

# Families who used Reach Ahead in 2013

## Background

To learn more about how the Reach Ahead program supports working families after they leave Reach Up, we conducted several follow-up analyses to an earlier report. These analyses were done at the request of the Vermont Department for Children and Families (DCF) after we completed a study in July 2015 focused on families leaving Reach Up in 2013.<sup>i</sup> The follow-up analyses examined the employment experiences and support program use of (1) families who left Reach Up in 2013 and started Reach Ahead and (2) families who left Reach Ahead in 2013.<sup>ii</sup>

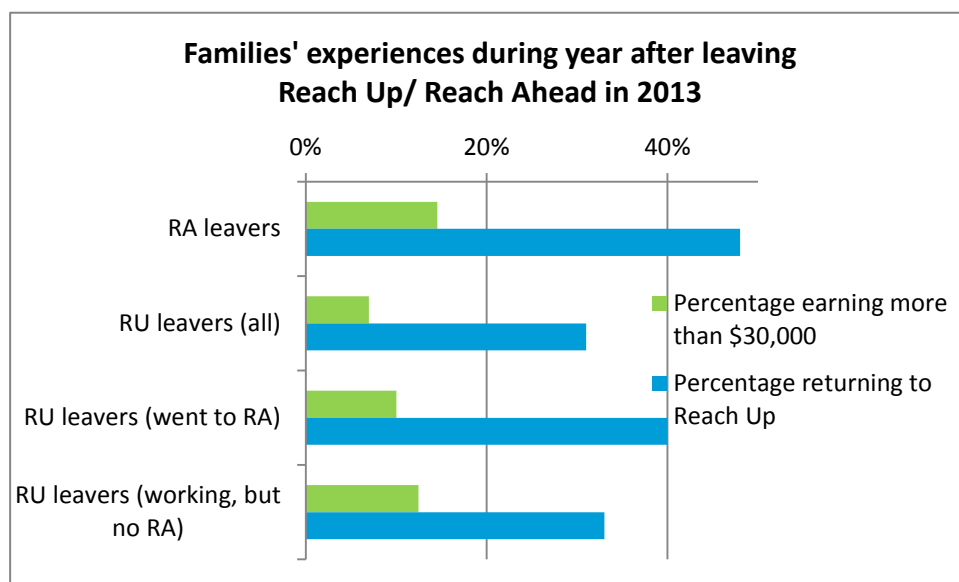
The Reach Ahead program provides a small monthly food stipend as well as full child care assistance. When a family leaves Reach Ahead or Reach Up, they may face a decrease in the amount of public child care assistance provided, thereby requiring the family to spend more of its own earnings on child care costs.

To be eligible for Reach Ahead, a family must:

1. Have received Reach Up or PSE within the last six months;
2. Include a work-eligible adult who is meeting the work requirement through paid employment;
3. Include a minor child; and
4. Meet all other Reach Up requirements with the exception of income limits (e.g., residency, family composition).

## Summary of findings

Based on this analysis, participating in Reach Ahead does not in itself appear to reduce the likelihood of needing to return to Reach Up, at least within the first year after leaving one of the programs. Consistent with prior studies, these analyses showed a variety of experiences among the Reach Ahead participants. While many were successful in earning an annual salary of \$30,000 or more, many others had earnings which fell to zero and returned to Reach Up.



Conclusions about the impact of Reach Ahead on earnings and employment should be made with caution. Without random-assignment “control” and “test” groups, we cannot be assured that the cases that chose to enter Reach Ahead had similar characteristics as the cases that chose not to enter Reach Ahead but would have likely been eligible for it.

