

Workforce Investment Act Title I-B Program for Dislocated Workers

Program Details

The Workforce Investment Act (WIA) Dislocated Worker program provides employment and training services to meet dislocated workers' needs; establishes early intervention for workers and firms facing substantial layoffs; and fosters labor, management, and community partnerships with government to address worker dislocation. In general, dislocated workers are people who lost jobs due to plant closures, or company downsizing, and are unlikely to return to their industry or occupation.

Dislocated workers are eligible for "core services" that include:

- Skill assessment.
- Labor market information.
- Consumer reports on training programs.
- Job search and placement assistance.

Intensive and training services are available for eligible dislocated workers unable to land a suitable job through the above core services. These services include:

- More intensive assessments.
- Counseling.
- Prevocational and vocational training.

For this study, program records were obtained on 2,898 individuals who left the program during the 2007-2008 program year. Employment-related information was obtained through a match with the Employment Security Department (ESD) wage files from Washington, Idaho, and Oregon, and federal employment records. Employer satisfaction was assessed through survey responses from 164 firms that hired employees who recently completed a WIA program.¹

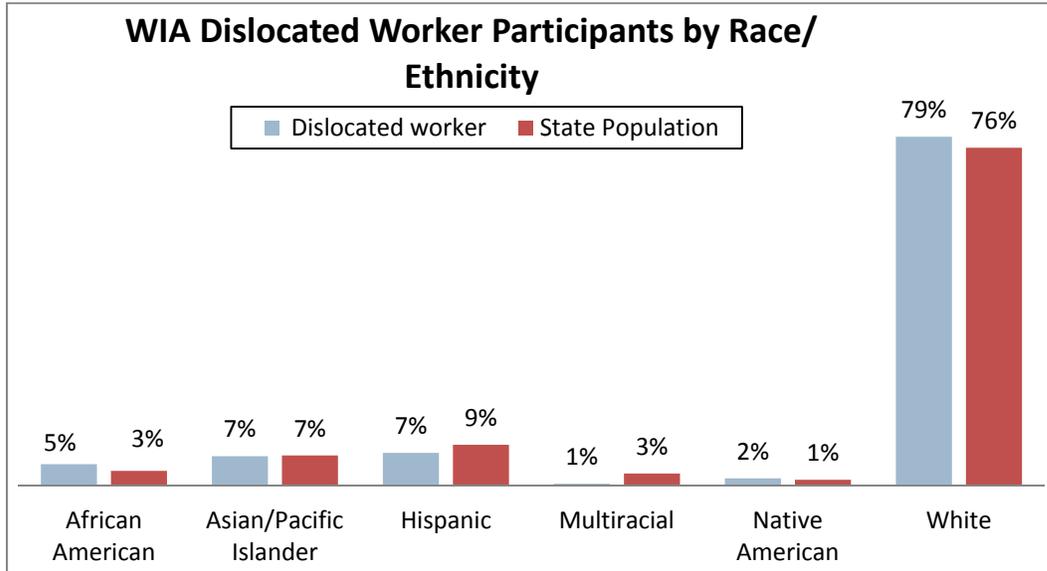
The typical participant was enrolled in the program for nine months. There was, however, considerable variation in the amount of time participants spent in the program. One quarter of participants were enrolled for four months or less, while another quarter was enrolled for over 17 months.

Every two years, the Workforce Board measures the performance of key workforce programs. In this report, you'll find out more about the program and who is served, the metrics used to measure performance and how the program performed.

¹ The employer survey includes employers who hired a participant who completed at least one of the three WIA Title I-B programs: Adult, Dislocated Worker, or Youth.

Participant Profile

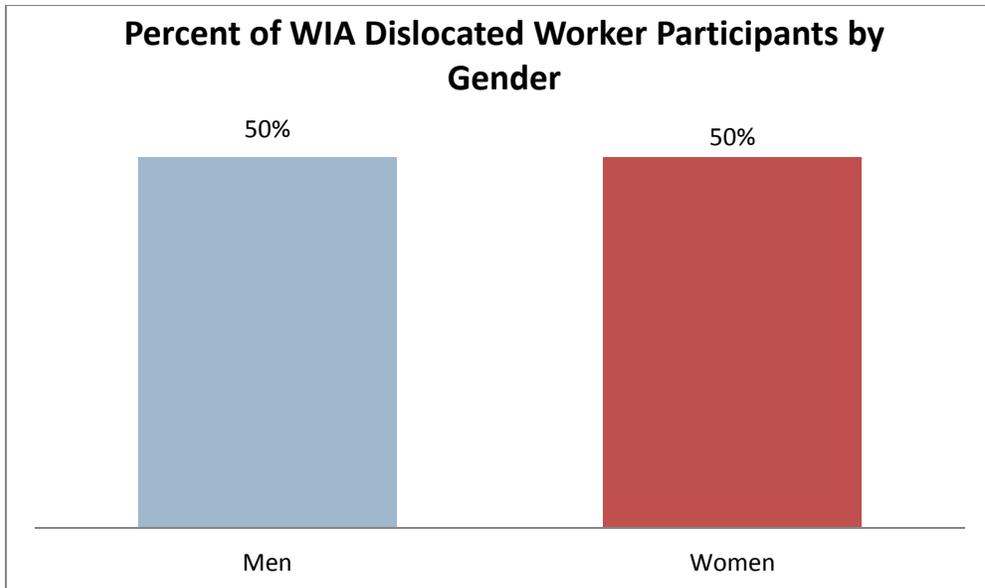
Participants roughly mirrored the state’s racial-ethnic population distribution with African Americans represented slightly higher than the 2008 population estimate, and Hispanics slightly lower.² An estimated 79 percent of participants were white, a slightly higher percentage than in 2005-2006. The median age at program registration was 45; one quarter was over 52 years old and one quarter was under 37.



