



*The Administration For Children and Families*

## **The National Directory of New Hires: Understand Employment Patterns of TANF Recipients and Improving Program Integrity**



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# Understanding Employment Patterns of TANF Recipients

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- ACF uses the NDNH to measure employment outcomes of TANF adult recipients
- Use quarterly wage data from NDNH
- Job entry, job retention, earnings gain
- Job entry
  - Population: Adult TANF recipients employed in a quarter who were unemployed recipients in a prior quarter
  - FY 2007 results: 36 percent of adult TANF recipients entered employment

# Understanding Employment Patterns of TANF Recipients (cont.)

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- Job Retention

- Population: Adult TANF recipients that worked in a quarter and also worked in the next two quarters (whether or not they were on TANF).
- FY 2007 results: 64 percent worked in the second following quarter.

- Earnings Gain

- Population: Adult TANF recipients working in three consecutive quarters, comparing first quarter and third quarter earnings.
- FY 2007 results: 37 percent increase in earnings from first quarter through third quarter.

# TANF Agency Use of the NDNH

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- NDNH contains three data sources
  - New Hire (W4)
  - Quarterly Wage (QW)
  - Unemployment Insurance (UI)
- 38 states have used the NDNH for TANF purposes
- Examples of states currently using the data:
  - Illinois
  - Montana
  - New York

# Illinois Use of the NDNH

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- Submit approximately 11,000 TANF adults per month
- Filter match results
  - Excludes individuals where state is already aware of employment.
  - Excludes matches for those coded as having lost employment after the date of the new hire match.
- Remaining cases: average 300 per month
  - Approximately 72% are for employers not required to report in Illinois (multi-state employers).
  - Wal-Mart is leading employer of the cases investigated (both out-of-state employment and Illinois employment). Other common employers are Target, Home Depot and McDonalds.

## Illinois Use of the NDNH (cont.)

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- A notice is sent to the recipient to contact their caseworker within 10 days regarding information received on potential employment.
- NDNH match is provided to field staff.
  - Caseworker reviews new hire information to determine if there is unreported employment.
  - If the client does make contact, the caseworker requests pay stubs, an employer statement, or other verification of the information. Once provided, a determination of continued eligibility is made.
  - If the client does not make contact and the caseworker has determined the potential employment could affect eligibility, the TANF assistance is discontinued.

# Montana Use of the NDNH

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- July – September 2008 (average 3,200 TANF adults/month)
- Using Quarterly Wage data to uncover employment
  - 330 “hits” (over \$1,500)
  - 115 inquiries made
  - 88 inquiries returned
  - 17 overpayments discovered
  - 13 intentional program violation referrals
- \$41,458 TANF overpayments
- \$23,783 SNAP overpayments

## Montana Use of the NDNH (cont.)

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- NDNH results helped identify employee fraud
  - Good news: match showed TANF client was earning \$80,000 a year as a truck driver in Oregon.
  - Bad news: match showed TANF caseworker was reactivating closed TANF case to receive benefits.
    - NDNH results alerted Department, and investigation began.
- SNAP funds in amount of \$30,665
- TANF funds in amount of \$175,558

## New York

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- Matches approximately 64,000 TANF adults in W-4, QW, UI.
- Most Recent Year's Results (4/1/08 – 3/31/09)\*
- Cases that were closed or rebudgeted: 1,180
- Average number of hits resolved per month: 748
- Total number of hits resolved by DSSs: 8,976
- Estimated Cost Avoidance Since Inception: \$16,218,300

## **W-4, QW, & UI FY 2008 Results for All Matching States**

<b>Match Type</b>	<b>Unduplicated Individuals Verified as Employed</b>	<b>Unduplicated TANF Cases Closed Due to Earnings</b>	<b>Unduplicated TANF Cases with Benefits Reduced</b>	<b>Unduplicated First Month Avoided TANF Costs</b>
<b>W-4</b>	<b>39,106</b>	<b>12,710</b>	<b>4,491</b>	<b>\$3,984,355</b>
<b>QW</b>	<b>70,854</b>	<b>162</b>	<b>302</b>	<b>\$67,824</b>
<b>UI</b>	<b>8,100</b>	<b>23</b>	<b>59</b>	<b>\$12,296</b>
<b>Unduplicated Annual Total</b>	<b>118,060</b>	<b>12,895</b>	<b>4,852</b>	<b>\$4,064,475</b>

# Contact Information

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NDNH Web Site:

<http://www.acf.hhs.gov/programs/cse/newhire/ndnh/ndnh.htm>