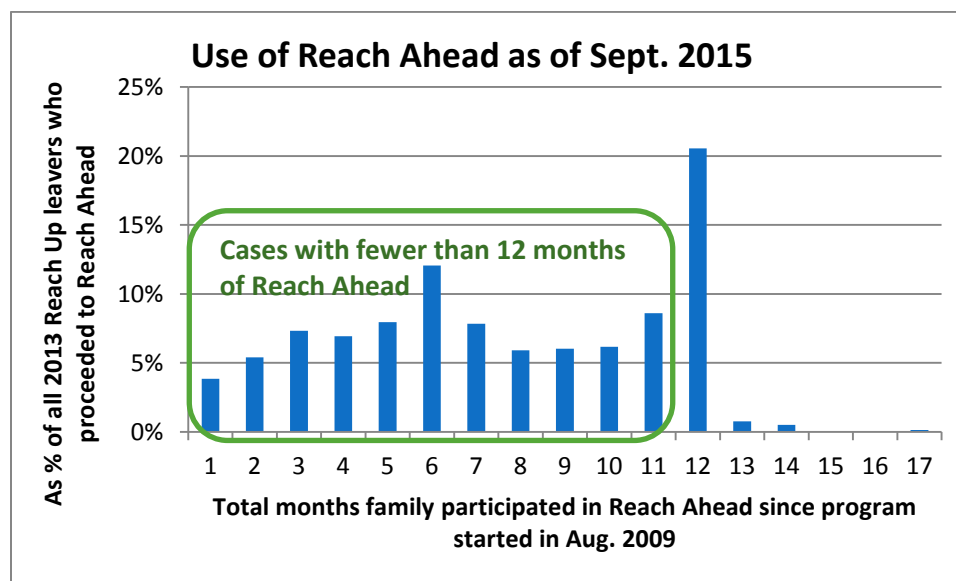
## Reach Up leavers who proceeded to Reach Ahead

One-fifth of all 2013 Reach Up leavers proceeded to the Reach Ahead program within the first year of leaving Reach Up. Although program benefits and limits on the number of months of participation has changed since 2013, these 779 families received \$100 each month for the first six months of Reach Ahead enrollment and \$50 each month for the next six months with a 12-month total limit on the number of months of Reach Ahead permitted<sup>iii</sup>.

### Length of participation in Reach Ahead

Few of these 779 families used Reach Ahead for the full 12 months after their 2013 exit from Reach Up. The median number of months in the Reach Ahead episode immediately following their 2013 Reach Up exit was seven months. This means that half of the families stayed in Reach Ahead for seven or fewer months. Only 17 percent followed up their 2013 Reach Up exit with a Reach Ahead episode that lasted for the full 12 months.

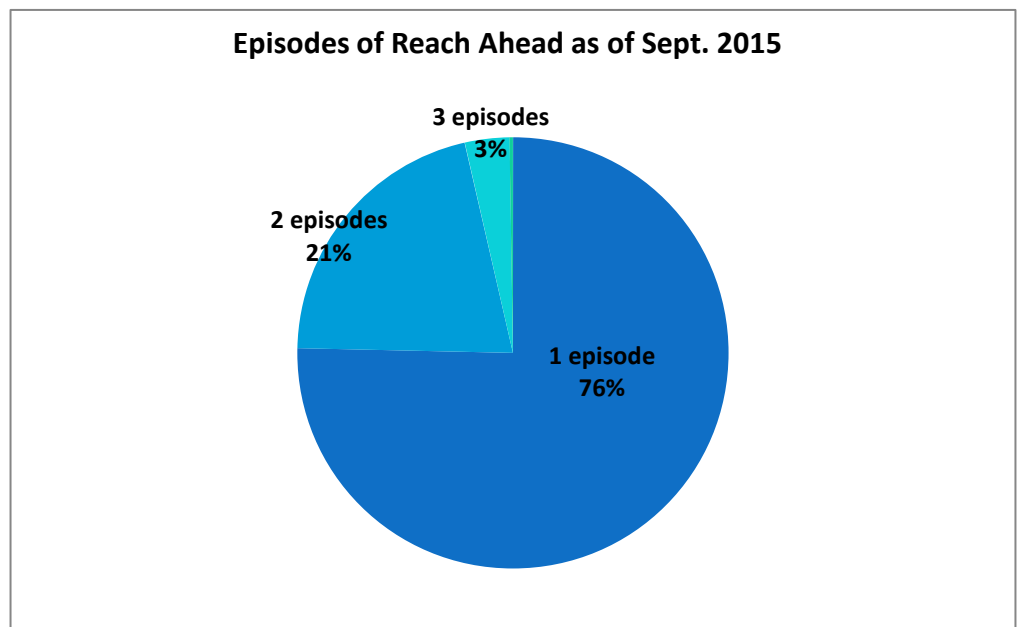
To see whether and how extensively these families had used Reach Ahead prior to their 2013 experiences, we examined their pattern of participation in the program during the entire six years that have passed since Reach Ahead started in 2009.<sup>iv</sup> Even over this larger expanse of time, we found that only 23 percent of the cases had accumulated 12 total months of Reach Ahead assistance. This indicates that reaching the 12-month maximum was not the reason most families left Reach Ahead “early”.



For three-quarters of the 779 families who transitioned from Reach Up to Reach Ahead in 2013, this was their first Reach Ahead episode. The remaining 192 families used the Reach Ahead program more than once, with at least 2 months of not participating between episodes. Eighteen percent of the families had used Reach Ahead prior to their 2013 transition from Reach Up to Reach Ahead.