Source: WIA standardized record data(WIASRD), 2008 State Population Survey.

Fully half of dislocated workers were women, up slightly from 49 percent in the 2005-2006 program years.

² In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African Americans); non-Hispanic Asians/Pacific Islanders (also referred to as Asians/Pacific Islanders); non-Hispanic Native Americans and Alaskan Natives (also referred to as Native Americans); non-Hispanic multiracial (also referred to as multiracial); and non-Hispanic whites (also referred to as whites). According to the 2006 *U.S. Census Estimates*, 77 percent are whites; 3 percent are African Americans; 1 percent are Native Americans; 7 percent are Asians/Pacific Islanders; 3 percent are multiracial; and 9 percent are Hispanics.



Source: WIA SRD

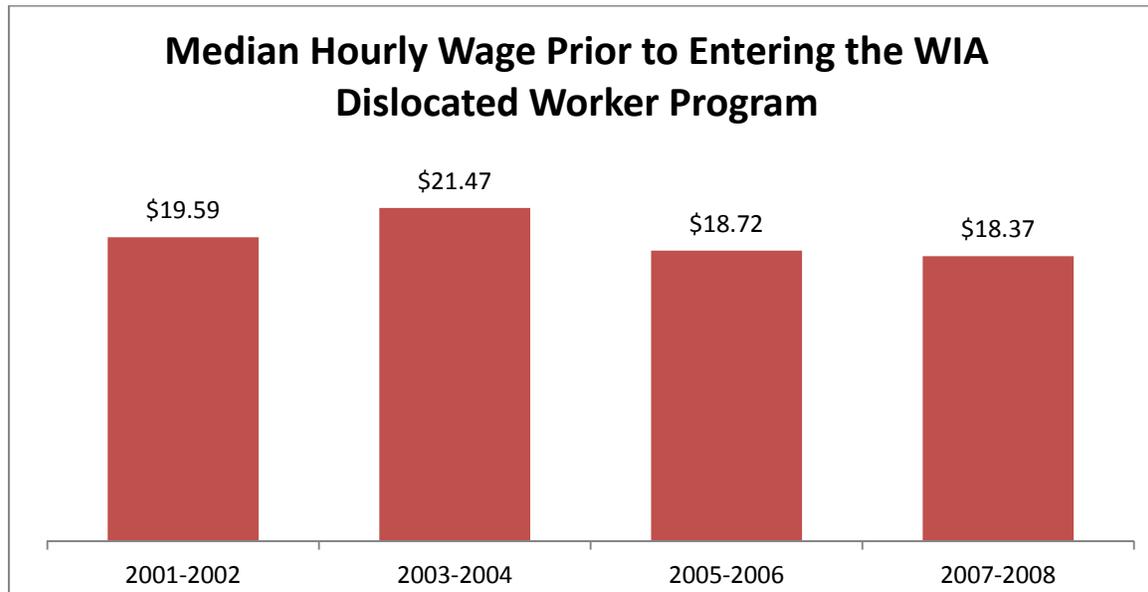
When they enrolled 49 percent of participants had not previously attended college, 24 percent had some college, 10 percent had an associate’s degree and 17 percent had a bachelor’s degree or higher.

Among the 2007-2008 dislocated workers, 27 percent were employed in manufacturing prior to registration, 29 percent were working in services, nearly 11 percent in financial activities and 10 percent held retail trade jobs.



Source: Matches with Employment Security Department data seven to nine months prior to entering and likewise after exiting program for 2007-2008 program year.

Entering the program, the 2007-2008 WIA dislocated workers had slightly lower wages than those of the 2005-2006 dislocated workers.



Source: Matches with Employment Security Department data.

State Core Measures: Tracking WIA Dislocated Worker Progress

The Workforce Board routinely measures the performance of our state's largest workforce programs. As a customer-focused advocate for Washington's workers and employers, the Workforce Board strives to provide performance accountability, verifying whether worker education and training programs provide a return on investment for participants and taxpayers.

Workforce Training Results seeks answers to five core questions:

- Did participants get the skills they needed?
- Did they get a job and how much were they paid?
- Were employers satisfied with the preparation workers received?³
- Has the program made a difference in the participant's success?
- Did participants and the public receive a return on their investment?

³ Workforce Training Results usually includes a survey that measures the satisfaction of workforce participants, including if they believed the program got them the skills they needed. The survey was not conducted this time because of budget constraints.

Data Comes From State Wage Files, Employer Survey

The 2010 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records for 2008-2009. Data used in the Net Impact Study reached back to 2006-2007 employment records, to help assess trends over a longer time frame. Employer satisfaction was assessed through the Workforce Board's 2010 Employer Survey from 164 firms hiring employees who recently completed a WIA program.⁴

Net Impact Study Adds More Insight into Program Performance

This year's report includes a comprehensive Net Impact Study. Conducted every four years, this study provides a head-to-head comparison of participants and non-participants to help answer a central question: How much of a workforce participant's success in obtaining a job, or a higher wage, is due to the workforce program? By comparing program participants with similar individuals who did not participate in a workforce training program, the Net Impact Study indicates whether employment and earnings gains are due to the workforce program, or if workers could have made this progress on their own. This research also allows for detailed analysis as to whether the participant and the public received a return on their investment in the program.

