

January 2006

Fostering Self-Sufficiency for America's Urban Families

Temporary Assistance for Needy Families (TANF) families living in urban areas face a number of unique challenges. Cities have different types of workers, jobs, and attitudes about work and welfare. Recognizing the disproportionate share of TANF families concentrated in urban areas, the Administration for Children and

The Urban Partnerships Initiative grew from an understanding that TANF families living in urban areas face a number of unique challenges. Cities have different types of workers, jobs, and attitudes about work and welfare. Given that families on welfare are increasingly concentrated in urban areas, it is vital to gain a better understanding of how the places that welfare families live affect their employment opportunities, their barriers to self-sufficiency, and the well-being of their children.

Families' (ACF) Office of Family Assistance (OFA) is committed to developing an improved understanding of how the places that welfare families live affect their employment opportunities, their barriers to self-sufficiency, and the well-being of their children.

In 1999, OFA began the Urban Partnerships for Welfare Reform Initiative (UPI) as a means of fostering collaboration to improve services to TANF families living in urban areas. In the spirit of the UPI, the five most populous cities in the country: Chicago, Houston, Los Angeles, New York, and Philadelphia—the "Big Five"—were invited to participate in a Roundtable designed to address their specific challenges in meeting the needs of the urban poor.

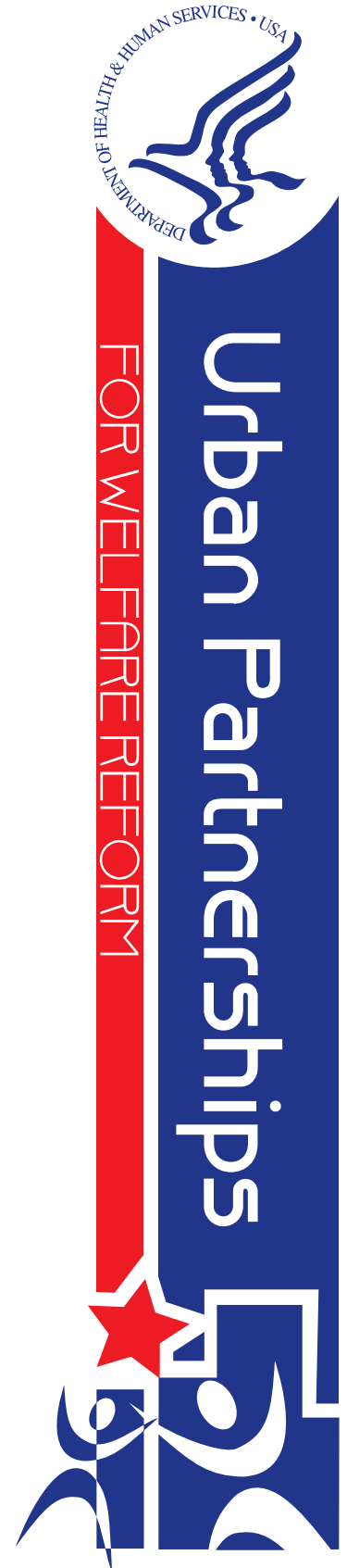
Under contract with Caliber/ICF, ACF has hosted three Academies, made several on-site technical assistance visits directly to the cities, and provided telephone and Web-based TA. These initiatives have enabled large urban areas to focus on performance targets and to embrace a work first model built on an understanding that "work matters," in building self-esteem and fostering personal responsibility.

About the Big Five

The Big Five cities have unique experiences and challenges they share. Due to the size and complexity of their caseloads, urban centers have only experienced a 40.6 percent decrease in TANF cases, while the national welfare caseload has declined 51.5 percent. The States containing the five largest cities are home to only 35 percent of the US population, but 42 percent of the national TANF caseload.

Specifically, the Big Five cities are home to 18 percent of the nation's TANF caseload and only six percent of the nation's population. This disparity means that not only are these cities faced with a disproportionate share of the national TANF caseload relative to population ("fair share")¹, they are also faced with caseloads the sheer size of which create significant demands on services and service providers.

1. The fair share index is calculated by dividing two percentages: percent of the State caseload living in the city/ percent of the State population residing in the city. If a city has 10 percent of the State's population, but 20% of the TANF caseload, they have a fair share index of 2.0, or twice their "fair share" of the TANF caseload for the State.



