

Worker Retraining Program

Program Details

The Worker Retraining program provides dislocated workers and the long-term unemployed with access to job retraining for a new career. Program enrollments vary from year to year in response to layoffs and, during recessions, the need increases. The industries from which participants are laid off also vary over time.

About one percent of worker retraining participants receive their training at private career schools. This evaluation, however, is limited to training at community and technical colleges. The colleges provide training in occupational skills and basic skills and literacy. Qualifying participants may receive financial assistance to help with their tuition.

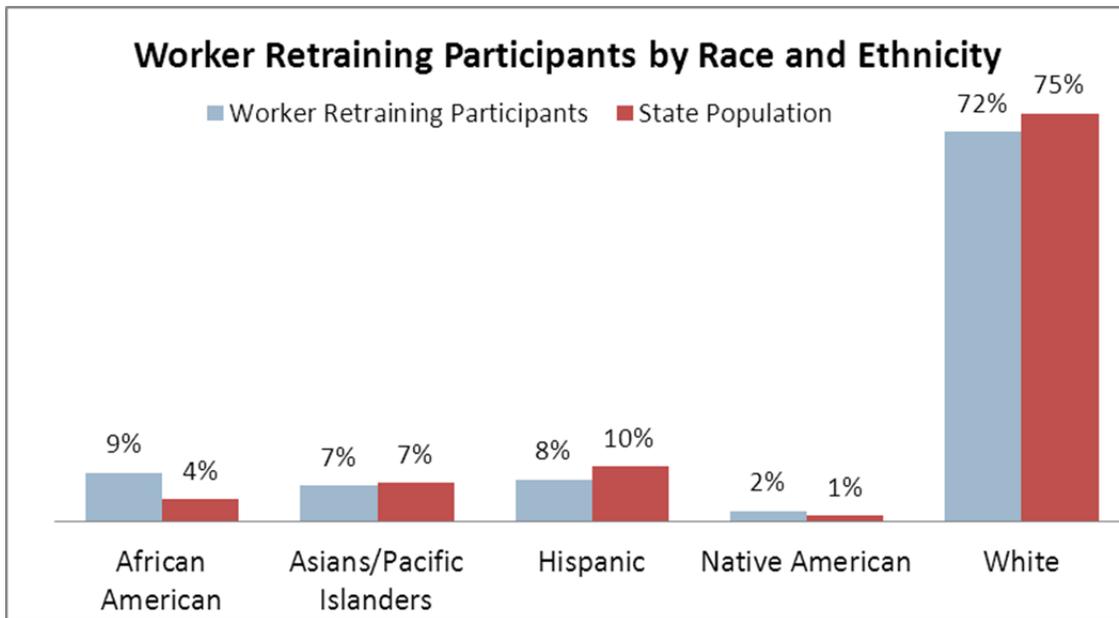
Every two years, the Workforce Board measures the performance of key workforce programs. In this report, you'll find out more about the program and who is served, the metrics used to measure performance and how the program performed.

Participant Profile

For this report, researchers studied the results of 6,047 Worker Retraining participants who completed or otherwise left a community or technical college program during the 2008-09 school year. The median length of enrollment for these participants was six months.

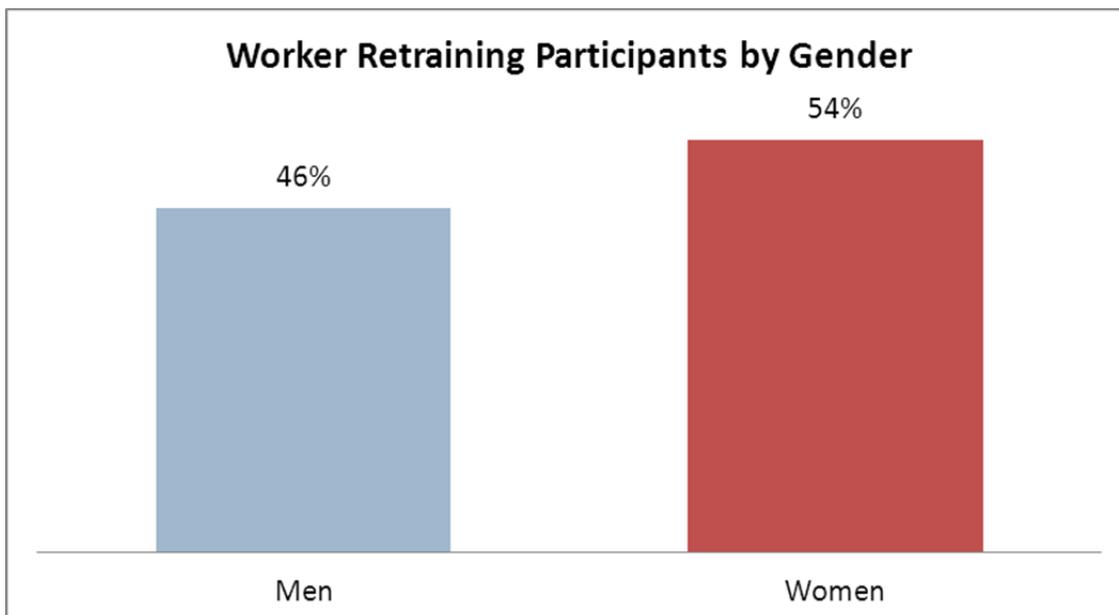
The racial and ethnic composition of Worker Retraining participants roughly reflects the general population in Washington for Asian/Pacific Islanders (7 percent). African Americans (9 percent) and Native Americans (2 percent) are represented at a greater percentage than the general population, whereas Hispanics (8 percent) and whites (72 percent) are at a slightly lower percentage.¹ In terms of program completion by racial and ethnic groups, the rates are nearly identical to the proportion participating in the program.