For many of these 779 families, the first 12 months after their 2013 transition from Reach Up to Reach Ahead saw a return to Reach Up and/or a dramatic decline in earnings.

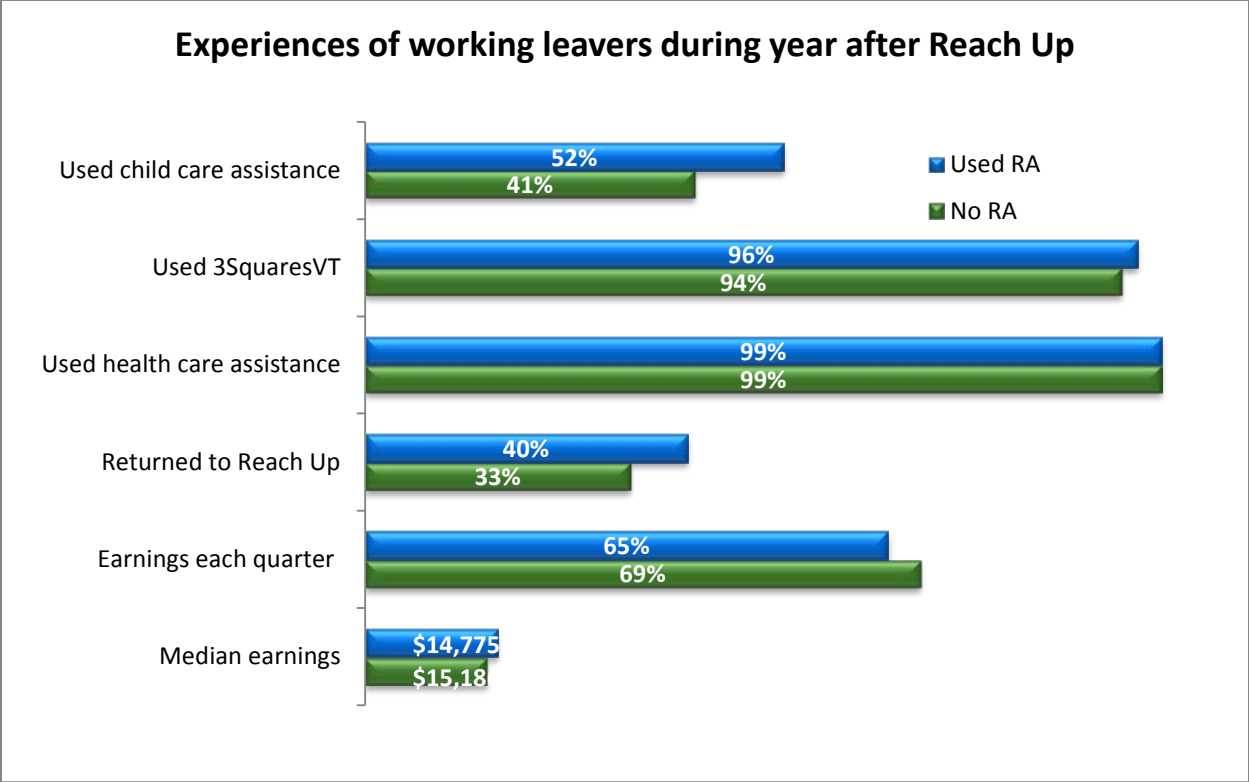
During each of the four quarters after their 2013 Reach Up exits, families that remained in Reach Ahead had substantially higher median earnings than the cases that had left. Of the 553 cases that were no longer in Reach Ahead 12 months after leaving Reach Up, 242 families had no earnings and/or had returned to Reach Up. However, others maintained high earnings, but still dropped out of Reach Ahead before the 12 month mark for reasons that are unknown.



***Did Reach Ahead participants fare better than other Reach Up leavers?***

To try to learn more about the impact of the Reach Ahead program on families who use it, we compared their experiences to those who did not participate in Reach Ahead but would likely have been eligible. The 522 families in this comparison group had received Reach Up closure codes of “over income” and had earnings in the quarter in which they left Reach Up, either from DOL-reported wages or self-employment.