Challenges

As large urban centers move forward in addressing issues of full engagement and other challenges, cities will need to develop a new vision for addressing participation rates and creating new collaborations with local partners. Meeting work participation rates, matching TANF customers to appropriate employment experiences, and fostering service excellence were all cited as challenges facing the Big Five cities.

- **Meeting Work Participation Rates**—With the impending increase in work participation rates associated with proposed TANF Reauthorization, cities are keenly aware of the requirements they may soon be facing. While cities recognize the value and importance of work, some concern exists about the capacity of reaching target rates when many work-ready clients are either diversion candidates or short-term recipients. Cities recognize the correlation between long-term recipients and work-challenged recipients and are working to develop strategies for serving families effectively and still meeting higher work participation rates.

- **Matching TANF Customers to Appropriate Work Experiences**—In light of the potential narrowing of “work activities” under TANF Reauthorization, cities are working re-define their work experience models to match the 24/16 rule.² Additionally, cities are challenged in developing work experiences for TANF customers that made need additional supports. For example, cities may find it difficult to find private sector employment partners willing to participate with a TANF customer or TANF program.

- **Fostering Service Excellence**—The Big Five cities, like many of their urban counterparts, strive to deliver excellent service to their TANF customers by fostering excellence on the part of staff and vendors. However, without

2. The 24/16 rule refers to the mandate for 40 hours of work experience, at least 24 of which must be in direct work activities, while the others can be spent in activities such as training and work readiness activities.

well-established methods for managing performance, senior TANF officials are left with little information about the quality of their services or strategies for improving effectiveness or efficiency.

These challenges formed the common experience of many of the Big Five cities. The Big Five Roundtable (July 2005) provided an opportunity for these urban partners to come together to discuss these challenges with one another, to share their experiences in overcoming these challenges, and to learn from the successes of two “faculty cities” that had participated in earlier rounds of the Urban Partnerships Initiative. These cities Atlanta (Fulton County) and Minneapolis (Hennepin County) were invaluable resources to the Big Five cities. The following section highlights some of the promising practices present in these large cities.

Promising Practices

While the realities listed above provide insight into the challenges of serving TANF families in large urban areas, several cities have made important strides in meeting these challenges. By working collaboratively, prioritizing objectives, and ensuring an alignment between practices and the strategic vision of the organization, the urban partners have developed promising solutions to several of these challenges. The strategies successfully employed can be broadly categorized as:

- Immediate Engagement & Diversion
- Performance Management
- Saturation Engagement
- Work Experience & Subsidized Employment

Immediate Engagement & Diversion

Engaging TANF customers in appropriate and enriching work is the first critical step in beginning the journey toward self-sufficiency. Immediate engagement is a strategy that begins from a premise that work matters and that the challenge for the caseworkers is not to determine whether a particular customer can work, but in what capacity



and with what supports employment makes sense for a given customer.

Hennepin County (Minneapolis) has initiated a work-focused diversion program to help meet client employment goals faster. The strategy includes a universal engagement plan to engage clients from the start with an income maintenance worker, a childcare worker, an employment worker, and a benefit worker. Families are eligible to participate in the program for four consecutive months in a 12 month time period. (These months do not count toward the 60-month lifetime limit).

By planning for employment and engaging TANF applicants immediately, jobseekers are able to develop a highly focused work plan. Before receiving any benefits, a job seeker is required to develop a plan with a job counselor to identify skills, strengths, and potential barriers to employment. A family is disqualified immediately if they do not comply with employment services, but can return if they comply with all program requirements. Cash benefits are distributed to clients based on need, the number of family members, housing costs, and utility costs. Additionally, families are eligible for other supports such as healthcare, childcare, and food stamps.

Families participating in the Hennepin’s diversion program enjoyed success in reaching employment goals. The employment rate was 43 percent (26 percent fulltime and 15 percent part-time) for participants. Minneapolis hypothesizes that the investment of time and energy to job search and work-related activities engendered a true commitment to employment for customers. The average wage for participants was \$9.90/hour. After four months of the program, 43 percent of DWP participants had earnings averaging over \$10 an hour, thereby rendering them ineligible for cash assistance.