¹ 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 2009 U.S. Census Bureau estimates from the American Community Survey, 75 percent are white; 4 percent are African American; 1 percent are Native American; 7 percent are Asian/Pacific Islander; 3 percent are multiracial; and 10 percent are Hispanic.



Source: Community and Technical Colleges Administrative Data.

Among the 2008-09 Worker Retraining participants, 54 percent were women; this is an increase of 7 percentage points from the 2007-08 participants. Of the 2008-09 completers, 55 percent were women, an increase of 5 percentage points from the prior program year.



Source: Community and Technical Colleges Administrative Data.

When they enrolled in the program, 42 percent of participants had not previously attended college, 24 percent had attended college without receiving a credential, 15 percent had received a certificate or associate's degree, and 13 percent had received a baccalaureate or higher degree. The median age at the start of the last quarter of the program was 42 years. One in four participants was under age 32, while another one in four participants was over 51.

State Core Measures: Tracking Worker Retraining 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.

The Workforce Training Results report seeks to answer five core questions:

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

Data Comes From State Wage Files

The 2011 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records for 2009-10.

Net Impact Study Adds More Insight into Program Performance

In addition, this year's report includes a comprehensive Net Impact Study. Data used in the Net Impact Study also reached back to 2005-06 employment records, to help assess trends over a slightly longer time frame. 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 a more 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 2011 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?

As a measure of whether participants got the skills they needed, this study tracks the credentials and degrees earned by participants. Among those leaving a Worker Retraining program in 2008-09:

- 13 percent received an associate's degree.
- 15 percent received a certificate.
- 4 percent received another type of credential.

Another 15 percent were defined as completers because they completed 45 or more credits or a unique (non-degree) program.

Altogether, 54 percent of participants completed their program. This completion rate is higher than the 50 percent for those who left Worker Retraining programs in 2007-08 when 15 percent received an associate's degree, 13 percent received a certificate, and 18 percent were defined as completers because they completed 45 or more credits or a unique (non-degree) program.

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.² The study looks at employment and earnings three calendar quarters after the participant left a Worker Retraining program. Record matches found that 58 percent of the 2008-09 participants had reported employment during the third quarter after they left their program, 11 percentage points lower than that reported in 2007-08. Their median hourly wage was \$15.63, and they had median annualized earnings of \$26,255.³ Program completers were more likely to be working full time (58 percent compared to 54 percent) and had higher annual earnings (\$27,206 compared to \$25,255) than those who did not complete their training programs.

² 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).

³ Annual earnings are calculated as third quarter earnings multiplied by four. Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. All wages and earnings are stated in first quarter 2009 dollars.

Employment and Earnings for Worker Retraining Participants, 2009-10

Performance Measure	Results
Employment Rate (Self-Reported)	67%
Employment Rate* (State Records)	58%
Full Time Employment **	57%
Median Quarterly Hours	429 hours
Median Hourly Wage***	\$15.63
Median Annualized Earnings***	\$26,255

* 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 account for inflation.

