



Reach Ahead

*Assessing the impacts of the first five years of
Vermont's welfare-to-work transition program*

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Contents

Summary	2
Result highlights	2
Number of families helped by Reach Ahead	3
Services received by Reach Ahead participants	4
Income and earnings of Reach Ahead participants.....	4
How much income do families have when they leave Reach Up?	4
What kinds of income do families have?	5
Duration of Reach Ahead participation	7
Incidence of returning to Reach Up	8
Participation of Reach Ahead cases in other support programs	9
Impact of Reach Ahead program on Vermont’s work participation rate.....	9
Methodology	10
Appendix: Detailed Tables	12
Caseload and benefit volume	12
Percentage of Reach Ahead cases in Reach Ahead and back in Reach Up, by month after initial Reach Up exit.....	12
Percentage of Reach Ahead cases in support programs by month after initial Reach Up exit.....	13

Figures

Figure 1. Reach Ahead caseload and benefits	3
Figure 2. Monthly income when leaving Reach Up	5
Figure 3: Mean monthly income of cases leaving Reach Up, by income type.....	6
Figure 4: Source of income when exiting Reach Up	6
Figure 5: Earned Income.....	7
Figure 6: Reach Ahead and Reach Up participation by Reach Ahead cases.....	8
Figure 7: Incidence of returning to Reach Up	8
Figure 8. Use of 3SquaresVT.....	9
Figure 9. Participation of Reach Ahead cases in 3SquaresVT, by months since exiting Reach Up	9
Figure 10: Effect of Reach Ahead on Work Participation Rate.....	10

Summary

In August 2009, the Vermont Department for Children and Families (DCF) enrolled the first cases in the new Reach Ahead program. Reach Ahead is intended to help working families leaving Reach Up (including those leaving the Post-Secondary Education Program) successfully transition to a more self-sufficient life. For up to 12 months after leaving Reach Up, participating families receive monthly benefits of \$50 to \$100, continued case management support, and encouragement to participate in other programs such as 3SquaresVT and Medicaid.

The Reach Ahead program provides support to families transitioning from Reach Up to work as well as an essential tool for helping Vermont meet the federal TANF work participation rate requirement. Although data available to assess the program's impact is limited, we examined DCF monthly case data to learn more about the experiences of families who entered the Reach Ahead program. To assess the impact of the program on families over time, we took an in-depth look at entries to the program in January through June 2012. We examined their income, patterns of program usage during the 12 months after starting Reach Ahead, their duration in the Reach Ahead program, and how many returned to Reach Up.

The Reach Up Policy Work Group convened by the Legislature in 2013 recently recommended extending the maximum number of months a family can participate in Reach Ahead from 12 to 18. The group also recommended that all cases leaving Reach Up that are eligible for Reach Ahead be automatically enrolled in the program, with the option of withdrawing.