Chicago adopted a work first model to help clients achieve self-sufficiency. In Chicago, clients receive a family assessment to determine TANF eligibility. Once deemed eligible, the diversion program lasts 30 days. Because they do not contract to vendors, Illinois localities have developed their

Chicago, IL

Chicago initiated an Earned Income Disregard, which contributed to high work retention rates. The offices offered multi-disciplinary teams to follow-up and assess clients. Challenges include ensuring that ample employment resources are available to clients.

Population	2,869,121
Caseload	20,683
Fair Share	1.86
Poverty Rate	19.6%

own program, which drives competition, leading to higher success rates. Staff were placed into job roles based on their individual strengths and weaknesses. The federal work participation rate for Illinois in June 2004 was 51.6 percent with 6,319 participants. Around 30 percent were working, 24.66 percent in vocational education, and 17.23 percent in the work first program. By June 2005, 7,925 participants were in the program with 26.78 percent working, 29.73 in vocational education, and 19.8 in work first. The work participation rate was 57.5 percent, a six percent increase in one year. Under the new system, every client is expected to work in the capacity most appropriate for him or her. This change in expectation played an important role in the success of the program.

Performance Management & Contracting

Performance management and contracting based on performance has empowered cities to demand results from both internal staff and vendors. Management tools have allowed cities to be more aware of the program outcomes and focus objectives to meet work participation rates.

In Fulton County (Atlanta), the performance measurement system has initiated healthy staff competition, resulting in improved outcomes for families. There are 53 employment service staff located in nine units. By engaging clients from the start, work participation rates increased. Upon intake, the client was required to undergo an eligibility interview, orientation, mandatory

job search, and placement into an activity prior to the approval of the case by three workers, an intake case manager, an applicant service manger, and an applicant placement manager. Ongoing procedure includes monthly production logs and in-house job readiness training. By initiating a three-tiered review process with case managers, supervisors, and community resource specialists, the needs of clients were better served. Employment service supervisors monitor production logs and electronic attendance reports from vendors and tracking sheets for sanctioned cases. Supervisors also conduct weekly orientations for new applications, specialize in work plan development and specialized caseloads. They must track sheets for sanctioned cases and manually track adverse action for closures.

The data system used to monitor the work participation rates by workers is called "Success," and provides a report card each month by comparing workers in the County and holds workers responsible for the outcomes of their caseloads. Currently, a worker "exceeds expectations" if they achieve 50 percent or greater work participation rates, with the goal to reach 75 percent of their caseload, which totals 150 cases on average. Additionally, they created a program to monitor the work participation rates for the vendors; if vendors fall below expectation, they are dropped from the program. It is left up to the vendors to promote employment. By measuring performance, work participation rates increased from five percent to 50 percent.

Additionally, New York has developed a similar model for performance management called "Job Stat" because of the difficulties surrounding universal engagement without a system of measurement. The Job Stat program helps promote accountability and highlights operational workflow issues, data reporting inefficiencies, and gaps in supportive services that need to be addressed. Each week, a citywide engagement report is completed and reported to New York county directors. The Job Stat program is effective because it gives the opportunity for regular forum and discussion, flexibility for change,

New York, NY

New York's total TANF recipients has declined by 70 percent in the past 6 years with 650,000 job placements since 1998. Innovative practices include the JobStat performance measurement system. Challenges include finding increased resources for the demand of the programs designed for the hard to serve.

Population	8,085,742
Caseload	84,035
Fair Share	1.76
Poverty Rate	21.2%

ongoing assessment, ownership and staff buy-in, and data integrity. Accountability is a major part of the system for workers, center directors, and vendors. Vendors receive financial demotions for failing to meet expectations. Additionally, the performance rates are available online for all workers. By working with clients on an individual level, clients can achieve the maximum amount of self-sufficiency when they leave cash assistance, and participation rates are increased.

Faced with challenges around tracking and improving performance, Los Angeles conducted a site visit to New York City to learn about the Job Stat program. Soon after, Los Angeles began to measure and publish participation data for each district. The management tool, called DPSSTATS, which stands for the Department of Public Services, Total

Los Angeles, CA

The TANF caseload has decreased 52 percent since 1995 in Los Angeles. LA has seen success in the employment retention rates among former recipients. However, the city still faces challenges with servicing the needs of a diverse population.