To put earnings in context, the median number of dependents Worker Retraining participants were able to support at the poverty level in 2009-10 was 5.1 people. At the 200 percent of poverty level, it was 1.6 people.⁴

Self Sufficiency Level Trends for Worker Retraining Participants

Performance Measure	2002-03	2004-05	2006-07	2008-09	2009-10
Household size-poverty level	4.8	5.0	5.7	5.9	5.1
Household size-poverty level at 200 percent	1.4	1.6	1.9	2.0	1.6

Worker Retraining Participants Receiving Benefits from Employers

Performance Measure	2002-03	2004-05	2006-07	2008-09*	2009-10
Self-Reported Medical Benefits from Employer	67%	72%	68%	N/A	64%
Self-Reported Retirement Benefits from Employer	42%	48%	51%	N/A	38%

* Due to budget concerns, the Workforce Board's Participant Survey was not conducted in 2008-09.

⁴ 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.

The next table shows employment and earnings information over five study periods.

Employment and Earnings Trends for Worker Retraining Participants, 2009-10

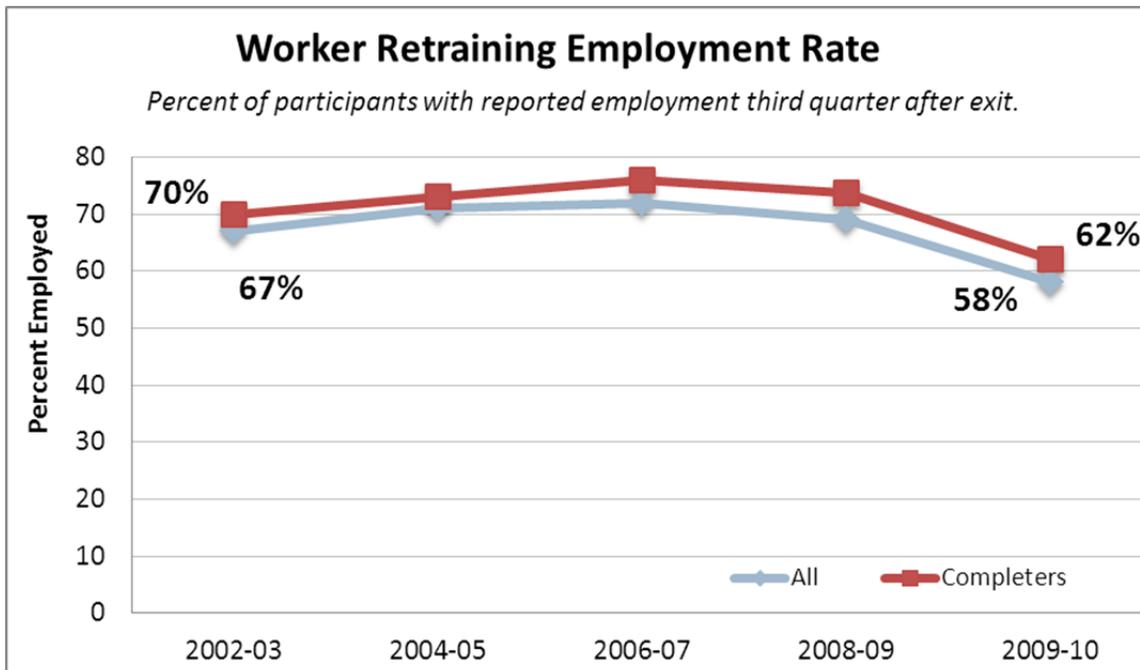
Performance Measure	2002-03	2004-05	2006-07	2008-09	2009-10
Employment Rate (Self-Reported)	71%	85%	75%	N/A	67%
Employment Rate* (State Records)	67%	71%	72%	69%	58%
Full Time Employment**	61%	65%	65%	67%	57%
Median Quarterly Hours	455	467	468	468	429
Median Hourly Wage***	\$14.69	\$15.08	\$15.89	\$16.01	\$15.63
Median Annualized Earnings***	\$24,945	\$25,960	\$28,308	\$29,132	\$26,255

