WELFARE TO WORK

FIELD forum

OCTOBER 2000

ISSUE 7

RECRUITING, ASSESSING AND SCREENING TANF RECIPIENTS

For TANF recipients, the decision to enroll in a microenterprise program usually involves the consent of welfare caseworkers. More importantly, it involves determining whether self-employment is the best option for achieving self-sufficiency in the context of a time-limited welfare system.

Outreach and marketing to very low-income clients has always been a challenge for microenterprise programs. Although self-employment is growing nationally as a share of total employment, microenterprise programs must find ways of effectively spreading the word to individuals interested in self-employment. Recruiting TANF (Temporary Assistance for Needy Families) recipients, who often face strong disincentives to self-employment, involves even greater challenges. For TANF recipients, the decision to enroll in a microenterprise program usually involves the consent of welfare caseworkers. More importantly, it involves determining whether self-employment is the best option for achieving self-sufficiency in the context of a time-limited welfare system.

This *FIELD forum* presents the experiences of 10 microenterprise organizations engaged in efforts to recruit and serve TANF participants. In particular, it focuses on their efforts to recruit clients, and the assessment and screening components they use to help clients determine whether to pursue self-employment. It is hoped that these experiences will be useful to microenterprise organizations interested in targeting a welfare population and to policymakers concerned about self-sufficiency for TANF recipients.

The Challenge of Recruitment

Shaping effective recruitment strategies for TANF recipients requires that practitioners recognize the unique circumstances facing these individuals. Families receiving TANF assistance under welfare reform are required to be "engaged in work" within 24 months, and often sooner. In many instances, state TANF policies allow local administrators to determine if participation in microenterprise training meets the definition of being "engaged in work." However, in most cases, states and local administrators face strong incentives to steer families toward work activities that clearly meet their TANF participation rate requirements. In most cases, participation in microenterprise training only counts toward federal participation rates for a limited time[1]. Furthermore, many states have adopted a "work first" approach in implementing TANF, which generally steers individuals toward employment and away from longer-term training.

TANF recipients also are faced with the prospect of lifetime time limits for receipt of TANF assistance. Thus, their decision to enroll in a microenterprise program will reflect,

[1]For a more detailed discussion of how microenterprise activities are treated under TANF, see Lisa Plimpton and Mark Greenberg. *TANF Policies in Nine States: Implications for Microenterprise Initiatives*. Washington, D.C.: The Aspen Institute, 2000.

in part, their assessment about whether self-employment represents a viable path to self-sufficiency for their family.

In this context, microenterprise programs seeking to recruit TANF recipients face two challenges beyond simply locating TANF families with an interest in self-employment. First, programs also must reach out to welfare caseworkers and contractors to address any issues and concerns they may have about approving a TANF recipient's choice to engage in microenterprise training. In effect, programs must have two recruitment strategies: one aimed at TANF recipients who are potential clients, and one aimed at welfare administrators and caseworkers.

Second, microenterprise programs must work with a family to determine whether self-employment does, indeed, present a viable economic option for the family. This process begins in the recruitment phase of the program and typically continues through an initial assessment and screening phase, during which the client and program explore the critical factors for success in self-employment.

Strategies for Recruiting TANF Recipients. The Mott Foundation's welfare-to-work grantees use a variety of methods to market their program directly to potential clients. Some of these strategies are applicable to all low-income individuals, not just those receiving TANF. They include:

- Placing flyers and other information in community locations, such as laundromats and grocery stores.
- Building relationships with institutions that can be sources of referrals, or access, to potential clients.
- Advertising the program through standard advertising sources, public service announcements, and the placement of stories about clients in the local press.

Grantees also have refined their direct-client marketing approaches to specifically target TANF recipients. These strategies include:

- Placing program staff on-site at TANF agencies.
- Mailing information to targeted lists of TANF and/or food stamp recipients.
- Making presentations about self-employment and their program to TANF clients at job fairs or job search and readiness classes.

The range of marketing approaches used by the Mott Foundation grantees is summarized in Table 1.

"Marketing" Microenterprise Programs to Welfare Workers. In addition to directly reaching out to TANF recipients, most of the welfare-to-work demonstration projects

This *FIELD forum* is the second in a series that documents the lessons and experiences of 10 microenterprise programs funded by the Charles Stewart Mott Foundation to serve TANF recipients. The publications focus on elements of program strategy, namely, the structure and content of the program interventions used to meet the needs of TANF clients. The lessons here are drawn from an evaluation underway by FIELD of the Mott Foundation grantees, and describe practices implemented during the first half of the demonstration period. This publication was written by Joyce Klein, with assistance from Elaine Edgcomb. Ms. Klein is a consultant based in Arlington, Va. Ms. Edgcomb is the director of FIELD. Additional publications documenting findings from the evaluation can be obtained by contacting the Aspen Institute or visiting FIELD's Web site at www.fieldus.org.

