



## WELFARE REFORM IN WASHINGTON STATE (B)

### Skill Set 2: Probabilities

Clare Banks examined the results of the WorkFirst study. Troubled by the recent decrease in the number of clients leaving welfare, she hoped the evaluation's findings would help her to discover what caused individuals to find jobs and leave welfare. By examining caseload trends, Banks expected to gain insight into the process of getting off and staying off welfare and a better understanding of how DSHS could help clients move from welfare to work.

As part of its evaluation of Washington WorkFirst, the WorkFirst study examined exits and returns to welfare. A portion of the evaluation examined the percentage of the study sample that left TANF between March and October 1999 and the number that returned within a year of exit. The study sample of over 3000 families was drawn from the statewide list of adults receiving welfare assistance in March 1999. All WorkFirst study respondents were receiving welfare in March 1999; one year later, only half of the sample was receiving benefits.

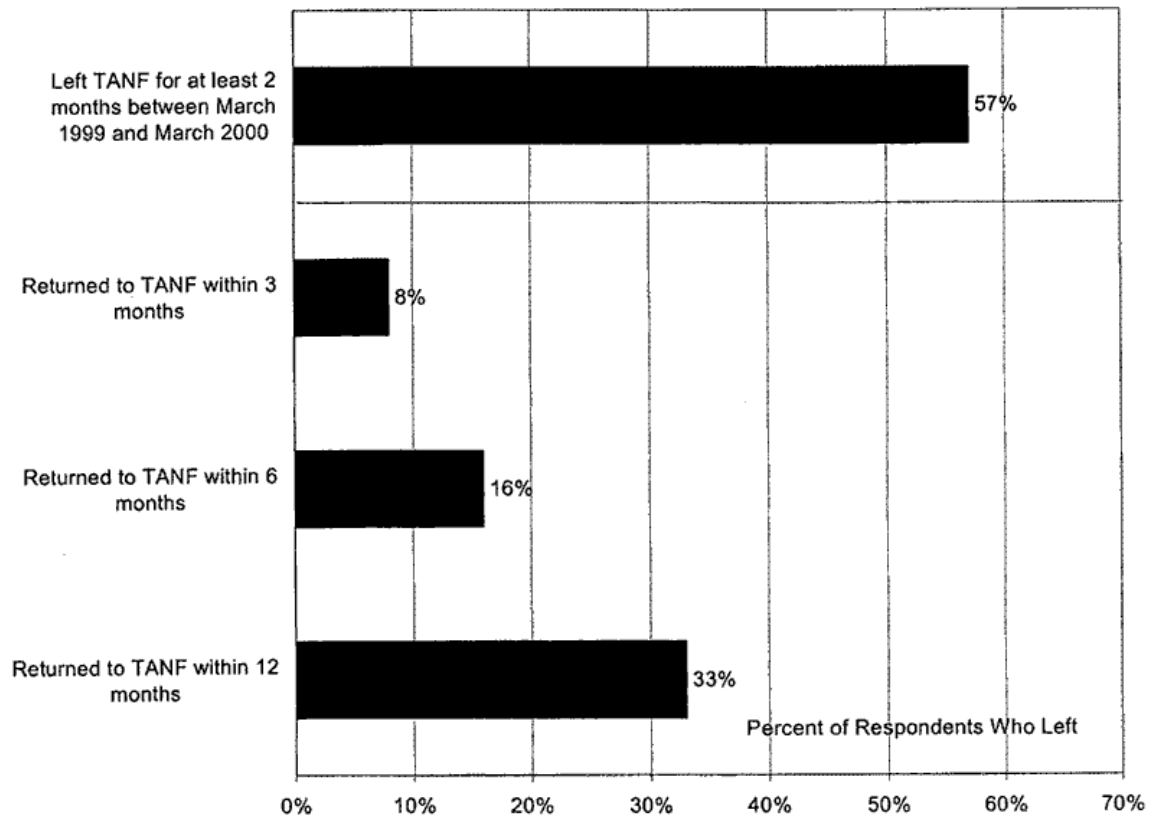
Banks realized she had to gain a better understanding of flows on and off welfare, which required answering a number of fundamental questions. She asked her student intern to analyze the study data and present her with a memo describing the experiences of the WorkFirst study respondents.

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**Figure 1: TANF Exits and Returns After March 1999**

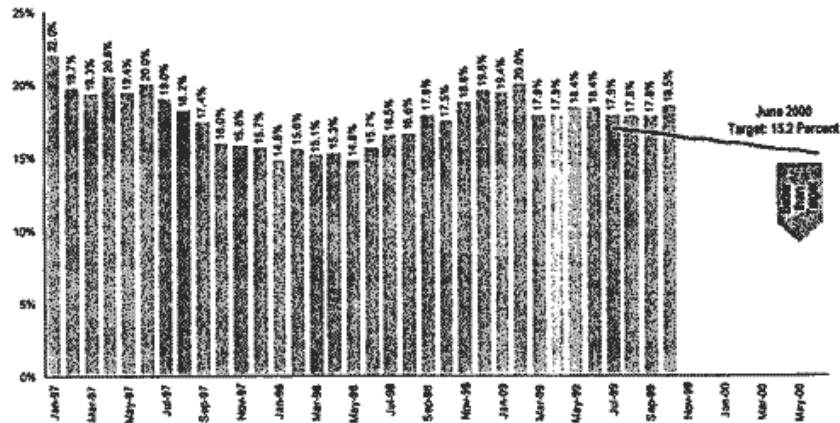


\*Because of data restrictions, includes only those leaving before October 1999  
Source: WorkFirst Study

Figure 2: OFM WorkFirst Performance Measures

**WorkFirst Measure 3: Percent Returning to Welfare (TANF)**

**Percent of Clients Returning to Welfare (TANF) After 12 Months**



Last updated: December 4, 2000

<b>Goal:</b>	Increase the percentage of families who remain self-sufficient after leaving TANF.
<b>Target:</b>	Reduce the percentage of families who return to TANF after 12 months to 15.2 percent for June 2000 exiters.
<b>Experience to Date:</b>	18.5 percent of October 1999 exiters received TANF in the twelfth month following exit, 12.0 percent above target.
<b>Comments:</b>	To achieve this target, returns to assistance must return to historical lows.

Source: Washington Office of Financial Management

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### Probability Questions

1. Among the entire WorkFirst study sample, what was the probability that a client exited TANF for at least two months between March 1999 and March 2000?
2. Among the entire sample, what was the probability that a client remained on TANF for the entire period?
3. Given that a client had exited TANF, what was the probability of returning within one year?
4. Among the entire sample, what was the probability a client exited and did not return to TANF within 12 months?
5. Among the entire sample, what was the probability that a client exited and returned within 12 months?
6. The answer you receive in question three is the percentage of the WorkFirst sample that returned to TANF at some point during the 12 months after they exited. In the Washington Office of Financial Management's (OFM) WorkFirst Performance Report (which details statewide program performance measures used to evaluate WorkFirst), the percentage of clients that exited TANF in March 1999 who were on TANF in March 2000 is given as 17.9% (See Figure 2: OFM WorkFirst Performance Measures). You are certain Clare will notice the large discrepancy between the two numbers. Explain this disparity
7. In March 1999, the entire WorkFirst study sample was receiving TANF benefits. In March 2000, only half of the sample was receiving benefits. Your answer to question one, however, gives a different percentage. Again, Clare is sure to notice this discrepancy. Explain the difference between the two measurements.
8. Write a summary of the results of your analysis for your supervisor, who has a non-statistician background.