Compared to the working families who left Reach Up without using Reach Ahead, the families that used Reach Ahead had higher rates of child care, food and health care support program usage as shown below:



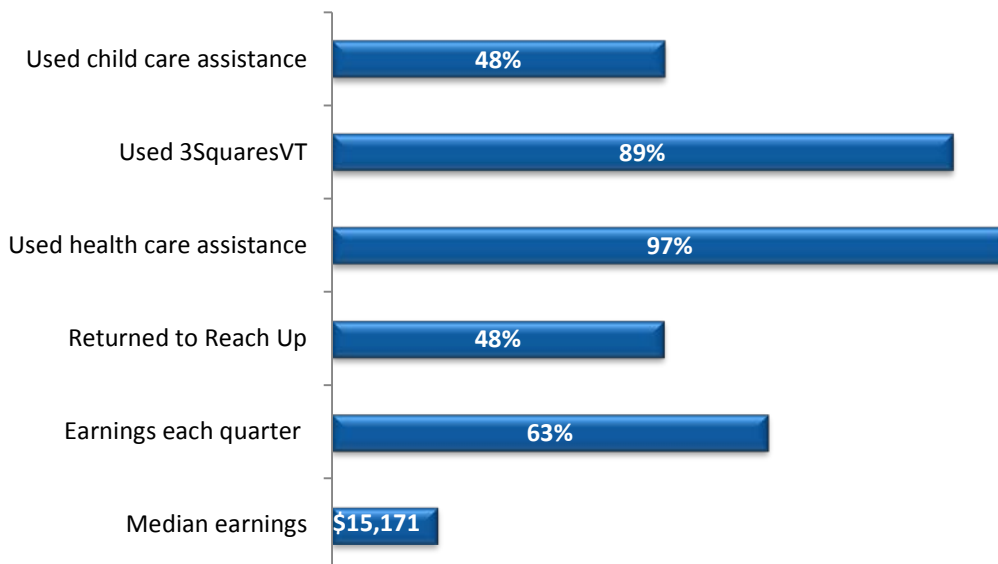
Somewhat surprisingly, the families who used Reach Ahead had higher rates of return to Reach Up and slightly lower median earnings in the year after leaving Reach Up when compared to the group who did not use Reach Ahead.

Their higher rate of support program use, including returning Reach Up, during the year after their 2013 transition from Reach Up to Reach Ahead suggests that these 779 families had a stronger connection overall to DCF and the assistance it provides than families who did not chose to use Reach Ahead.

### 2013 Reach Ahead Leavers

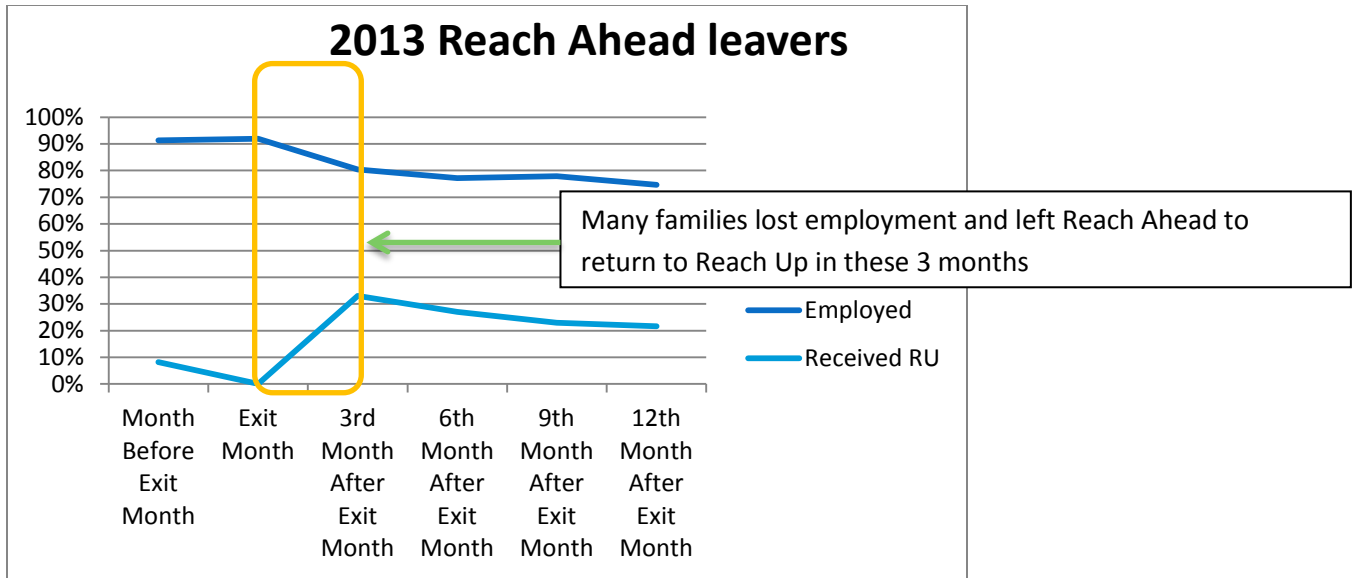
In addition to examining experiences of families that transitioned from Reach Up to Reach Ahead in 2013, we also looked specifically at those who left Reach Ahead in 2013, regardless of the year they exited Reach Up. In 2013, 825 families left the Reach Ahead program. Overall, these families had similar median earnings (\$15,171) during the year after leaving Reach Ahead as the 779 families just starting Reach Ahead (i.e. who had left Reach Up).