Table 1: Strategies for Recruiting TANF Clients

Outreach Methods to Clients

- Public service announcements via radio, television, newspaper
- Distribution of printed materials — brochures, flyers, etc. — targeted specifically to TANF recipients
- Program video
- Direct mailings to all TANF clients
- Distribution of information through community groups — through orientations or printed materials
- Dissemination of printed information at community locations frequented by TANF recipients — laundromats, WIC offices, supermarkets, social service agencies, food banks, housing agencies, etc.
- Providing information at orientations or job fairs for TANF recipients
- Training on "income patching" (blending self-employment and employment income) provided to all individuals entering the TANF program
- Periodically housing staff on-site at welfare agencies to provide information about the microenterprise program
- Conducting orientations at institutions with an audience of TANF recipients — such as cosmetology classes at community colleges
- Media campaigns that place stories on clients in the local media
- Paid advertising
- Creating an incentive program that encourages existing clients to refer new participants

Outreach Methods to Welfare Caseworkers or Contractors

- Program video
- Caseworker guidebook that explains the microenterprise program and relevant TANF regulations and forms
- Briefings or presentations made to regional welfare office staff, caseworkers, and/or contractors
- Periodically locating staff on site at welfare offices to make presentations to staff and work with individual caseworkers
- Staff work jointly with caseworkers after clients have enrolled to address any problems, and to ensure that the client is making progress in moving toward self-sufficiency
- Welfare agency-mandated requirements that contractors working with TANF clients make referrals to the microenterprise program
- In connection with above mandate, contractors referring client to the microenterprise program get joint credit for any successful "placements" of those clients

> ***Grantees that have recruited the largest number of TANF recipients have very strong relationships with the welfare agency.***

also are engaged in strategies to "recruit" caseworkers or welfare contractors who will make potential client referrals (see Table 1). These efforts most typically involve face-to-face meetings or briefings of TANF agency staff, but some grantees have taken additional steps. Several grantees have launched major efforts to educate and inform welfare administrators and caseworkers. Depending on the size of the area in which a program is operating, and how local welfare offices are organized, such efforts can involve significant resources, and in some cases require outreach to hundreds of individuals in the agencies.

Efforts to build strong relationships with local and state welfare offices appear to have paid off in terms of success in recruitment. The grantees that have recruited the largest numbers of TANF recipients are those that have very strong relationships with the welfare agency and, therefore, have received strong client referrals and/or approvals from caseworkers.

In "recruiting" the support of local welfare agencies, establishing relationships at both the senior management and caseworker levels seems important. The microenterprise program's first task is to build trust that its clients will succeed in a time-limited, "work first" environment. This often involves building support at high levels in the welfare agency, because it is agency managers who send messages to caseworkers about the types of activities that are most desirable and supported. Programs also must invest time in educating individual caseworkers or contractors. This is important not only to encourage referrals, but also to ensure that referred clients meet the program's client profile.

Conversely, the grantees' are finding that when the welfare agency is not supportive of microenterprise development, it is a struggle to recruit clients. Lack of support sometimes means that the most logical channels for reaching clients — materials or staff placed in welfare offices, or direct mailings to welfare clients — are closed to the program. In other instances, grantees find that welfare caseworkers will not support an individual welfare recipient's choice to pursue self-employment. When faced with the need to engage in work and/or work-search activities, in addition to microenterprise training and start-up activities, some individuals elect not to pursue their business ideas.

As the case studies on page 7 show, steps can be taken to encourage openness at top levels of the welfare agency and to educate employees at all levels of the agency, so that high-level support translates into real support at the client level. Perhaps the most important factor in securing this support is the program's ability to demonstrate that it runs a high-quality program, and that with assistance, welfare recipients can be successfully self-employed. Thus, while specific marketing efforts may boost referrals and recruitment, *it appears that building a strong working relationship with the welfare agency is critical to success in recruitment.*

Pursuing Self-Employment: The Role of Assessment and Screening

The process of bringing TANF recipients into a microenterprise program begins with informing them and their caseworkers or contractors that self-employment is an allowable option within their local TANF system, and that microenterprise services are available to them. The second part of the process involves working with each individual to determine whether self-employment is, indeed, the most viable or desirable option at the current time. Each grantee in the Mott welfare-to-work demonstration has created a defined assessment and screening process to help TANF recipients through this decision process.