Population	3,819,951
Caseload	165,381
Fair Share	1.33
Poverty Rate	22.1%

Accountability, Total Success, has been praised for helping managers make better decisions, establishing a collaborative decision-making process, and uniting workers together to address common issues. The DPSSTATS process includes data collection, analyzing data, monitoring performance trends, and comparing results for DPS workers and contracted vendors. Twenty-five percent of the Welfare-to-Work caseload is served by vendors. If contractors outperform county averages for participation, they can earn a bonus of up to five percent of their contract value. If performance rates are below the County average, however, the contractors are subject to a financial penalty.

Houston has found success in implementing a business service model for their clients. The Workforce Board in Houston went through a system-wide change by reevaluating core values, business practices, and resources to affect all customers. Houston's business model changes the perception of a TANF customer from a cash assistance recipient to an employee in development. The office was redesigned under this business model; changes included using business language and moving from programs to customer-led services. Staffing was reorganized by function, not program, and accountability on all levels was introduced. By improving customer service and service delivery, and providing additional training to staff, Houston's caseload has declined from 14,000 in 2002 to 8,000 in June 2005.

Saturation Engagement

As the TANF caseload has significantly declined, the clients remaining on the caseload are often those with multiple barriers to employment. Therefore, the importance of work experience and saturation engagement is key for aiding these clients in achieving stable employment opportunities.

Atlanta implemented a unique program for saturation engagement called "Impacting Your World" to make work an expectation for all TANF customers. The program was an employment services initiative designed to engage hard to place TANF recipients in a job readiness program. For a 30-day time period, recipients are required to conduct a job search and attend training. The training included how to dress for job interviews, and strategies for maintaining employment, such as developing childcare options and the importance of a positive attitude. Atlanta found that allowing clients to talk with their peers was helpful for vocational rehabilitation and mental health programs. Participants were able to form relationships to aid in the job search process. Fifty percent of participants met the requirements for the month, and 15 percent of participants found employment by the end of the program.

Like Atlanta, mental health issues are a challenge for New York City. In 2002, 45,000 people in New York's caseload indicated health or mental health barriers to becoming self-sufficient. Therefore, New York City created a health-related saturation engagement program called Wellness, Comprehensive Assessment, Rehabilitation, and Employment (WeCARE) in February of 2005. The program was designed to assess applications and recipients with health barriers to help them achieve self-sufficiency. Contractors were negotiated with a two-thirds performance-based payment. Although the program is successful, almost 50 percent more public assistance clients now require WeCARE services than expected.

In response to a trend of failed job search and high employment turnover even after training, Philadelphia redesigned their employment

Houston, TX

Houston has enjoyed success in work participation rates and other trends. By reorganizing their structure as a service delivery system, they have improved response time. However, remaining challenges include staff development and the limitations of data systems.

Population	2,009,690
Caseload	16,178
Fair Share	.75
Poverty Rate	19.2%

and training approach. Targeting solutions to help clients obtain and maintain employment, Philadelphia implemented a network of neighborhood-based EARN Centers, offering a wide range of education, training, and work activities for TANF clients. To help clients achieve long-term success, a front-end assessment is completed to identify interests, skills, barriers, and to develop a plan. Clients who have multiple barriers that cannot be addressed at the EARN Centers are referred to the Maximum Participation Project (MPP) for additional services, which began in July 2001 to address issues facing TANF clients including mental health issues, substance abuse, domestic violence, and family issues. The MPP is a multi-disciplinary program where clients are intensively case managed with a family-oriented team approach to address barriers to employment. The primary goals are to assess and identify barriers, connect participants with services or activities that will remove or alleviate barriers, and help participants move to self-sufficiency by facilitating participation in work-related activities. Since 2001, 2,084 MPP participants are now claiming SSI; 436 are employed; and 322 continued into another employment and training program.

Work Experience & Subsidized Employment

Stable employment is key to self-sufficiency. Cities have developed their own models for creating work experience for their clients to learn about necessary skills for the workplace.

Philadelphia's Transitional Work Corporation (TWC), started in 1998 as a collaborative between organizations and to build expertise in one organization to serve as a referral point. The target audience included clients with little or no education, little or no work experience, attitudinal/behavioral challenges, and/or post-24 month clients. The "signature" service included paid work experience called Philly@Work, for 20 hours a week at \$5.15/hour. Career interest and aptitude assessments were conducted to place clients into personalized paid work experience. TWC specializes in worksite development, worksite matching, worksite supervision, and client tracking and evaluation. Philly@

Work engendered replication across the city and was used in a variety of transitional work models.

