

# **REPORT TO THE LEGISLATURE**

## **WorkFirst Wage Progression Report 2025 First Quarter**

As required by RCW 74.08A.411

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# WorkFirst Wage Progression

Reporting Period: Q1 2022 - 2024

Run: November 2025

## Introduction

[RCW 74.08A.411](#) mandates a quarterly report on performance measures for WorkFirst clients 12 months, 24 months and 36 months after leaving the Temporary Assistance for Needy Families (TANF) program for at least one quarter.

Performance measures reported under this requirement are:

1. Changes in earnings and in hourly wages.
2. Percentage of returns to TANF.

## Statutory Requirement

[RCW 74.08A.411](#) requires the Department of Social and Health Services to report WorkFirst outcome measures as follows:

*The department shall continue to implement WorkFirst program improvements that are designed to achieve progress against outcome measures specified in RCW [74.08A.410](#). Outcome data regarding job retention and wage progression shall be reported quarterly to the appropriate fiscal and policy committees of the legislature and to the legislative-executive WorkFirst poverty reduction oversight task force for families who leave assistance for any reason, measured after 12 months, 24 months, and 36 months. The department shall also report the percentage of families who have returned to temporary assistance for needy families after 12 months, 24 months, and 36 months. The department shall make every effort to maximize vocational training, as allowed by federal and state requirements. [[2019 c 343 s 4](#); [2009 c 85 s 3](#).]*

## Performance Report

### WorkFirst Exiters

Beginning with the October 2011 WorkFirst performance report, an exiter is defined as having been off TANF all three months of a quarter, compared to the previous definition that required only one month off TANF. The three-month requirement more clearly identifies true exiters by minimizing instances where a client cycles off TANF for a single month due to circumstances such as late reporting or one-time changes to monthly income. Information on TANF receipt is obtained from the Department of Social and Health Service's AFARRAYS file.

This quarterly WorkFirst performance report provides follow-up data for three groups (cohorts) of TANF exiters. The report uses unemployment insurance wage data (covered employment wages) to provide updates for clients who exited TANF in Q1 of 2022, 2023, or 2024 (*Table 1*).

Covered employment wage data is available with a six-month lag, reflecting employer reporting requirements and data processing time.

For purposes of this report, exiters are defined as TANF clients who:

- Received a TANF grant at least one month during October-December (Q4) and
- Did not receive a TANF grant at any time during the following quarter, January - March (Q1).

**Table 1: WorkFirst performance report TANF cohorts**

Cohort Name	Received TANF at least once during	No TANF all three months (exit quarter)
<b>Q1 2022</b>	October - December 2021	January - March 2022
<b>Q1 2023</b>	October - December 2022	January - March 2023
<b>Q1 2024</b>	October - December 2023	January - March 2024

Not all TANF exiters will have reported earnings in the exit and follow-up quarters. These individuals may not have worked during the quarter or may have worked in a job not covered by unemployment insurance. Exiters who had missing or no earnings are excluded from the calculations. *Table 2* shows the exiters with wage data by cohort and time since exit.

**Table 2: Exiters and exiters with wage data by cohort**

Cohort	Exiters	Exiters with Wage Data at Exit	Exiters with Wage Data One Year Later	Exiters with Wage Data Two Years Later	Exiters with Wage Data Three Years Later
<b>Q1 2022</b>	5,060	47%	44%	43%	41%
<b>Q1 2023</b>	6,387	45%	41%	39%	N/A
<b>Q1 2024</b>	7,114	42%	39%	N/A	N/A

## Median quarterly earnings and percentage increase in earnings

In *Table 3*, we break down the inflation-adjusted median quarterly earnings for exiters. All earnings prior to 2024 are adjusted to real dollars using the 2024 annual

average CPI-W as a base year.

**Table 3: Median quarterly earnings for adult TANF exiters**

Cohort	At Exit	One Year Later	Two Years Later	Three Years Later
Q1 2022	\$5,937.91	\$7,465.89	\$8,005.90	\$8,682.73
Q1 2023	\$6,828.54	\$7,844.27	\$8,635.69	N/A
Q1 2024	\$7,089.06	\$8,214.74	N/A	N/A

Earnings progressions are shown in *Table 4*. Earnings progression is measured as change in total quarterly earnings over one, two or three years. Earnings are a more accurate reflection of true progression than are hourly wages because quarterly earnings reflect both an individual's hourly wage and any changes between part- and full-time work.

**Table 4: Percentage change in quarterly earnings for adult TANF exiters**

Cohort	One year after exit	Two years after exit	Three years after exit	Latest quarter
Q1 2022	25.73%	7.23%	8.45%	46.23%
Q1 2023	14.87%	10.09%	N/A	26.46%
Q1 2024	15.88%	N/A	N/A	15.88%

## Median hourly wage rates

The hourly wage rate was obtained by dividing quarterly earnings by hours worked in the quarter. While employers report both quarterly earnings and hours worked to the unemployment insurance program, the hours data are incomplete or, in some cases, inaccurate. Records with missing hours were deleted from the calculations. Hourly wage rates greater than \$50 per hour or less than \$5 per hour were dropped, since these rates most likely reflected employer reporting errors. *Table 5* displays inflation-adjusted, median hourly wage rates for TANF exiters.

**Table 5: Median hourly earnings for adult TANF exiters**

Cohort	At Exit	One Year Later	Two Years Later	Three Years Later
Q1 2022	\$19.39	\$20.66	\$21.74	\$22.22
Q1 2023	\$20.31	\$21.23	\$22.38	N/A
Q1 2024	\$20.82	\$22.16	N/A	N/A

## WorkFirst return rate

*Table 6* shows the return rate for exiters one year, two years, and three years after leaving WorkFirst.

**Table 6: Number and Percentage of adult TANF Exiters returning to TANF**

Cohort	Exiters	Percent Returned One Year Later	Percent Returned Two Years Later	Percent Returned Three Years Later
Q1 2022	5,060	13.9%	12.7%	12.1%
Q1 2023	6,387	13.8%	13.7%	N/A
Q1 2024	7,114	13.5%	N/A	N/A