This assessment and screening process is somewhat unusual within the microenterprise industry. Historically, microenterprise programs in the United States have placed a strong focus on self-selection. Most programs have eligibility requirements (typically pertaining to income levels and the geographic location of the client, as well as requirements that may relate to particular funding sources) that are used to determine entry into a program. Most also use orientation sessions that explain the program's services and requirements and the challenges of self-employment.

Typically, individuals who meet the eligibility requirements make their own enrollment decisions after attending orientation. They learn more about the actual income and profit-generating potential of their business and the rigors of self-employment, as they move through the training or technical assistance program. As they explore these issues, some typically leave the program, determining that self-employment is not their best option.

However, the time-limited nature of TANF assistance means that individuals must make a transition to other sources of income as quickly as possible. As a result, microenterprise organizations must focus quickly and intensively on issues that can help TANF recipients determine if self-employment is a sound option. The majority of Mott grantees have created more extensive assessment and screening processes that take place either prior to, or in the initial stages of, their microenterprise training program.

To understand how these assessment and screening components are implemented, it is useful to look at three aspects:

- the assessment criteria used by the programs
- the process used to explore and apply these criteria, and
- the enrollment, or screening, decision.

Assessment Criteria. The assessment criteria used by the Mott welfare-to-work grantees generally fall into three categories:

- Personal readiness: To what extent is the individual well positioned to undertake self-employment?
- Entrepreneurial skills: Does the individual possess the skills or attributes necessary to be successful as a business owner?
- Business readiness: Does the individual have a strong business idea and some experience in the industry?

A detailed list of the assessment criteria used by the Mott grantees can be found in Table 2.

It is important to note that grantees value and apply these criteria differently. Most grantees use the criteria to assess whether a client should enroll in the microenterprise program or to screen for basic eligibility. For example, some grantees require that participants have reading and/or math skills at least at the eighth-grade level, or that applicants have obtained any professional licenses required for their business or business idea prior to enrolling.

Other grantees use the criteria as a package of factors to consider during the assessment process, but no single factor is used to definitively screen clients into or out of the program. Rather, the grantee and the client together weigh the strengths and weaknesses of an applicant's business and personal readiness and entrepreneurial skills, to get an overall sense of the likelihood of success in self-employment. This assessment is used to inform the enrollment decision. In some cases, the information is used to determine any additional supports (such as child care, access to domestic violence services or a review of basic math skills), the client may need as she progresses through the microenterprise program.

Table 2: Screening and Assessment Criteria

PERSONAL READINESS	ENTREPRENEURIAL SKILLS	BUSINESS READINESS
Experience/Skills: • Literacy/math skills • Education level • Work experience Family/Relationships: • Personal supports • Family composition/needs • Child-care issues Housing: • Permanence of housing • Quality (related to meeting codes for child-care businesses) Personal Characteristics: • Self-esteem • Time management skills • Mental health/substance abuse issues Performance in Introductory Training • Attendance • Quality of participation	• Goal-setting ability • Problem-solving and decision-making skills • Organizational skills • Motivation • Resourcefulness • Learning ability • Communication skills • Personal values clarification (as it relates to running a business)	Business Idea • Clarity of business mission statement Business Experience • Work history in industry • Work/family history in small business Business Feasibility • Projected budget of costs and revenues • Income potential meets client's needs Business Skills • Customer research • Knowledge of competition • Capacity to do record keeping and administration • Capacity to provide child care (for child-care microenterprise program)

The Assessment Process. The majority of Mott grantees engage applicants in at least three assessment activities. These include:

- An orientation, usually in a group setting, in which the program and its requirements are explained, and individuals usually are introduced to some of the challenges of business ownership.
- A written application, which collects basic demographic and income information (in part to determine eligibility for the program), and often includes information on the applicant's business concept and work experience.
- An individual interview, in which the applicant meets with staff from the microenterprise program. Although the interviews vary in structure and length across the grantees, the general intent is

continued on page 8

Building Relationships with Welfare Agencies: Two Case Studies

The Institute for Social and Economic Development (ISED) in Iowa, and West Company, in Mendocino County, California, illustrate the long-term, multi-faceted approach that some grantees have taken to building relationships with their welfare agencies. ISED has developed relationships with the state welfare agency during the 10 years that it has been serving welfare recipients. In fact, the state sponsored the first self-employment demonstration in Iowa, in which ISED worked with recipients of the former Aid to Families with Dependent Children (AFDC) program.