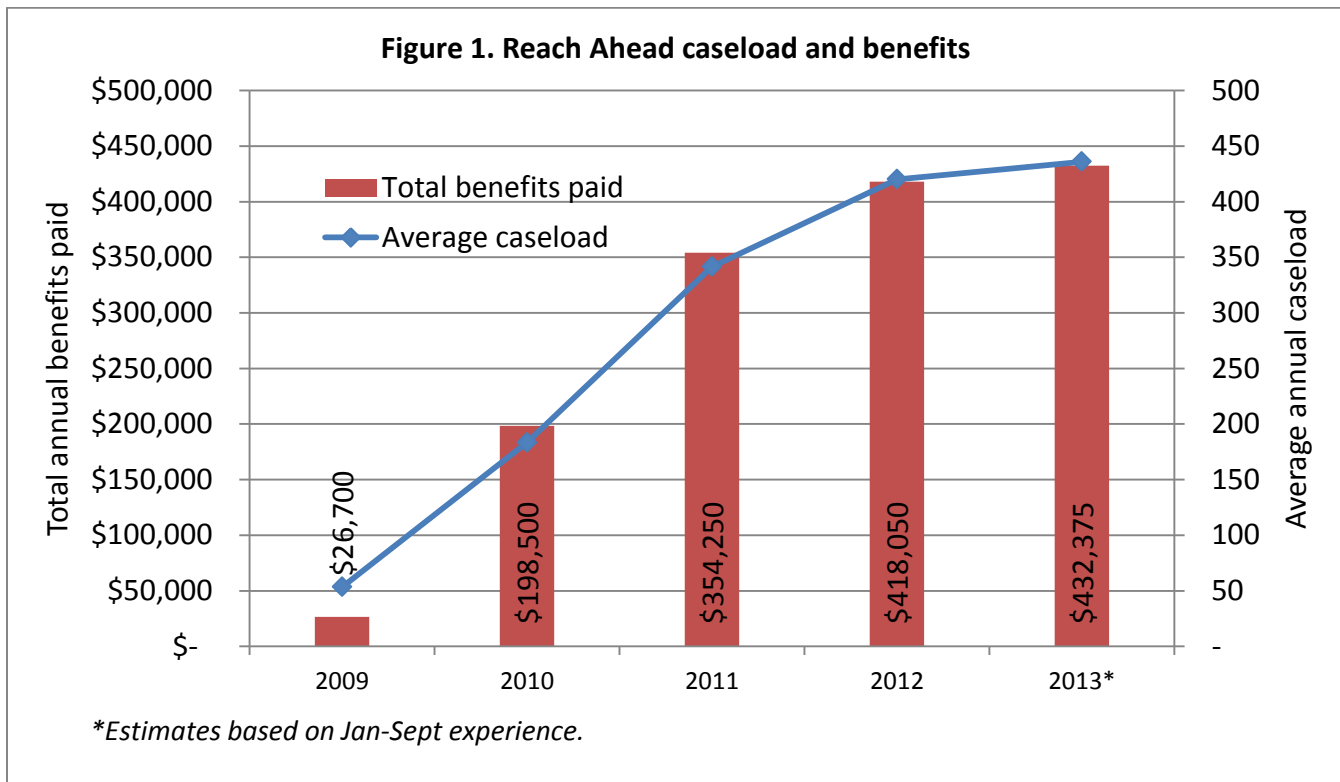
Result highlights

- During the federal fiscal year ending September 2013, the Reach Ahead program enabled Vermont to meet its work participation requirement for all families. The program increased the rate by 18 percentage points on average during this year, from 22% to 40%.
- Of the families that left Reach Up in January through June 2012, about 23 percent entered the Reach Ahead program each month. Data limitations prevented us from estimating how many of the families who did not enroll in Reach Ahead would have been eligible to, based on their work status. However, we did discover that for a small portion of the cases that continued to Reach Ahead after leaving Reach Up (21%), there was a gap of a month or two between exiting Reach Up and entering Reach Ahead.
- Families that enter Reach Ahead have significantly more earned income than other families that leave Reach Up, largely because Reach Ahead eligibility is limited to those with earnings who are meeting their work participation requirement. Median monthly earnings when entering Reach Ahead was \$1,300 for the subset of 2012 cases we examined—substantially more than for cases that left Reach Up without entering Reach Ahead, but still lower than the 2012 poverty level for a family of three (the average Reach Up family size). At \$50 to \$100, the monthly Reach Ahead benefit provides some, but very little, additional monetary resource.

- All Reach Ahead families are using Green Mountain Care health insurance as long as they stay in the program. Seventy-six percent used 3SquaresVT food assistance for the entire time that they participated in the Reach Ahead program, based on our look at cases entering Reach Ahead during the first half of 2012. Earlier studies have shown that participation of families leaving Reach Up in the 3SquaresVT program typically falls below this level.
- About 20% of the cases that entered Reach Ahead during the first half of 2012 had returned to Reach Up 12 months later--only slightly less than the 22% rate for cases that left Reach Up without going into Reach Ahead. We expected that the higher initial income of cases entering Reach Ahead would reduce the likelihood of their returning to Reach Up, when compared to other Reach Up leavers. However, it is likely that instability during early months of employment leads many of the families participating in Reach Ahead back to Reach Up, if their hours at work decrease or jobs terminate.

Number of families helped by Reach Ahead

The Reach Ahead caseload has grown steadily, from an average of 53 during 2009--the year the program began--to an estimated 436 in 2013. Total Reach Ahead benefits paid to participating families by DCF through 2013 will likely be approximately \$1.4 million.



Not all families that leave Reach Up are eligible or choose to enter the Reach Ahead program. To enter the Reach Ahead program, a family must be meeting its Reach Up work participation requirement through earnings. On average, approximately 271 families left Reach Up during each month in January through June

2012, the period we examined in detail. Of these families, about 23 percent (62 families) entered the Reach Ahead program each month.¹

Services received by Reach Ahead participants

The Reach Ahead program is designed to offer participants the following services and supports to improve financial stability while families transition from public assistance:

- Monthly dollar benefits for a maximum of 12 months in a participant's lifetime -- \$100 for each of the first six months, \$50 for each of the additional six months. Benefits are issued on an EBT card and may be used only for food.
- Support services for issues such as car repairs, clothes for an interview, a bus ticket, or car insurance payment
- Information and referral to agencies that provide workforce development options and employment retention services
- Case management services, as needed, to address the individual participant's situation, barriers to self sufficiency, and assistance in maintaining employment.