### Experiences during year after leaving Reach Ahead



Unfortunately, many of the 2013 Reach Ahead leavers stopped working, or experienced a decrease in earnings, and returned to Reach Up during the first 3 months after leaving Reach Ahead. For these families, reduced earnings prompted their Reach Ahead exit since Reach Ahead is only available to families meeting the program’s work requirements and they likely needed the greater financial support offered by Reach Up. While 91 percent of all families who left Reach Ahead in 2013 had some DOL-reported earnings or self-employment before leaving, only 80 percent did three months later. A third of the 2013 Reach Ahead leavers (273 families) had returned to Reach Up three months later.

The rate of return to Reach Up among Reach Ahead leavers was uniquely high, when compared to leavers from Reach Up. Nearly half (48%) of the 2013 Reach Ahead leavers returned to Reach Up at some point during the next 12 months. These leavers may have discovered that the decline in state-provided child care assistance that occurs after leaving Reach Ahead can create unsustainable pressure on family finances.



Although an objective of Reach Ahead is to help families transition to self-sustaining lives without needing to return to Reach Up, a high return rate is not surprising, given earlier studies of welfare use patterns among Reach Up participants. A third of all Reach Up participants in 2012 had multiple episodes of Reach Up use during a single year, as earnings rose and fell.<sup>v</sup>

Few of these 2013 Reach Ahead leavers completed a full 12 months in the program. The median number of months of participation in Reach Ahead by these cases during the entire six years since the program started is seven months. Seventy five percent had accumulated fewer than 12 months of Reach Ahead over this entire six year period.

<sup>ii</sup> *Leaving Reach Up: How did the experiences of Vermont's 2013 welfare leavers compare to earlier leavers?*, Black-Plumeau Consulting, LLC for the Vermont Department of Children and Families, July 13, 2015.

<sup>ii</sup> A family who left Reach Up, started Reach Ahead and left Reach Ahead in 2013 would be in both of these groups.

<sup>iii</sup> In May 2014, the General Assembly enacted legislation extending the length of the Reach Ahead program from 12 to 24 months and altering the benefit level from \$100 in the first six months and \$50 in the second six months to \$50 for the first 12 months and \$5 for the second 12 months. During the entire twenty-four months of Reach Ahead participation, families are entitled to support services, including a 100 percent child care subsidy. These changes will go into effect on July 1, 2015.

<sup>iv</sup> We analyzed Reach Ahead participation from August 2009 through September 2015.

<sup>v</sup> *From short-term safety net to multi-generational income source: An analysis of varied welfare use patterns over two decades by Vermont families*, Black-Plumeau Consulting, LLC, June 29, 2013.

## Households that left Reach Ahead in 2013 Employment Outcome Measures

<b>Outcomes During the Year After the Exit Quarter</b>	
Employment Rate (% of households with any earnings during year)	<b>90%</b>
Mean Annual Household Earnings (among those with earnings)	<b>\$17,560</b>
Median Annual Household Earnings (among those with earnings)	<b>\$15,171</b>
Households With At Least One Adult Employed in All 4 Quarters After the Exit Quarter (%)	<b>63%</b>
Mean Annual Earnings of Those With Earnings in All 4 Quarters	<b>\$22,579</b>
Median Annual Earnings of Those With Earnings in All 4 Quarters	<b>\$20,154</b>
Households with Earnings >= \$500 In Year	<b>96%</b>

