate that, for the majority of recipients, when work comes first and is the determinant for additional training and education, training and education are more effective.

Food Stamp Dependency

(per 100 people)

WASHINGTON



TOP-TEN



U.S. AVERAGE



Source of Data: US Dept. of Health & Human Services

Food Stamp Dependency

In terms of Food Stamp dependency, Washington currently ranks 23rd among all the states and the District of Columbia with one in every 14.7 Washingtonians receiving Food Stamps. Nationally, one in 13.4 citizens receives Food Stamps.

Washington has experienced high Food Stamp dependency growth since July 2000. Food Stamp dependency during this period increased by over 28.4%.



The American Institute for Full Employment is a non-profit corporation whose goal is full employment – universal access to jobs with career potential for all who can work, especially those who are receiving public assistance as a substitute for the opportunities and rewards of paid work.

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