Turn to page 15 for the Net Impact Study. Conducted every four years, this in-depth report adds extra value to 2010 Workforce Training Results. The study provides a side-by-side comparison of participants vs. similar non-participants, answering the question of whether the program is making a difference.

Did Participants Get the Skills They Needed?

The study follows the progress of all WIA Dislocated Worker participants who left the program during the 2007-2008 program year.

As a measure of whether participants got the skills they needed, this study tracks the credentials and degrees earned by participants. Among those leaving the WIA Dislocated Worker program in 2007-2008:

- 9 percent received an associate's degree.
- 1 percent received a bachelor's degree
- 13 percent received a license.
- 40 percent received a certificate.
- 14 percent received another type of credential.

Taken together, 77 percent received a recognized credential.

⁴ The Employer Survey includes employers who hired a participant who completed at least one of the three WIA programs: Adult, Dislocated Worker, or Youth.

Did Participants Have a Job and How Much Were They Paid?

To find out whether participants had jobs and how much they earned, participant records were matched with Employment Security Department wage files from Washington and neighboring states.⁵ The study looks at employment and earnings three calendar quarters after the participant left the WIA program. The chart below shows the 2008-2009 employment and earnings of participants who left the program during the 2007-2008 program year.

Record matches found 77 percent had reported employment the third quarter after leaving the program. The median hourly wage was \$16.21, and median annualized earnings were \$30,537.⁶ The typical (median) hourly wage replacement rate was 88 percent.⁷ Since 1999, earnings and employment rates have trended upward.

2007-2008 Program Year Performance for WIA Dislocated Workers

Performance Measure	Results
Employment Rate*	77%
Percentage Employed Full Time**	73%
Median Annualized Earnings	\$30,536
Median Hourly Wage***	\$16.21
Hours Worked Quarterly (Median)	484 hours

These figures apply to those with employment reported to Employment Security Department six to nine months after leaving program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent. **Full-time employment averages 30 or more hours per week. *Earning/wages expressed in first quarter 2009 dollars.*

The median hourly wage of WIA Dislocated workers is relatively high, but there is considerable variation in wages.

Distribution of Hourly Wages Third Quarter After Leaving	
Quartile	Hourly Wage
Highest	Above \$21.74
Third	\$16.21-\$21.73
Second	\$12.66-\$16.20
Lowest	Below \$12.66

Source: Employment Security Department data matches 2007-2008.

⁵ These files contain quarterly earnings and hours worked information on those individuals with employment reported for unemployment insurance (UI) benefits purposes (approximately 90 percent of in-state employment, with self-employment, active duty military, and those working for religious nonprofit organizations being the major groups of employers not included).

⁶ All wages and earnings are stated in 2009 Q1 dollars. To derive annualized earnings, third quarter earnings are multiplied by four. Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter.

⁷ Median wage replacement rate calculated using third quarter prior to registration compared to the third quarter post-program. (The mean replacement rate was hourly post-wage/pre-wage = 88 percent.)

To put earnings in context, the median number of dependents WIA Dislocated Worker participants were able to support at the poverty level after leaving the program in 2007-2008 was 6.3 people. At the 200 percent level, this supported a little more than 2 people.⁸

Self Sufficiency Level for WIA Dislocated Workers – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Household size-poverty level	6.2	6.4	6.4	6.3
Household size-poverty level at 200 percent	2.2	2.2	2.3	2.2

The following table shows employment and earnings information over the course of four study periods.

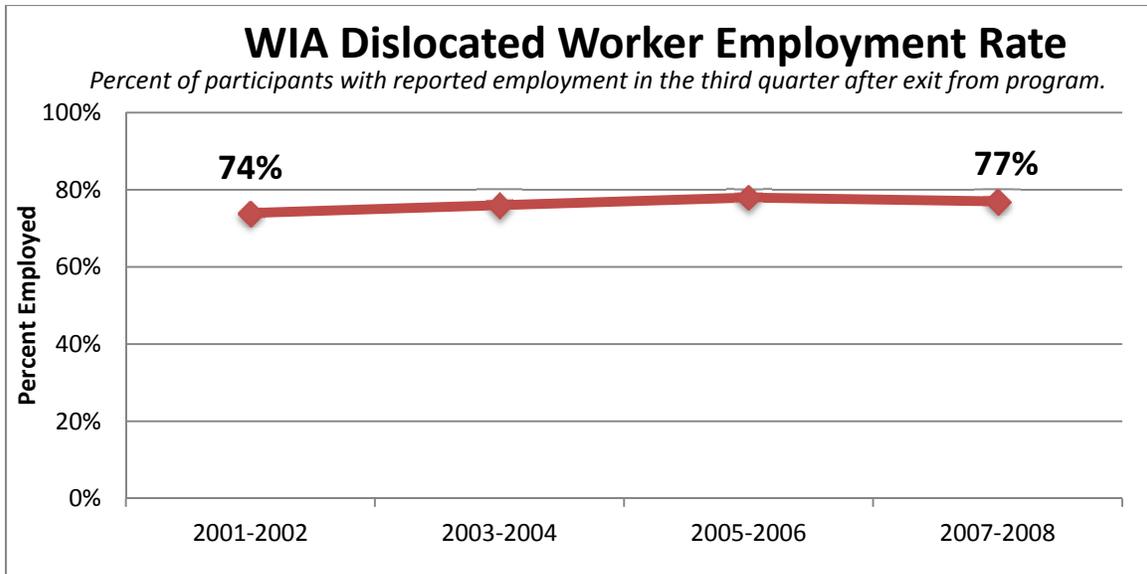
Program Performance for WIA Dislocated Workers – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Employment Rate*	74%	76%	78%	77%
Percentage Employed Full Time**	74%	73%	75%	73%
Median Annualized Earnings	\$30,302	\$30,918	\$31,143	\$30,537
Median Hourly Wage***	\$15.95	\$16.41	\$16.77	\$16.21
Median Hours Worked Quarterly	494	486	491	484