Although most cases we examined continued directly from Reach Up into Reach Ahead, those that took a break before starting Reach Ahead delayed using the program's services when they may be needed most (during the first month or so of working).

Income and earnings of Reach Ahead participants

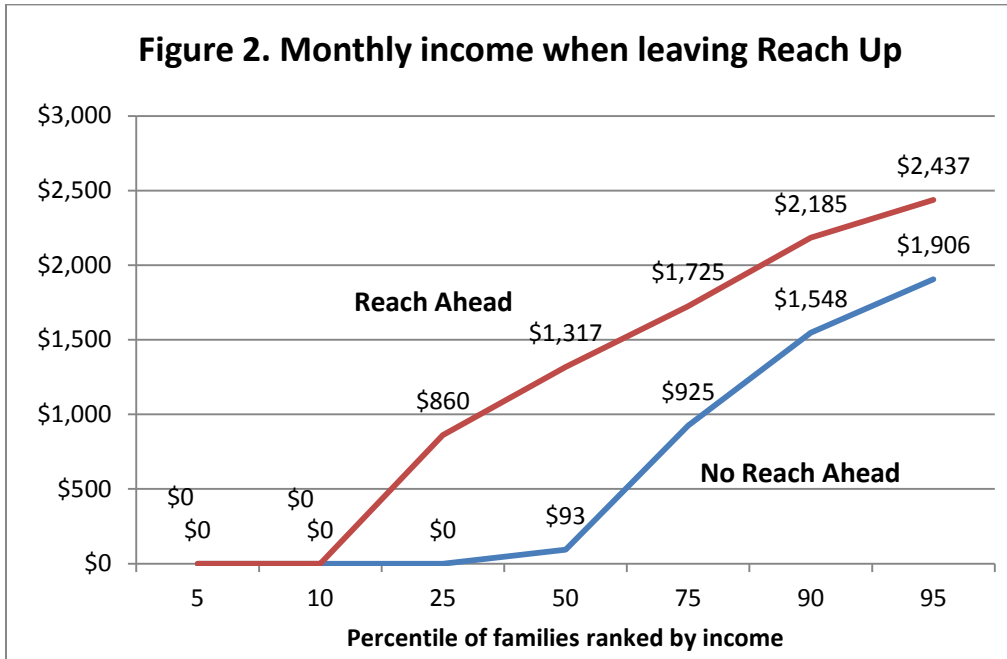
To learn more about income and earnings of families in Reach Ahead, we examined their income during the month in which they left Reach Up and compared this with income of other families who left Reach Up without continuing into Reach Ahead. Our income analysis focuses on families who left Reach Up in August 2011 through July 2012.

How much income do families have when they leave Reach Up?

As expected, many more of the Reach Ahead families had income when they left Reach Up. Eighty-nine percent of the cases that continued to Reach Ahead had income when they left Reach Up compared to 51% for the cases that left Reach Up without going to Reach Ahead. This, of course, is consistent with the DCF eligibility criteria for Reach Ahead regarding income.

When ranking families by income from lowest to highest, families that went into Reach Ahead had more income than those that did not at almost all points along the income ladder. This is most evident for families at the median (50th percentile). Families that went into Reach Ahead had monthly median income of \$1,317 while those that did not had monthly median income of \$93.

¹ We excluded child-only families as well as families currently enrolled in Reach First when computing this Reach Ahead "take up" rate. To reduce the impact of administrative errors and quantify the scope of families leaving the Reach Up program, we only included families who stayed out of the program for at least two months as "leavers".

