



Engaging the Unengaged

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Regions V and VII

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An Important Fact

- Most real decisions, unlike those of economics texts, have a status quo alternative—that is, doing nothing or maintaining one’s current or previous decision. A series of decision-making experiments shows that individuals stick with the status quo.
- *"To do nothing is within the power of all men."*
Samuel Johnson

Starting from the Client Perspective

- What is the status quo for individuals who are on TANF?
- Consider the following:
 - What are their chances of finding employment on their own?
 - How can TANF change their life circumstances?
 - What is “the cost” of participating in work activities?
 - What are the benefits of participating in work activities?

Some Facts to Consider (1)

- More than half of individuals who come on to TANF were employed recently which means they have some connection to the labor force and have some experience finding employment.
- A substantial share of recipients who do not participate in a work activity will find employment or will enroll in an education or training activity on their own.
- TANF recipients with a history of non-participation participated eagerly in subsidized jobs programs.

Some Facts to Consider (2)

- On average, individuals participating in a job search program will earn \$550 more per year than those not required to participate – about \$45 more per month.
- On average, individuals given choices of multiple activities, including education and training, will earn almost \$1200 more per year – or about \$100 per month.
- Individuals participating in short-term training have significantly higher earnings and work more steadily than those not given the chance to participate.

Some Facts to Consider (3)

- Programs not directly focused on employment – such as home visiting programs – can significantly increase participants' earnings.
- Programs that require work but also provide individuals with financial incentives or earnings supplements have a substantial payoff – the combination of increased earnings and increased benefits lead to substantially higher income – more than \$1300 per year – but the take up rates for earned income disregards is often quite low.

Opportunities for Improving Program Performance

- What program changes can you make to increase the chances that TANF recipients will not stick with the status quo?
- Consider
 - New program options or a different mix of programs
 - Better marketing – what’s in it for me
 - Different approach altogether –e.g., pay individuals when they get jobs, not contractors
 - Simplify steps to participation