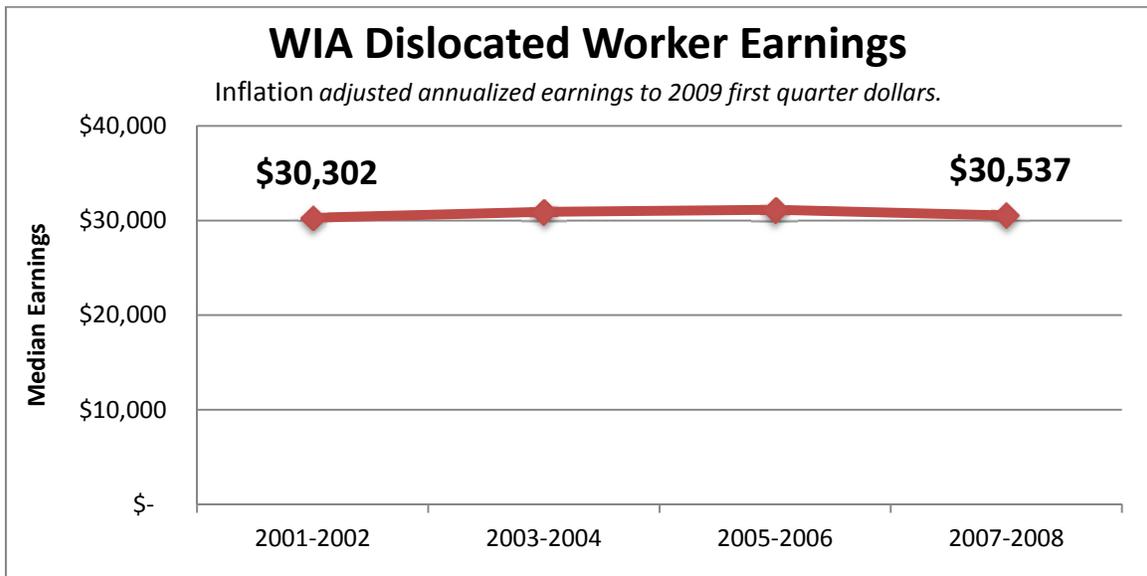
Note: These figures apply to those with employment reported to state employment agencies six to nine months after leaving the program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent. **Full-time employment averages 30 or more hours per week. *Earnings/wages expressed in first quarter 2009 dollars in order to control for inflation.*

Since 1997, participants have generally notched improvements in employment and earnings. However, there have been set backs during dips in the economy, including the most recent fall in both employment and earnings for the 2007-2008 cohort.

⁸ In 2009, the poverty level for one person was \$10,830 per year. The 200-percent-poverty level that year was \$21,660 for one person.



Source: Workforce Training Results 2001-2008.



Source: Workforce Training Results 2001-2008.

WIA Dislocated Workers Find New Jobs in New Fields

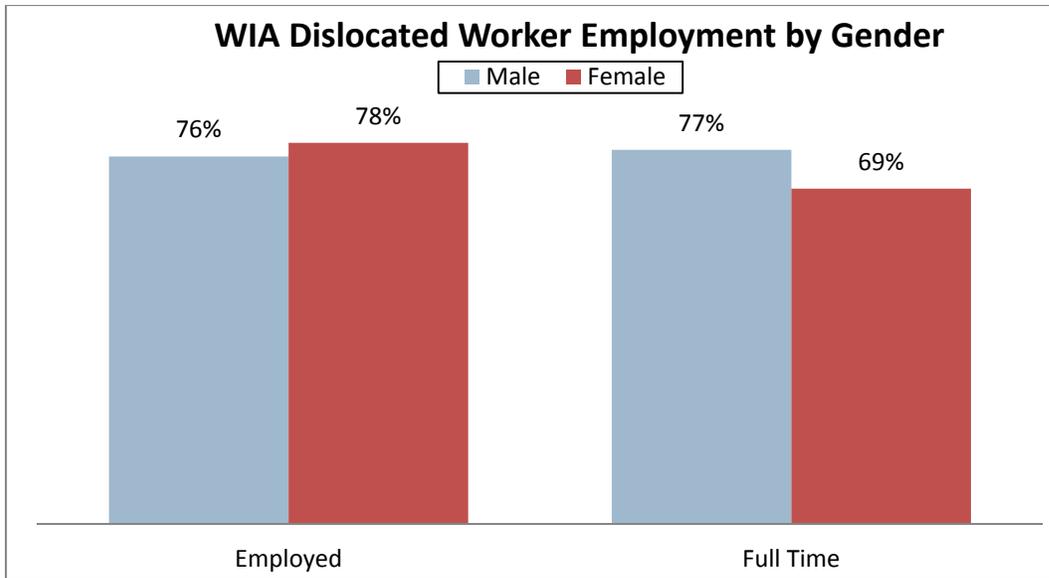
Over one quarter of the participants were dislocated from manufacturing jobs—of which 12 percent were from wood and paper products. Another quarter worked in services. After leaving the program, 16 percent found jobs in the manufacturing sector and about 3 percent found employment in the wood and paper products industry. Those employed in services increased to almost 50 percent, with those in health care more than doubling.