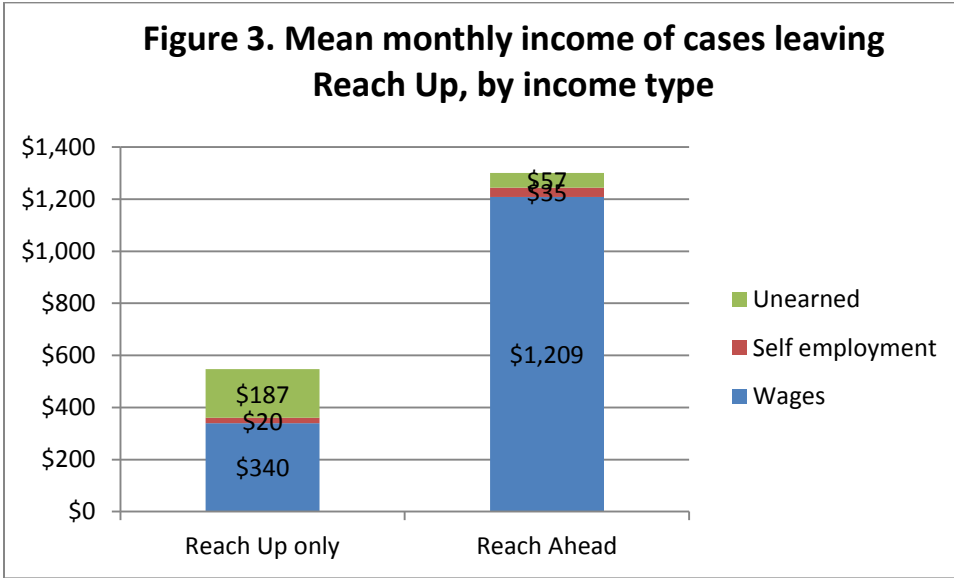


What kinds of income do families have?

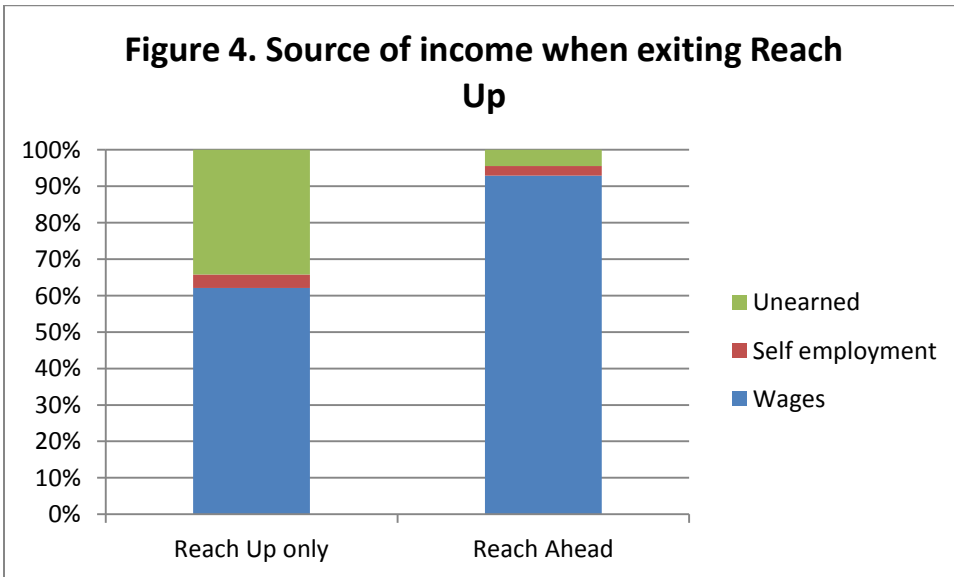
As for all families, the income for families participating in Reach Up can come from a variety of sources. Earned income can come from wages paid by an employer, self-employment, or earnings from a daycare business. Unearned income can come from a wide variety of sources, but most frequent sources for Reach Up families are unemployment benefits and Social Security payments.

For purposes of examining the relative percentages of income in each of these categories, we have combined daycare income, which is very small, with self-employment income and called this category self-employment income. We also reduced self-employment income by what the Reach Up extract shows to be self-employment expenses.

Since having earned income is required for entry to the Reach Ahead program, it is no surprise that these families had far more earned income on average than the cases that left Reach Up without going into Reach Ahead. Average monthly wage income was \$1,209 for cases that went to Reach Ahead and only \$340 for cases that had wages but didn't go to Reach Ahead. Conversely, average monthly unearned income was much lower for cases that went into Reach Ahead (\$57) compared to those that did not (\$187).