As a different approach, Chicago offered incentives to clients who achieved employment. Chicago implemented a "Work Pays" earned income disregard, which allows employed TANF customers to remain on TANF until their earnings equal three-times their TANF grant, and it allows families to accumulate wealth with the help of their caseworker. At the time of application, all TANF applicants are assigned to a local job club. The job clubs begin skill preparation for job searches, including resume writing, interviewing skills, and childcare information. Clients are required to attend monthly meetings with caseworkers to review and assess their progress. Additionally, a learning tool was implemented to help caseworkers improve their assessment skills and knowledge of resources available. Despite the challenges, the Illinois TANF caseload has decreased by more than 85 percent. TANF leavers are better off in terms of job retention, receipt of benefits, physical and mental health, wage progression, quality and stability of housing, and overall feeling of well-being. Employment and training became a priority, and workers, supervisors, and clients became better engaged with finding adequate employment.

Philadelphia, PA

Philadelphia has seen low rates of recidivism to TANF because of the Maximizing Participation Project of intensive assessment and remediation and the inception of a semi-annual reporting system. Despite these successes, universal engagement for the hard to serve and facilitating economic mobility for TANF clients continue to be challenging.

Population	1,479,339
Caseload	43,023
Fair Share	4.01
Poverty Rate	22.9%

Lessons Learned & Next Steps

The experiences and promising practices shared by the cities of the Big Five Roundtable, coupled with the expertise and contributions of partners from Atlanta and Minneapolis, empowered the urban partners to return to their home cities and make positive impacts on the lives of the TANF families they serve. Immediate feedback from the event indicated a high level of satisfaction and significant interest in the topics of diversion strategies, immediate engagement, and the program funding strategies shared amongst the cities.

The Urban Partnerships Initiative will continue to support the ongoing collaboration of the Big Five cities. The primary vehicle available to these cities will be an online mentoring environment where they can partner together and with other UPI partners in solving the challenges of operating successful TANF programs in urban areas. Updated and historic information on the Urban Partnerships Initiative can be accessed through the Welfare Peer TA Network Web site at www.peerta.acf.hhs.gov.

Based on the lessons learned from the Big Five, OFA may wish to consider the following as possible next steps in advancing its commitment to supporting urban localities:

- Support cities' interest in establishing more sophisticated Earned Income Tax Credit (EITC) campaigns.
- Fund a national review of sanctioning policies to ensure the policies encourage customers to participate fully in TANF programming and find long-term self-sufficiency.
- Provide ongoing technical assistance to cities on topics including asset building for poverty reduction, serving long-term TANF customers, fostering a work first strategy, sustaining partnerships and other topics of interest.

- Fund a compilation of promising practices in urban locations for public distribution. Make training or facilitation on contents available to the cities.

These recommendations offer a sense of some of the ongoing need for research, evaluation, and technical assistance in the field. OFA may wish to consider some or all of these suggestions as strategies for building on the successes of the Urban Partnerships Initiative.

For more information on the Urban Partnerships Initiative, please contact Project Director Dr. Jeanette Hercik of Caliber/ICF at 703.219.4307 or via E-mail at jhercik@icfconsulting.com

References

- Allen, K. & Kirby, M. (2000). "Unfinished Business: Why Cities Matter to Welfare Reform." Brookings Institute. <http://www.brookings.edu/es/urban/welfarecaseloads/wfrstdy.pdf>.
- Gershoff, E. (2003). "Low income and the development of America's kindergarteners" (Living at the Edge Research Brief 4). New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health. <http://www.nccp.org/media/lat03d-text.pdf>.
- Leonard, P. & Kennedy, M. (2002). "What Cities Need from Welfare Reform Reauthorization." Brookings Institute. <http://www.brookings.edu/es/urban/publications/leonkenbrief.pdf>.
- National Center for Children in Poverty (NCCP). (2005). "Children in urban Areas are Increasingly Low Income." New York, NY: National Center for Children in Poverty, Columbia University Mailman School of Public Health. http://www.nccp.org/media/cua05_1.pdf.