WIA Dislocated Worker Employment by Industry		
Industry Group	Prior Employment	Post Employment
Services (See breakout below)	28.6%	47.4%
Manufacturing (See breakout below)	27.0%	15.8%
Financial Activities	10.6%	6.3%
Retail Trade	10.1%	8.2%
Wholesale Trade	4.8%	5.0%
Construction	4.6%	5.2%
Transportation and Warehousing and Utilities	4.3%	6.7%
Public Administration	4.3%	7%
Information	3.6%	1.7%
Natural Resources and Mining	2.1%	1.2%
Breakout of the Services Industry		
Administrative and Support and Waste Management and Remediation Services	7.4%	9.3%
Health Care	5.6%	12.4%
Professional, Scientific, and Technical Services	4.9%	6.0%
All Other Services	3.0%	4.0%
Leisure and Hospitality	3.0%	3.0%
Education Services	3.0%	5.3%
Social Assistance	1.6%	3.3%
Subtotal from Services Industry	28.6%	43.4%
Breakout of the Manufacturing Industry		
Wood & Paper Products	12.0%	2.6%
All Other Manufacturing	8.3%	6.4%
Food & Beverage	3.0%	2.0%
Computer & Electronic Products	2.1%	1.0%
Fabricated Metal Products	1.0%	1.3%
Aerospace	0.5%	2.5%
Alumina & Aluminum Products	0.2%	0.1%
Subtotal of Manufacturing Industry	27.0%	15.8%

*Source: Employment Security Department data match in third quarter prior to entering and the third quarter after exiting
Note: Industry groups based on North American Industry Classification System codes.*

Wages and Employment Results Vary by Population

Wages and employment results can vary by gender, race and ethnicity, and disability. During the third quarter after exit, women were slightly more likely than men to be working (78 percent versus 76 percent). However, women were less likely to be working full time (69 percent versus 77 percent). The median hourly wage for women was 85 percent of men—an improvement over the 78 percent in 2005-2006.

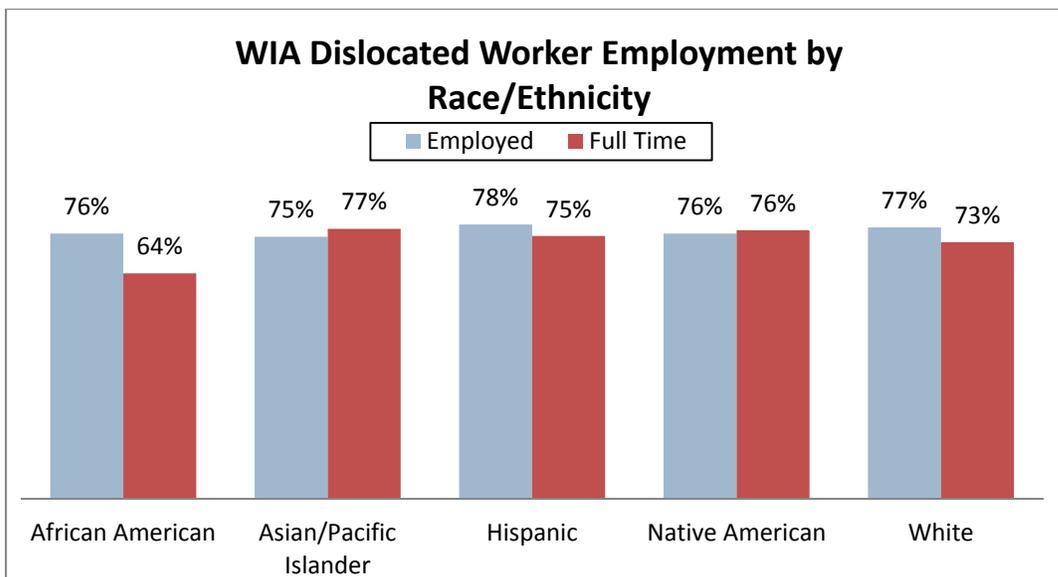


Source: Employment Security Department and WIASRD

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

Race/Ethnicity Plays Role

Participants from racial and ethnic minority backgrounds were as likely to be employed as white participants. However, African Americans were less likely to be employed full time as whites (88 percent) while the percent of Hispanics, Asians/Pacific Islanders and Native Americans were more likely to be employed full time than whites. The median hourly wage for Hispanics was 87 percent of hourly wages paid to whites; and for African Americans and Asians/Pacific Islanders, hourly wages were 99 percent of hourly wages paid to whites. Native American hourly wages were slightly higher than hourly wages earned by whites (around 3 percent).