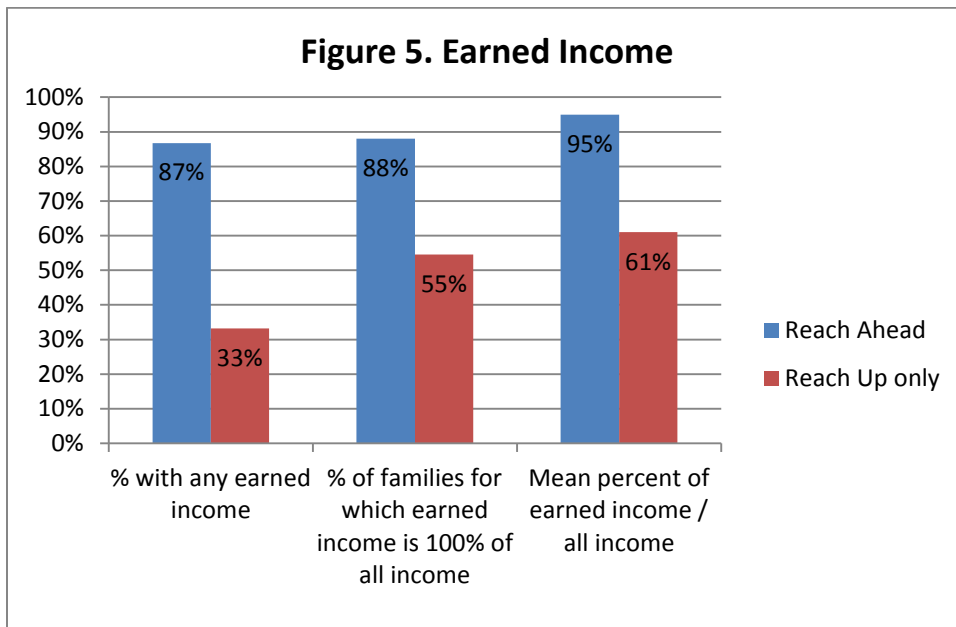


For cases that left Reach Up without entering Reach Ahead, the source of 62% of their income was wages, 34% was unearned, and 4% was self-employment; for cases entering Reach Ahead, 93% was wages, 4% was unearned, and 3% was self-employment.



For cases that went into Reach Ahead, earned income is very prominent. Ninety-five percent of their income is earned, and for 88% of these families, earned income is the only income.

For families that did not enter Reach Ahead after leaving Reach Up, 61% of their income is earned, and only 33% of the families have any earned income.



Duration of Reach Ahead participation

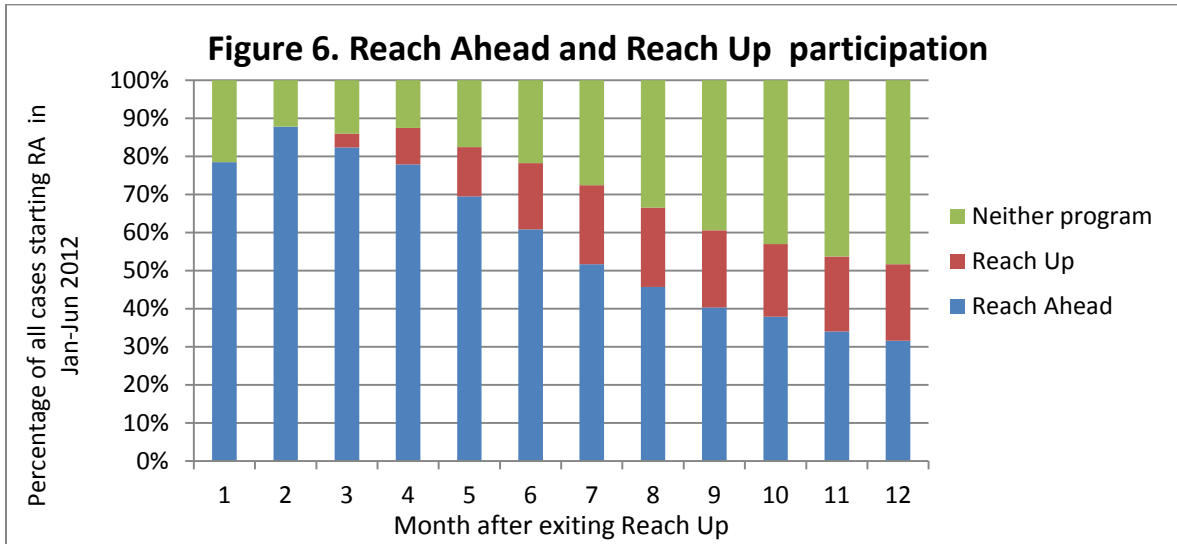
Although families may participate in Reach Ahead for up to 12 months, many terminate their participation sooner. The 335 cases that exited Reach Up in January through June 2012 and started Reach Ahead shortly thereafter stayed in Reach Ahead for an average of 7 months.