<b>Quarterly Outcomes</b>	1 <sup>st</sup> Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	
	before Exit	after Exit	after Exit	after Exit	after Exit	
	Qtr	Qtr	Qtr	Qtr	Qtr	
Employment Rate (% of households with any earnings during quarter)*	<b>91%</b>	<b>92%</b>	<b>80%</b>	<b>77%</b>	<b>78%</b>	<b>75%</b>
Mean Quarterly Household Earnings (among those with earnings)	<b>\$4,141</b>	<b>\$4,627</b>	<b>\$4,644</b>	<b>\$5,026</b>	<b>\$5,233</b>	<b>\$5,436</b>
Median Quarterly Household Earnings (among those with earnings)	<b>\$3,723</b>	<b>\$4,146</b>	<b>\$4,275</b>	<b>\$4,518</b>	<b>\$4,656</b>	<b>\$4,893</b>
Mean Earnings of Those With Earnings in All 4 Quarters	<b>\$4,398</b>	<b>\$5,206</b>	<b>\$5,186</b>	<b>\$5,610</b>	<b>\$5,946</b>	<b>\$5,837</b>
Median Earnings of Those With Earnings in All 4 Quarters	<b>\$3,885</b>	<b>\$4,686</b>	<b>\$4,779</b>	<b>\$5,030</b>	<b>\$5,394</b>	<b>\$5,267</b>
Households with Quarterly Earnings >= \$500	<b>88%</b>	<b>90%</b>	<b>75%</b>	<b>73%</b>	<b>74%</b>	<b>71%</b>

Data sources: Vermont Department of Labor unemployment-insured wages data and self-employment earnings from DCF 3Squares case records.

	Number of Cases	As % of Total
<b>Other leavers</b>	393	48%
<b>Continuous Leavers**</b>	432	52%
<b>Total</b>	825	100%

\*\*Leavers that did not return to Reach Up or PSE in the 12 months after their initial exit from Reach Up or PSE.

## 2013 Reach Up Leavers That Used Reach Ahead Employment Outcome Measures

<b>Outcomes During the Year After the Exit Quarter</b>	
Employment Rate (% of households with any earnings during year)	<b>93%</b>
Mean Annual Household Earnings (among those with earnings)	<b>\$16,205</b>
Median Annual Household Earnings (among those with earnings)	<b>\$14,775</b>
Households With At Least One Adult Employed in All 4 Quarters After the Exit Quarter (%)	<b>65%</b>
Mean Annual Earnings of Those With Earnings in All 4 Quarters	<b>\$20,326</b>
Median Annual Earnings of Those With Earnings in All 4 Quarters	<b>\$18,426</b>
Households with Earnings >= \$500 In Year	<b>93%</b>

*Data sources: Vermont Department of Labor unemployment-insured wages data and self-employment earnings from DCF 3Squares case records.*

These households left Reach Up at some point during 2013 and subsequently used Reach Ahead at some point during the 12 months after leaving Reach Up.

<b>Quarterly Outcomes</b>	1 <sup>st</sup> Qtr before Exit Qtr		1st Qtr after Exit after Exit Qtr		2nd Qtr after Exit after Exit Qtr		3rd Qtr after Exit after Exit Qtr		4th Qtr after Exit after Exit Qtr	
	Employment Rate (% of households with any earnings during quarter)*	<b>57%</b>	<b>89%</b>	<b>88%</b>	<b>82%</b>	<b>79%</b>	<b>76%</b>			
Mean Quarterly Household Earnings (among those with earnings)	<b>\$1,641</b>	<b>\$3,560</b>	<b>\$4,630</b>	<b>\$4,514</b>	<b>\$4,617</b>	<b>\$4,906</b>				
Median Quarterly Household Earnings (among those with earnings)	<b>\$1,092</b>	<b>\$3,405</b>	<b>\$4,410</b>	<b>\$4,302</b>	<b>\$4,275</b>	<b>\$4,515</b>				
Mean Earnings of Those With Earnings in All 4 Quarters	<b>\$1,124</b>	<b>\$3,606</b>	<b>\$4,967</b>	<b>\$4,959</b>	<b>\$5,133</b>	<b>\$5,266</b>				
Median Earnings of Those With Earnings in All 4 Quarters	<b>\$428</b>	<b>\$3,426</b>	<b>\$4,662</b>	<b>\$4,560</b>	<b>\$4,590</b>	<b>\$4,782</b>				
Households with Quarterly Earnings >= \$500	<b>42%</b>	<b>86%</b>	<b>85%</b>	<b>78%</b>	<b>76%</b>	<b>72%</b>				

	Number of Cases	As % of Total
<b>Other leavers</b>	313	40%
<b>Continuous Leavers</b>	466	60%
<b>Total</b>	779	100%

\*\*Leavers that did not return to Reach Up or PSE in the 12 months after their initial exit from Reach Up or PSE.