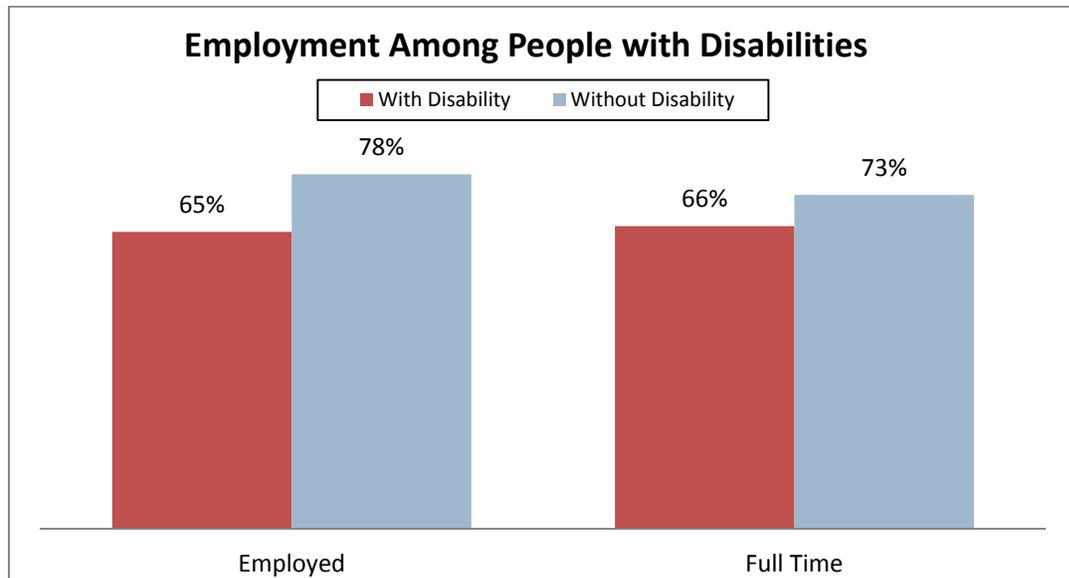


Source: Employment Security Department and WIASRD

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

Disability Impacts Employment, Earnings

Employment and earnings also varied by disability status. Administrative records suggest 6 percent of the participants included in this study had a disability.⁹ Dislocated workers with disabilities were less likely to be employed (65 percent versus 78 percent for those without a disability) and working full time (66 percent versus 73 percent). Their median hourly wages were 92 percent of those with no reported disability.



Source: Employment Security Department and WIASRD

Note: The percentage employed and percentage full-time are calculated from different bases. The percent employed is percent of all participants; the percent full-time is percent among those employed.

Were Employers Satisfied with the Preparation Workers Received?

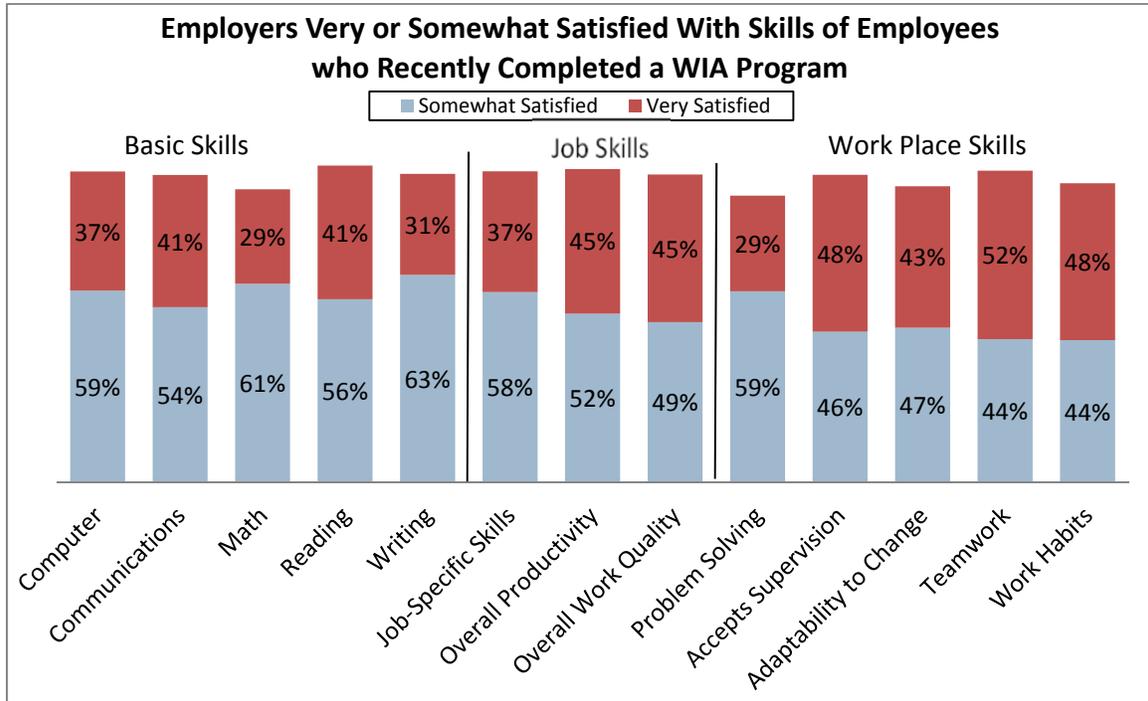
The Workforce Board's Employer Survey, administered during 2010, asked firms to evaluate new employees who had recently completed a WIA program.¹⁰ All three WIA Title I programs (Adult, Dislocated Worker, and Youth) were grouped together because there are relatively few participants in each category and employers would find it difficult to distinguish one from another. This section presents findings on employer satisfaction with new employees who completed *any type* of WIA program.

Employer satisfaction was broken down into three categories: Basic Skills, Job Skills and Work Place Skills. Basic skills refer to reading, writing, math, communication and computer skills. Job skills refer to skills specific to the job as well as overall work quality

⁹ In accordance with the Americans with Disabilities Act of 1990, a disability is defined as a "physical or mental impairment that substantially limits one or more of the person's major life activities."

¹⁰ Every two years the Workforce Board conducts a statewide employer survey to get feedback on the state's workforce system. It's the only comprehensive statewide survey of its kind and shines a light on common workforce issues across a wide range of industries.

and productivity. Work place skills refer to the skills necessary to get along in the workplace such as ability to accept supervision, teamwork, ability to adapt to changing situations, problem solving and overall work habits.