To learn more about the impact of the Reach Ahead program on family stability, we examined program use patterns of each of these cases for the twelve months immediately following their exit from Reach Up.

The majority of the cases (79%) went directly from Reach Up into Reach Ahead, with 20% of those cases staying in the program for the next twelve months consecutively.

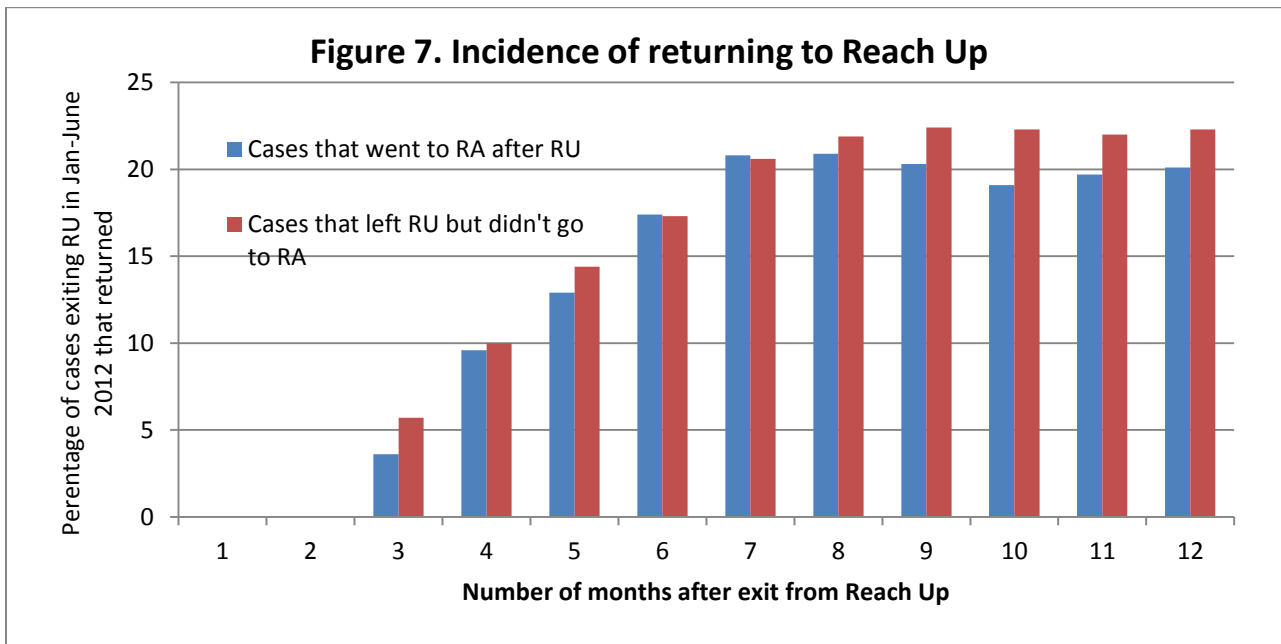
For a small portion of the Reach Ahead cases we examined (21%), there was a gap of a month or two between exiting Reach Up and entering Reach Ahead. Most of the cases with a gap waited only one month before entering Reach Ahead.

Looking ahead to 12 months after the cases left Reach Up, regardless of whether or not they entered the program immediately, 32% were in Reach Ahead twelve months after leaving Reach Up. Since most of these cases started Reach Ahead immediately after leaving Reach Up, this is the final month in which they were eligible to participate.



Incidence of returning to Reach Up

Twelve months after leaving Reach Up, 20% of the Reach Ahead cases we examined were back in Reach Up. Surprisingly, this is only slightly lower than the rate of return of cases that left Reach Up without transitioning into Reach Ahead (22% of these cases were back in Reach Up twelve months after leaving).²



²Thirty-one percent of the Reach Ahead cases we examined had returned to Reach Up at some point during the 12 months after starting Reach Ahead. This was almost exactly the same as the rate at which cases we studied that left Reach Up without entering Reach Ahead returned to Reach Up. Reach Up leavers examined in past studies returned to the program during the first 12 months at a rate of 37% (2008 leavers) and 34% (2003 leavers).

This finding counters the expectation that Reach Ahead helps working families transition into lives that no longer require cash assistance for basic needs. For this reason, more analysis is needed to identify the underlying factors prompting Reach Ahead families' return to the Reach Up program.