**These figures apply to those with employment reported to ESD 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.*

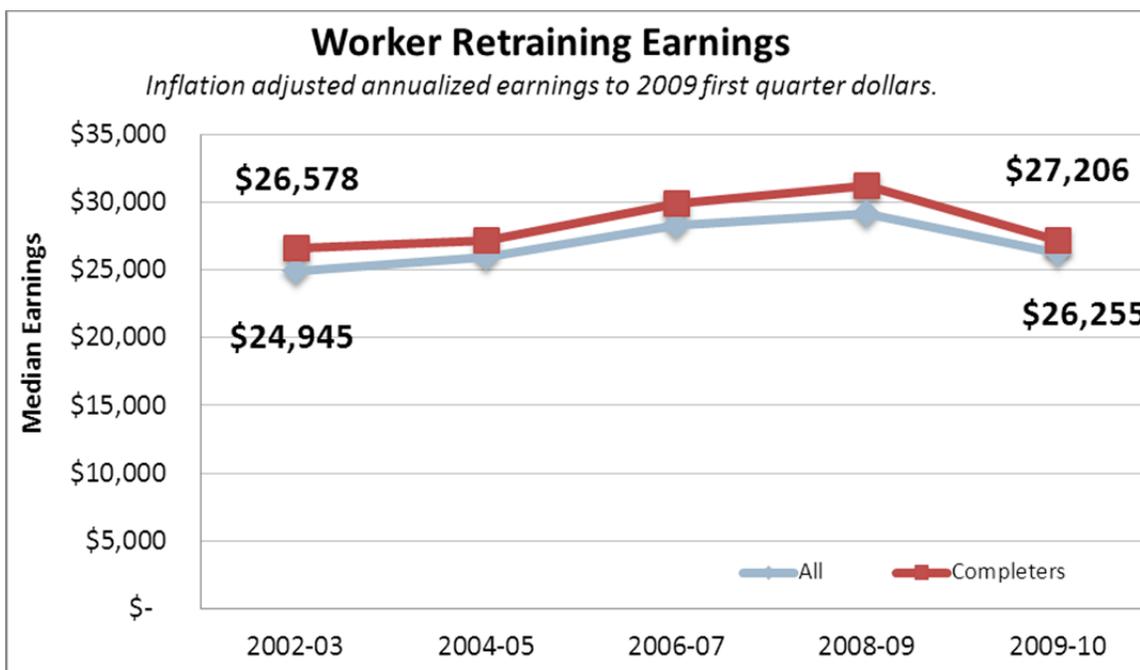
****Earnings/wages expressed in first quarter 2009 dollars in order to account for inflation.*

Since 2002, employment rates have varied with changes in the economy, going down during recessions.



Source: Workforce Training Results 2002-10.

Earnings have shown steady increases since 2002; however they declined in the past year. The decrease is likely due to the Great Recession.



Source: Workforce Training Results 2002-10.

Wages continue to be widely distributed among Worker Retraining participants. Although the median hourly wage was \$15.63, one quarter earned more than \$22.52 an hour, while another quarter had jobs that paid less than \$11.75 an hour. This wide distribution of wages is reflected in the dispersion of employment across higher and lower-wage industries.

Worker Retraining Participants Employment by Industry

While slightly over half of those employed found jobs in the service industry, 9 percent of those employed were working in manufacturing, another 9 percent in retail trade and 7 percent in construction. Within the service industry, jobs were primarily held in health care (17 percent), followed by administrative and support (10 percent).

Industry Group	
54%	Services (see breakout below)
9%	Manufacturing (see breakout below)
9%	Retail Trade
7%	Construction
6%	Public Administration
5%	Financial Services
4%	Transportation and Warehousing and
3%	Wholesale Trade
1%	Information
1%	Natural Resources and Mining
1%	Correctional Facilities
Breakout of Services Industry	
17%	Health Care
10%	Administrative and Support
6%	Education Services
5%	All Other Services
5%	Professional, Scientific, and Technical
4%	Social Assistance
4%	Accommodation and Food Services
2%	Arts, Entertainment, and Recreation
Breakout of Manufacturing Industry	
4%	All Other Manufacturing
2%	Aerospace
2%	Food & Beverage
1%	Wood & Paper Products
1%	Fabricated Metal Products

Source: Matches with Employment Security Department data third quarter after exit.

Note: Industry groups are based on North American Industry Classification System (NAICS).

Wages and Employment Results Vary by Population

Employment and earnings can vary by gender, race and ethnicity, and disability status. However, there was no marked difference between men and women in employment rates, and the percentage who obtained full-time jobs. However, both men and women participants were less likely to hold a full-time job, as the full-time employment rate dropped by about 10 percentage points from the previous report for both groups.

Less balance was observed in terms of hourly wages and earnings. Women's hourly wages were 85 percent of men's (\$14.70 vs. \$17.25) and their annual earnings were 84 percent of men's (\$24,230 vs. \$28,916).