## Working 2013 Reach Up Leavers that did not go into Reach Ahead Employment Outcome Measures

<b>Outcomes During the Year After the Exit Quarter</b>	
Employment Rate (% of households with any earnings during year)	<b>98%</b>
Mean Annual Household Earnings (among those with earnings)	<b>\$16,897</b>
Median Annual Household Earnings (among those with earnings)	<b>\$15,186</b>
Households With At Least One Adult Employed in All 4 Quarters After the Exit Quarter (%)	<b>69%</b>
Mean Annual Earnings of Those With Earnings in All 4 Quarters	<b>\$21,051</b>
Median Annual Earnings of Those With Earnings in All 4 Quarters	<b>\$18,707</b>
Households with Earnings >= \$500 In Year	<b>100%</b>

<b>Quarterly Outcomes</b>	<b>1<sup>st</sup> Qtr before Exit Qtr</b>	<b>Exit Qtr</b>	<b>1st Qtr after Exit Qtr</b>	<b>2nd Qtr after Exit Qtr</b>	<b>3rd Qtr after Exit Qtr</b>	<b>4th Qtr after Exit Qtr</b>
Employment Rate (% of households with any earnings during quarter)*	<b>74%</b>	<b>100%</b>	<b>92%</b>	<b>85%</b>	<b>82%</b>	<b>81%</b>
Mean Quarterly Household Earnings (among those with earnings)	<b>\$2,604</b>	<b>\$3,404</b>	<b>\$4,662</b>	<b>\$4,798</b>	<b>\$5,066</b>	<b>\$5,006</b>
Median Quarterly Household Earnings (among those with earnings)	<b>\$1,881</b>	<b>\$3,036</b>	<b>\$4,178</b>	<b>\$4,269</b>	<b>\$4,530</b>	<b>\$4,506</b>
Mean Earnings of Those With Earnings in All 4 Quarters	<b>\$2,067</b>	<b>\$3,625</b>	<b>\$5,064</b>	<b>\$5,206</b>	<b>\$5,475</b>	<b>\$5,307</b>
Median Earnings of Those With Earnings in All 4 Quarters	<b>\$1,235</b>	<b>\$3,321</b>	<b>\$4,589</b>	<b>\$4,658</b>	<b>\$5,132</b>	<b>\$4,787</b>
Households with Quarterly Earnings >= \$500	<b>39%</b>	<b>82%</b>	<b>80%</b>	<b>73%</b>	<b>72%</b>	<b>66%</b>

Data sources: Vermont Department of Labor unemployment-insured wages data and self-employment earnings from DCF 3Squares case records.

These households left Reach Up in 2013 with earnings and a closure code of "over income" and did not use Reach Ahead during the 12 months after leaving Reach Up.

	<b>Number of Cases</b>	<b>As % of Total</b>
<b>Other leavers</b>	171	33%
<b>Continuous Leavers</b>	351	67%
<b>Total</b>	522	100%

\*\*Leavers that did not return to Reach Up or PSE in the 12 months after their initial exit from Reach Up or PSE.

## Households that left Reach Ahead in 2013

### Program Use Outcome Measures

<i>Outcomes During the Year After the Exit Month</i>	
<b>Use of Reach Up programs</b>	
Received RU or PSE assistance in any month (%)	48%
Received RA assistance in any month (%)	8%
<b>Use of other programs</b>	
Any household member participating in health care assistance in any month (%)	97%
Any household member receiving child care assistance in any month (%)	48%
Participating in 3SquaresVT in any month (%)	89%
No RU, PSE, RA, 3SquaresVT, child care or health care assistance in any month (%)	2%
No earnings and no RU, PSE, RA, 3SquaresVT, child care or health care assistance in any month (%)	1%

<i>Monthly Outcomes</i>	Month Before Exit Month	Exit Month	3 <sup>rd</sup> Month After Exit Month	6 <sup>th</sup> Month After Exit Month	9 <sup>th</sup> Month After Exit Month	12 <sup>th</sup> Month After Exit Month
<b>Use of Reach Up programs</b>						
Received RU or PSE assistance during the month (%)	8%	0%	33%	27%	23%	22%
Received RA assistance during the month (%)	90%	100%	0%	3%	4%	4%
<b>Use of other programs</b>						
Any household member participating in health care assistance (%)	99%	98%	94%	91%	88%	83%
Any household member receiving child care assistance (%)	41%	40%	36%	34%	33%	31%
Participating in 3SquaresVT (%)	85%	83%	80%	80%	74%	73%
No RU, PSE, RA, 3SquaresVT, child care or health care assistance (%)	0%	0%	4%	6%	6%	7%
No earnings and no RU, PSE, RA, 3SquaresVT, child care or health care assistance (%)	0%	0%	2%	2%	3%	4%

Data sources: DCF administrative records and Vermont Dept. of Labor unemployed-insured wage data.