As ISED began to work with TANF recipients, it found it needed to intensify outreach at the caseworker level, because of a declining response to its targeted mailings to TANF recipients. To reach out to caseworkers, ISED developed a video that describes its program and highlights the stories of several clients who successfully made the transition from welfare to self-employment. The Institute also developed a comprehensive guidebook for caseworkers that includes information about the program — from information on its training curriculum, to copies of all welfare agency forms and regulations relevant to self-employment. These materials are shared with welfare supervisors and caseworkers at regional meetings held across Iowa. ISED communicates regularly with caseworkers via e-mail about the status of individual clients. These communications help caseworkers develop confidence that clients are making progress while working with ISED, or that they will be informed about clients who are having difficulty in the program and may need additional supports.

West Company also has developed a long-standing relationship with its county welfare agency. Several years ago, West Company and the welfare agency held a joint training with staff from both organizations. The goal was to ensure that staff from both agencies understood the services provided by each entity, as well as their approach to and expectations for clients. As the TANF program was implemented in Mendocino County, West Company and the welfare agency developed a joint program to help recipients explore the idea of combining wage and self-employment income as a means of generating family income. West Company staff provides training to all TANF recipients who begin work on “income patching.” Individuals who want to pursue self-employment then include services from West Company as part of their employment plan.

Staff at West Company meets regularly with welfare staff to discuss the progress clients are making on their employment plans. In addition, West Company maintains a desk on-site at the welfare agency, to facilitate communication among West Company staff, TANF clients and welfare agency staff. Finally, West’s credibility is enhanced by the fact that its staff liaison to the welfare agency is a former welfare recipient who, through West’s assistance, successfully made the transition to self-sufficiency.

continued from page 6

to explore through discussion various aspects of the applicant's readiness for self-employment. Topics covered during the one-on-one interviews include: the applicant's business concept; a "quick and dirty" analysis of the feasibility of the business; personal issues, barriers and motivation; and the applicant's entrepreneurial attitude.

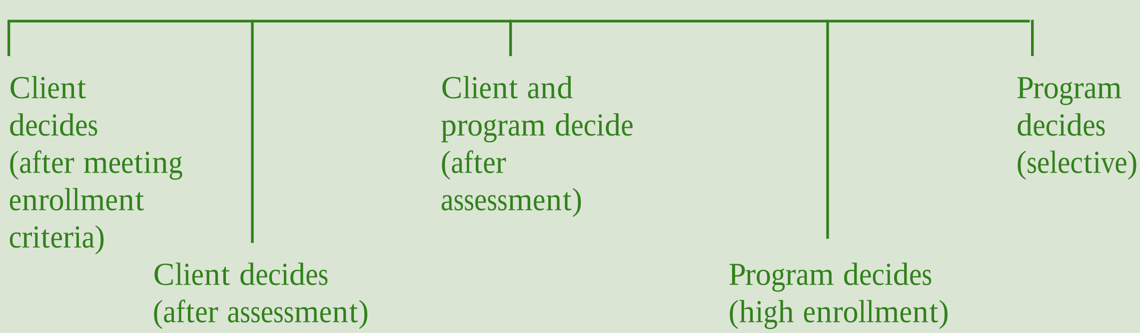
In addition, at least six of the grantees also hold an introductory training program to provide applicants with a short, focused exposure to the program and to business development. The training also provides program staff with an in-depth opportunity to evaluate the applicant on a number of assessment criteria.

In many cases, the training covers the same basic topics addressed in the one-on-one interviews. The difference is that training (which ranges in length from two to 10 sessions, up to a maximum of 40 hours), allows for in-depth exploration of these issues. The training also allows the microenterprise program and the applicant, to see how she will fare in a classroom setting: Will she come to class on time, or face barriers to attending class? Does she have the basic skills needed to operate a business? Does she have basic classroom and learning skills? Does she complete required homework assignments? Observing the applicant in this setting provides more information as to her likelihood of success. This knowledge can inform the enrollment decision, and/or assist the program in identifying supports the client will need to move through the training program.