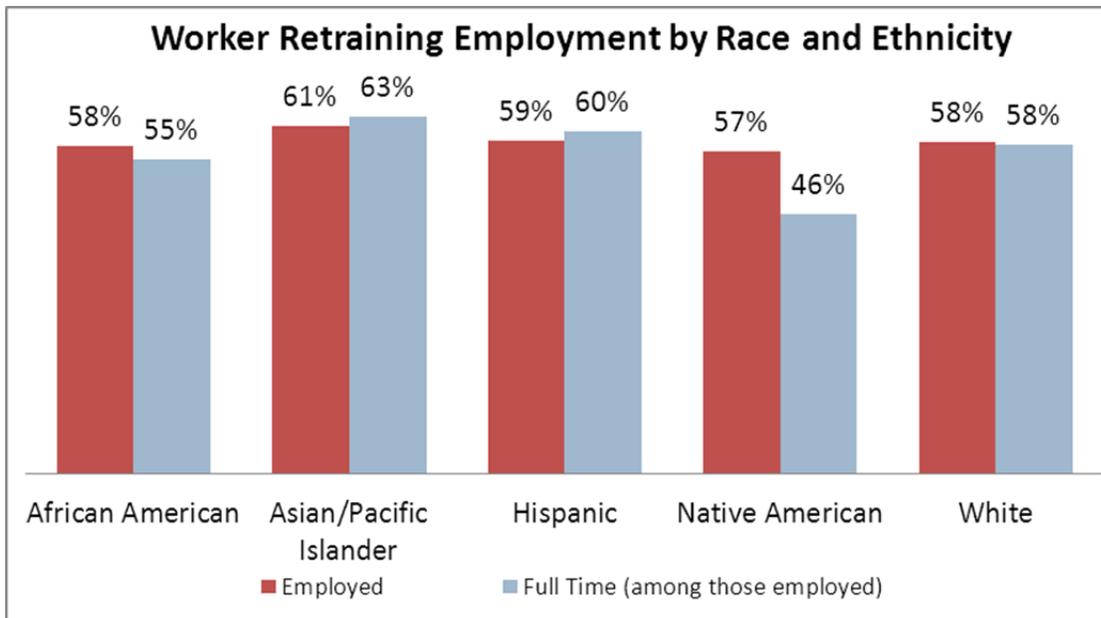
Source: Community and Technical College Administrative Data (DLOA)

Race and Ethnicity Plays Role

Variation was also found for employment rates among racial and ethnic groups. Hispanics had the highest rate of employment at 64 percent, followed by Asian/Pacific Islanders (60 percent), whites (57 percent), African Americans (55 percent) and Native Americans (54 percent). Racial and ethnic variation was also found for full time employment, though the pattern mirrors that of general employment.

Whites had the highest median hourly wage at \$15.84. Among other racial and ethnic groups the median hourly wage was \$15.57 for Native Americans, \$15.33 for Asian/Pacific Islanders, \$14.33 for African Americans and \$14.10 for Hispanics. All of these hourly wages are within 90 percent of the highest median hourly wage found among white program participants.

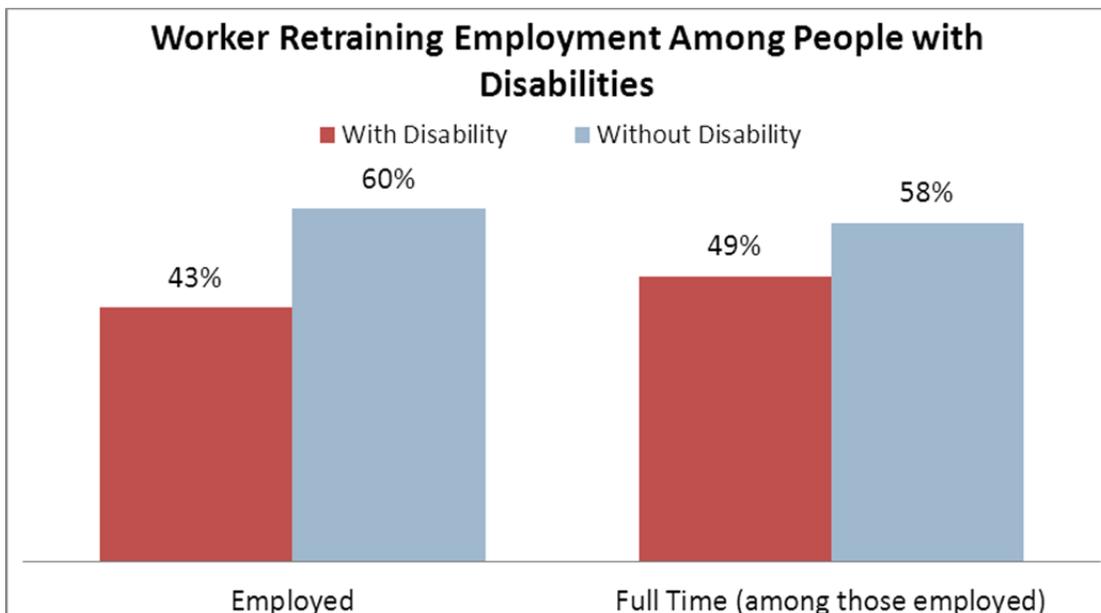
The breakdown for annual earnings among different racial and ethnic groups was distributed slightly differently from that of median hourly wages. Asian/Pacific Islanders had the highest earnings (\$28,105), followed by whites (\$26,546), African Americans (\$25,200), Hispanics (\$24,315), and Native Americans (\$21,421).