Participation of Reach Ahead cases in other support programs

The vast majority of Reach Ahead cases in January – June 2012 that we examined used 3SquaresVT food assistance for the full duration of months spent in the Reach Ahead program. All of the cases were enrolled in Green Mountain Care during their time in Reach Ahead.

Most of the Reach Ahead cases that dropped out of 3SquaresVT did so six months after exiting the Reach Up program. As of twelve months after exiting Reach Up, the portion of Reach Ahead cases using 3SquaresVT had fallen from 95% to 85%.

Impact of Reach Ahead program on Vermont's work participation rate

In addition to providing important supports to families leaving Reach Up and transitioning off public assistance, the Reach Ahead program increases the work participation rate in Vermont's Temporary Assistance to Needy Families (TANF) program. Without an adequate work participation rate, the State would be subject to significant federal penalties.

Figure 8. Use of 3SquaresVT by Reach Ahead cases

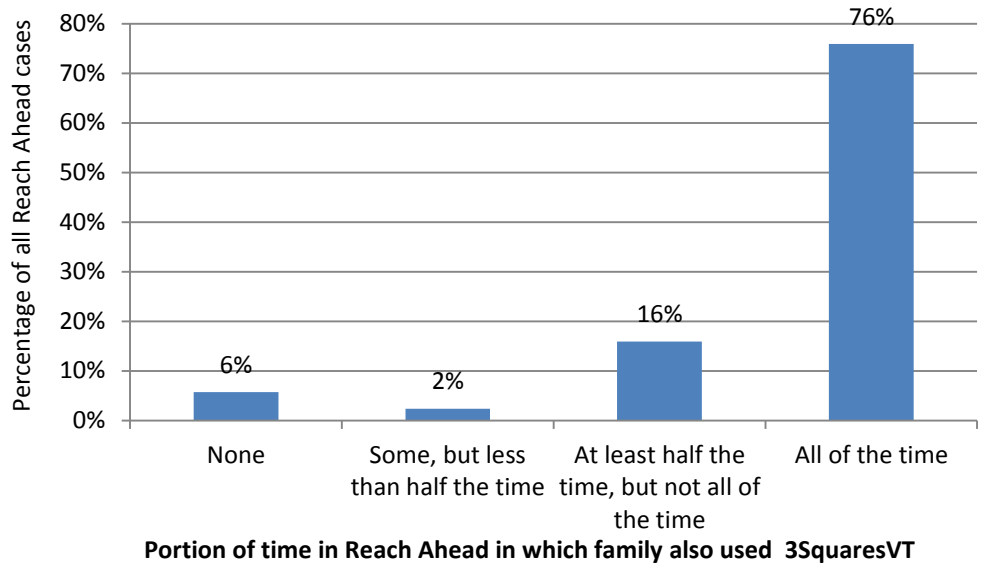
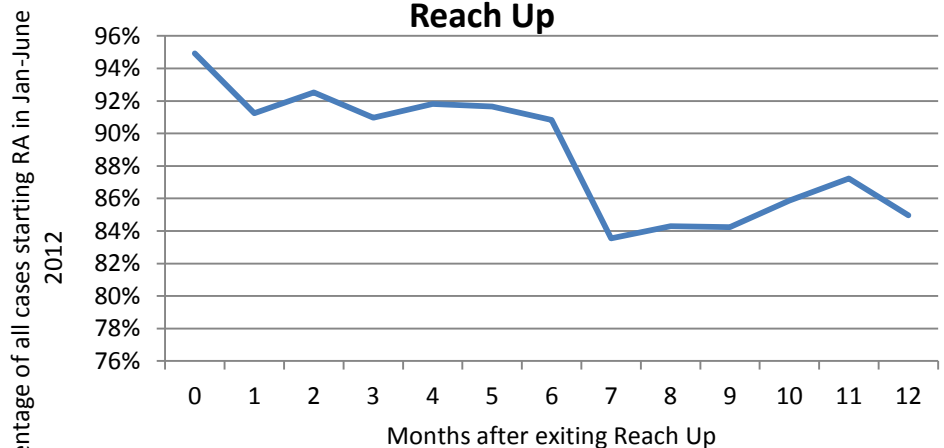


Figure 9. Participation of Reach Ahead cases in 3SquaresVT, by number of months since exiting Reach Up



**Cases not participating in either RA or RU are excluded.

Reach Ahead eligible families meet their work requirements when they leave the Reach Up program and can be expected to continue meeting those requirements during their time in Reach Ahead. As the following table shows, the Reach Ahead families provide a significant boost to Vermont's work participation rate.