The welfare-to-work grantees stress the importance of both the individual interview and the introductory trainings when working with a TANF population. Although these program elements are not commonly part of microenterprise programs offered to a less-disadvantaged population, and they increase costs, the grantees nonetheless believe they are an important means for the client and the program to quickly assess whether microenterprise is the best option for an individual TANF recipient.

As noted, the grantees use different combinations of the assessment techniques outlined. Several factors drive these differences, including funding (whether the organization can afford the staff resources needed for these assessments), and whether the welfare system is structured such that caseworkers or contractors assess for some of the criteria before a client is referred to the

Client Selection and Enrollment Continuum



program. Several grantees note that welfare caseworkers or contractors provide some form of assessment before TANF recipients are referred to, or approved for, their program. The level and quality of the assessment varies according to such factors as:

- The caseworkers' skills in assessment. In some states, caseworkers have a long history of assessing the personal barriers individuals may face as they move toward self-sufficiency. In others, the role of caseworkers traditionally has been more administrative, and their experience and training in assessment of any kind is limited. Furthermore, only in rare instances can caseworkers effectively assess the viability of a client's business idea.
- The caseworkers' motivations in assessing and referring clients. The drive to place clients in work, rather than a microenterprise program, may lead caseworkers to refrain from referring quality clients. Conversely, caseworkers may only refer "difficult to place" clients to the program.
- The knowledge of the caseworkers regarding program expectations, services and what it takes to succeed in self-employment.

In some instances, caseworker assessments may be useful in diagnosing barriers clients face to self-employment — and in accessing resources to help address those barriers. In other cases, grantees have found that their own assessment process is critical in identifying and educating clients who may have been referred but who have few prospects for success in self-employment, or who do not even fully understand the requirements of the microenterprise program. Thus, to design an assessment component, program staff need to understand the specific process applicants will follow before entering their program.

Client Selection and Enrollment. The final step in the assessment and screening process is the enrollment decision. The critical question here is: who decides? The 10 Mott grantees use a range of approaches, illustrated on the continuum on page 8.

Several factors appear to influence an organization's position on the continuum. First and foremost, most programs do not want to reject clients. Because applicants have faced rejection repeatedly in their lives, programs do not wish to reject them again. To that end, some programs have an open door policy. In these cases, training activities are designed to help the client clarify the appropriateness of microenterprise. For these organizations, the use of introductory training that offers objective and clear information appears to help put the enrollment decision in the client's hands.

Moving to the right on the continuum are grantees that make the enrollment decisions themselves but in effect enroll the majority of applicants. Grantees do this for several reasons. In one case, strong screening by caseworkers prior to referral means that most clients referred to the program are well-suited to microenterprise. In addition, some programs appear willing to accept even significantly challenged clients and use the assessment to identify and develop additional support services. Although there is recognition that these clients may face greater obstacles than others, the aim is to provide them with the best opportunity to achieve their goal of self-employment.

Finally, two realities seem to underlie the position of programs that have adopted a selective enrollment process. In at least one instance, there is limited referral and prior assessment by caseworkers so that many applicants enter the program with a very unclear sense of the requirements and expectations. In another, the rigor of the formal training and the specific regulatory demands placed on family day care providers require that the institution be sure that candidates meet strict criteria before entering the program.

Although the design and intensity of their assessment components vary, the Mott grantees are quite clear that such program elements are essential when serving TANF recipients. Given the time-limited nature of the TANF program, it is imperative to find ways clients and programs can make informed decisions earlier, rather than later, in the process. One of the key challenges for program developers is to design assessment components that balance a strong desire to support client self-selection with the need to respond to the strict time limits clients face in developing businesses.

Conclusion

Now at the midpoint in their demonstration projects, the Mott grantees have identified some clear strategies for recruiting and assessing TANF clients. But it is still too soon to assess whether these approaches ultimately will result in positive outcomes for clients — namely, whether participants create businesses and use income from those enterprises to move toward economic self-sufficiency. What is clear now, however, is that TANF clients are different because of the requirements of the TANF system. To serve them adequately and responsibly, microenterprise programs must employ recruitment strategies for caseworkers as well as clients, and clients must be helped to assess whether self-employment is their best option in the current time-limited welfare system.

How to Learn More

Additional information on the learnings from FIELD's evaluation of the Mott Foundation's microenterprise welfare-to-work grantees is available on our Web site at www.fieldus.org.

Microenterprise Fund for Innovation,
Effectiveness, Learning and Dissemination

The Aspen Institute
One Dupont Circle, NW • Suite 700
Washington, DC 20036
Phone: (202) 736-1071
Fax: (202) 467-0790