Source: Workforce Board Employer Survey 2010

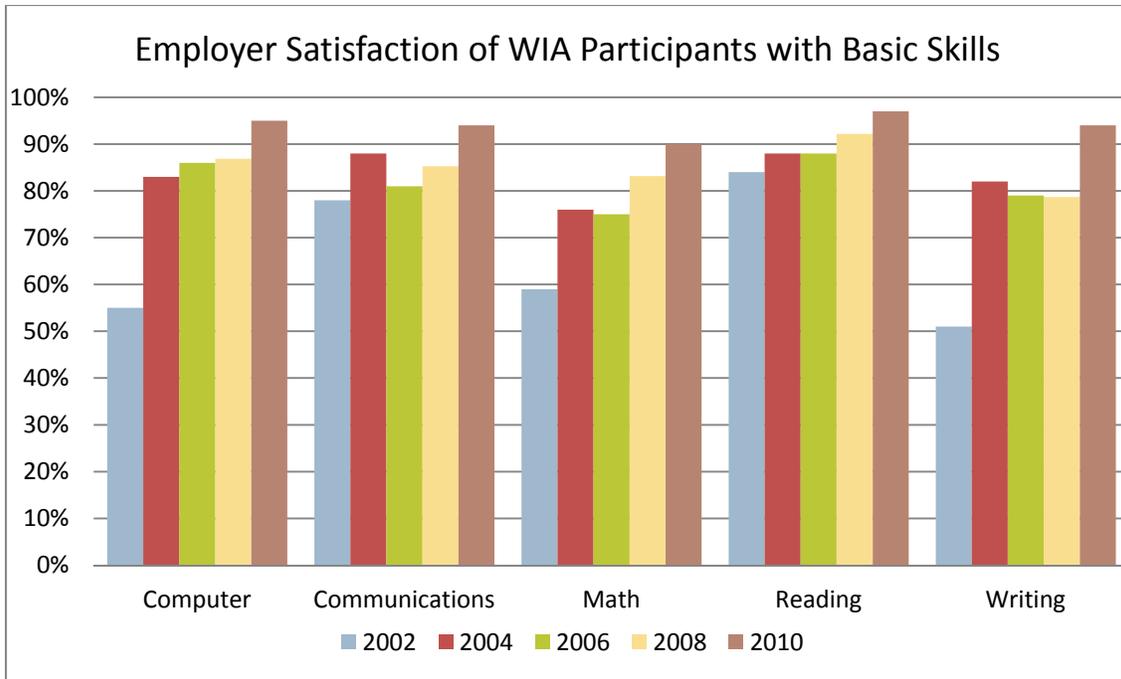
Fewer employers were very satisfied with math, writing and problem-solving skills.

Among those indicating they were “very satisfied,” top scoring categories included:

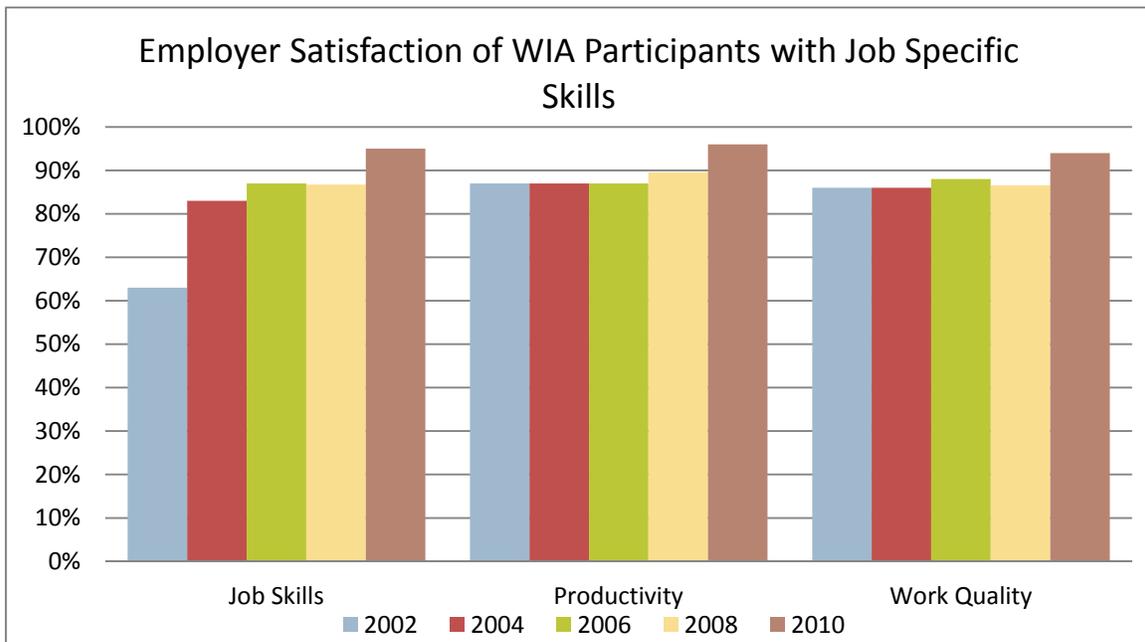
- Teamwork (52 percent).
- Accepts Supervision (48 percent).
- Work Habits (48 percent).

Overall Work Quality and Overall Productivity were also rated highly with 45 percent of employers indicating they were “very satisfied.”