Figure 10: Effect of Reach Ahead on Work Participation Rate

Month	Reach Ahead Enrollment	Work Participation Rate		
		Without Reach Ahead	With Reach Ahead	Increase due to Reach Ahead
Oct-12	456	24.5%	43.9%	19.4%
Nov-12	461	23.5%	43.1%	19.7%
Dec-12	459	21.3%	41.0%	19.7%
Jan-13	458	7.3%	18.0%	10.7%
Feb-13	424	23.2%	41.7%	18.5%
Mar-13	445	23.9%	44.7%	20.8%
Apr-13	435	20.9%	40.3%	19.4%
May-13	432	23.4%	40.7%	17.3%
Jun-13	427	21.5%	40.4%	18.9%
Jul-13	425	21.7%	41.2%	19.4%
Aug-13	430	21.0%	39.5%	18.5%
Sep-13	436	22.1%	40.2%	18.1%

The Reach Up Policy Work Group convened by the Legislature in 2013 recently recommended extending the number of months of Reach Ahead allowable from 12 to 18. The group also recommended that all cases leaving Reach Up that are eligible for Reach Ahead be automatically enrolled in the program, with the option of withdrawing. Both of these changes would further increase the positive impact of the Reach Ahead program on Vermont's work participation rate

Methodology

To examine the effects of the Reach Ahead program since its implementation, we combined and analyzed monthly Reach Up program extracts provided by DCF for the months between August 2009 and September 2013. In several analyses, we compared Reach Ahead cases to those of other Reach Up leavers who did not enroll in Reach Ahead. Comparison groups included those cases leaving the Post-Secondary Education program (for whom data was kept in the standard Reach Up program extract format), but excluded cases leaving Reach First and those that were child-only cases. To reduce the impact of administrative errors and quantify the scope of families leaving the Reach Up program, we only included families that stayed out of the program for at least two months as "leavers".

We identified the types and quantified the amount of income received by Reach Ahead families by focusing on cases starting the program during the 12-month period between September 2011 and August 2012. We compared the income of these cases to other cases that left Reach Up during the same time period but did not enter Reach Ahead. Our analysis of income centers on each family's income as recorded in the Reach Up extract file for the month they left Reach Up.

To examine the take-up rate of the Reach Ahead program and the experiences of participants using other programs after starting Reach Ahead, we focused on cases leaving Reach Up during the 6 month period between January and June 2012. During this period, a total of 335 cases exited Reach Up and started Reach Ahead shortly thereafter. A total of 1,154 cases exited Reach Up during that period without moving into Reach Ahead.

Information on the types of services provided by DCF to Reach Ahead participants and on monthly work participation rates was provided by DCF.

Appendix: Detailed Tables

Caseload and benefit volume

	Average caseload	Total benefits paid
2009	53	\$ 26,700
2010	183	\$ 198,500
2011	342	\$ 354,250
2012	420	\$ 418,050
2013*	436	\$ 432,375

*As of September 2013, the most recent data available.

Percentage of Reach Ahead cases in Reach Ahead and back in Reach Up, by month after initial Reach Up exit

Months after exiting Reach Up	Percentage of Reach Ahead cases in Reach Ahead and back in Reach Up, by month after initial Reach Up exit		
	In Reach Ahead	In Reach Up	In neither Reach Up nor Reach Ahead
0	n/a	100.0	n/a
1	78.5	n/a	21.5
2	87.8	n/a	12.2
3	82.4	3.6	14.0
4	77.9	9.6	12.5
5	69.6	12.9	17.6
6	60.9	17.4	21.8
7	51.6	20.8	27.5
8	45.7	20.9	33.4
9	40.3	20.3	39.4
10	37.9	19.1	43.0
11	34.0	19.7	46.3
12	31.6	20.1	48.4

*Based on cases starting Reach Ahead in January – June 2012.

Percentage of Reach Ahead cases in support programs by month after initial Reach Up exit

Months after exiting Reach Up	3 Squares VT	Green Mountain Care
0	94.9	100
1	71.6	78.5
2	81.2	87.8
3	78.2	86
4	80.3	87.5
5	75.5	82.4
6	71	78.2
7	60.6	72.6
8	56.2	66.7
9	51.1	60.7
10	49	57.1
11	46.9	53.8
12	43.9	49.9

**Based on cases starting Reach Ahead in January – June 2012.*