	Number of Cases	As % of Total
Other Leavers	393	48%
Continuous Leavers*	432	52%
<b>Total</b>	<b>825</b>	<b>100%</b>

\*Leavers who did not return to Reach Up or PSE during the 12 months after exiting Reach Ahead.

## 2013 Reach Up Leaver Households That Used Reach Ahead\* Program Use Outcome Measures

<b>Outcomes During the Year After the Exit Month</b>	
<b>Use of Reach Up programs</b>	
Received RU or PSE assistance in any month (%)	40%
Received RA assistance in any month (%)	100%
<b>Use of other programs</b>	
Any household member participating in health care assistance in any month (%)	99%
Any household member receiving child care assistance in any month (%)	52%
Participating in 3SquaresVT in any month (%)	96%
No RU, PSE, RA, 3SquaresVT, child care or health care assistance in any month (%)	0%
No earnings and no RU, PSE, RA, 3SquaresVT, child care or health care assistance in any month (%)	0%

Data sources: DCF administrative records and Vermont Dept. of Labor unemployed-insured wage data.

<b>Monthly Outcomes</b>	<b>Month Before Exit Month</b>	<b>Exit Month</b>	<b>3<sup>rd</sup> Month After Exit Month</b>	<b>6<sup>th</sup> Month After Exit Month</b>	<b>9<sup>th</sup> Month After Exit Month</b>	<b>12<sup>th</sup> Month After Exit Month</b>
<b>Use of Reach Up programs</b>						
Received RU or PSE assistance during the month (%)	99%	100%	7%	23%	24%	21%
Received RA assistance during the month (%)	0%	0%	76%	56%	35%	29%
<b>Use of other programs</b>						
Any household member participating in health care assistance (%)	100%	100%	98%	96%	90%	85%
Any household member receiving child care assistance (%)	37%	40%	40%	39%	37%	35%
Participating in 3SquaresVT (%)	97%	96%	88%	84%	81%	78%
No RU, PSE, RA, 3SquaresVT, child care or health care assistance (%)	0%	0%	1%	1%	3%	1%
No earnings and no RU, PSE, RA, 3SquaresVT, child care or health care assistance (%)	0%	0%	0%	1%	2%	0%

\*These households left Reach Up at some point during 2013 and subsequently used Reach Ahead at some point during the 12 months after leaving Reach Up.

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\*\*Leavers that did not return to Reach Up or PSE in the 12 months after their initial exit from Reach Up or PSE.

## Working 2013 Reach Up Leavers that did not go into Reach Ahead\*

### Program Use Outcome Measures

<i>Outcomes During the Year After the Exit Month</i>	
<b>Use of Reach Up programs</b>	
Received RU or PSE assistance in any month (%)	33%
Received RA assistance in any month (%)	0%
<b>Use of other programs</b>	
Any household member participating in health care assistance in any month (%)	99%
Any household member receiving child care assistance in any month (%)	41%
Participating in 3SquaresVT in any month (%)	94%
No RU, PSE, RA, 3SquaresVT, child care or health care assistance in any month (%)	0%
No earnings and no RU, PSE, RA, 3SquaresVT, child care or health care assistance in any month (%)	0%

<i>Monthly Outcomes</i>	Month Before Exit Month	Exit Month	3 <sup>rd</sup> Month After Exit Month	6 <sup>th</sup> Month After Exit Month	9 <sup>th</sup> Month After Exit Month	12 <sup>th</sup> Month After Exit Month
<b>Use of Reach Up programs</b>						
Received RU or PSE assistance during the month (%)	98%	100%	7%	16%	19%	20%
Received RA assistance during the month (%)	0%	0%	0%	0%	0%	0%
<b>Use of other programs</b>						
Any household member participating in health care assistance (%)	99%	100%	98%	95%	90%	83%
Any household member receiving child care assistance (%)	29%	31%	30%	29%	29%	29%
Participating in 3SquaresVT (%)	96%	96%	81%	74%	74%	71%
No RU, PSE, RA, 3SquaresVT, child care or health care assistance (%)	0%	0%	2%	4%	6%	7%
No earnings and no RU, PSE, RA, 3SquaresVT, child care or health care assistance (%)	0%	0%	1%	2%	3%	4%

Data sources: DCF administrative records and Vermont Dept. of Labor unemployed-insured wage data.

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