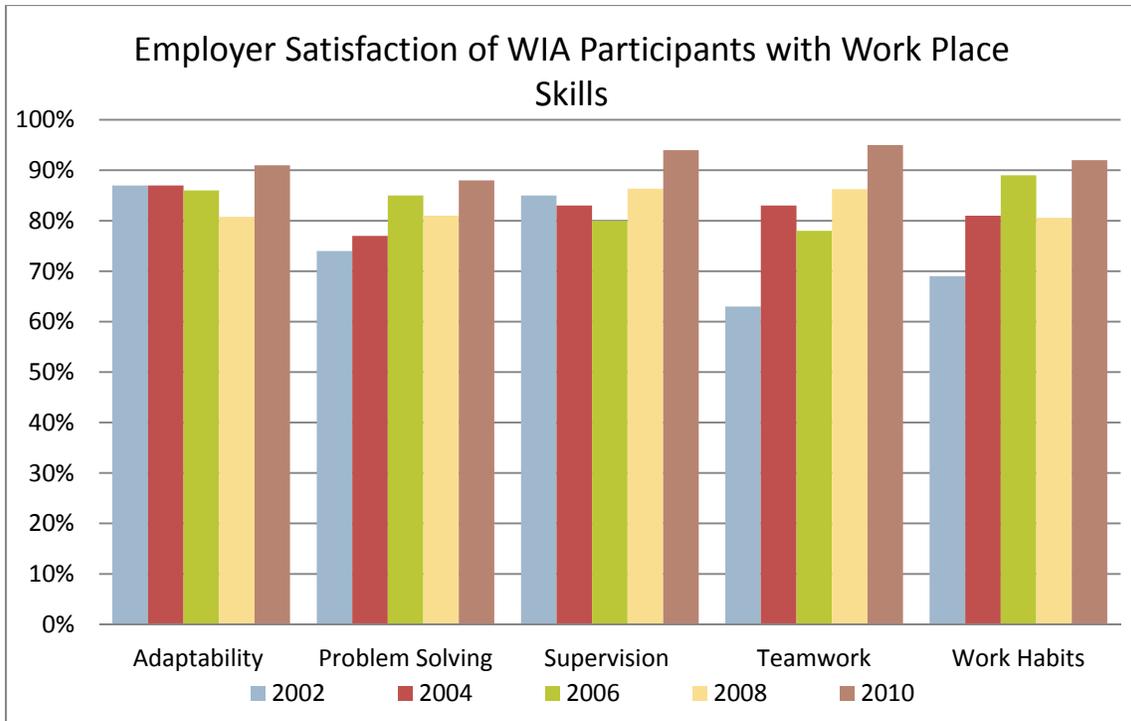
The overall satisfaction of employers in *all* skill areas was higher in 2007-2008 than any of the past 10 years of surveys. The following three charts show the overall satisfaction of employers within the skills categories of new employees who recently completed a WIA program.



Source: Workforce Board's biennial Employer Surveys from 2002 through 2010.



Source: Workforce Board's biennial Employer Surveys from 2002 through 2010.



Source: Workforce Board's biennial Employer Surveys from 2002 through 2010.

Net Impact – Did the Program Make a Difference in Participant Success

Every four years the Workforce Board conducts net impact and cost-benefit analyses of workforce development programs. This detailed study compares participants and non-participants. The net impact part of this study attempts to measure whether the program made a difference in the participant's success. Washington is the only state to periodically conduct rigorous net impact evaluations of its workforce programs.

The net impact analysis was conducted by the W.E. Upjohn Institute for Employment Research (Upjohn), a national leader in evaluating training programs. To do the analysis, Upjohn studied program participants to see what results they achieved and compared these results with a control group. Individuals who participated in a WIA Dislocated Worker program were compared to individuals who had similar demographic characteristics, but who did not participate in any of the programs included in this study. The comparison group members were selected from among those who registered with WorkSource, Washington's one-stop career center system.

The WIA Dislocated Worker program has strong, positive net impacts on long-term employment, hourly wage, hours worked, and earnings. Participation increases lifetime earnings of dislocated workers.

The most recent analyses examined the experience of participants who left programs during the 2005-2006 and 2007-2008 program years.

Short-term net impacts: Individuals who exited in Program Year 2007-2008.

Longer-term net impacts: Individuals who exited in Program Year 2005-2006.

The analysis also separates out WIA Dislocated Worker participants who received job training, in addition to other WIA services. Roughly 77 percent of WIA Dislocated Worker participants received some type of formal training or education while the rest received only core or intensive services.

In the table below, the WIA Dislocated Worker participant employment rate in the short-term was 10.1 percentage points higher than the rate of those in the comparison group. Also, long-term average annualized earnings of WIA Dislocated Worker participants who found jobs is higher than those non-participants who were employed. A wide range of training is provided to WIA participants who qualify, including occupational skills training, skill upgrading and retraining, on-the-job training, and Adult Basic Education when delivered in combination with career and technical education.

Impact on Employment and Earnings: Participants vs. Control Group

WIA Dislocated Worker Program	All WIA Dislocated Worker Participants		WIA Training Recipients	
	Short-term	Long-term	Short-term	Long-term
Net Employment Impact	10.1 percentage points	4.7 percentage points	10.2 percentage points	5.0 percentage points
Net Hourly Wage Impact	No significant positive impacts	\$1.41	No significant positive impacts	\$1.88
Net Hours Employed per Quarter Impact	42.4	28.4	41.7	29.7
Net Annualized Earnings Impact	No significant positive impacts	\$3,321	No significant positive impacts	\$4,467

Percentages listed are employment percentage points above those of the control group of non-participants. Dollars listed are the average annual earnings difference between WIA Dislocated Worker participants who got jobs and those in the control group who were employed.

As can be seen above, WIA Dislocated Worker Program participants saw significantly higher employment and hours worked when compared to the control group. Long-term impacts for annualized earnings were significant among all WIA Dislocated Worker participants and for those who received training. The long-term impacts were stronger for workers who received training.