Source: Community and Technical College Administrative Data (DLOA)

Disability Impacts Employment, Earnings

Earnings and employment outcomes also varied by disability status. College records suggest 8 percent of the Worker Retraining participants included in this study had a disability. These participants were less likely to have employment reported to the Employment Security Department during the third quarter after exit (43 percent versus 60 percent) and were less likely to be employed full time (49 percent versus 58 percent). Among those working, the median hourly wage rate of those with a disability (\$13.78) was 87 percent of those without a disability (\$15.81), whereas the annual earnings of those with a disability (\$20,802) was 79 percent of those without a disability (\$26,481).



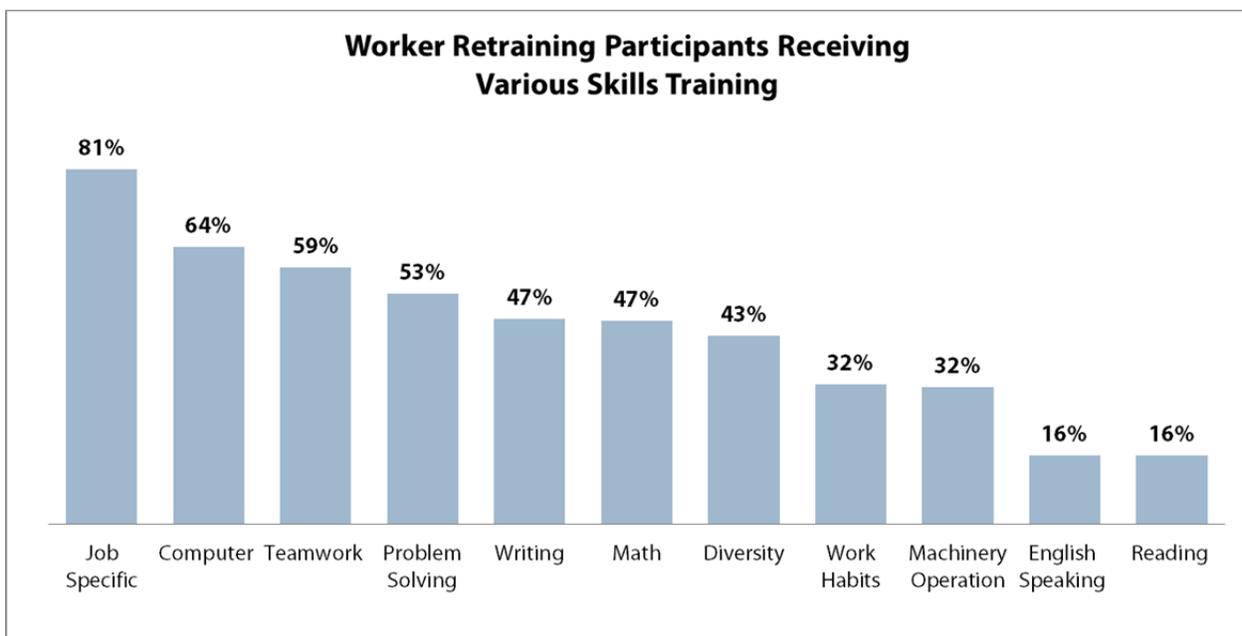
Source: Community and Technical College Administrative Data (DLOA)

Competency Gains

In 2011, the Workforce Board surveyed Worker Retraining Participants who had left their program in 2009-10. The survey provided data on employment and documented how satisfied participants were with their training. The Participant Satisfaction Survey was conducted by telephone and was completed by 365 participants.

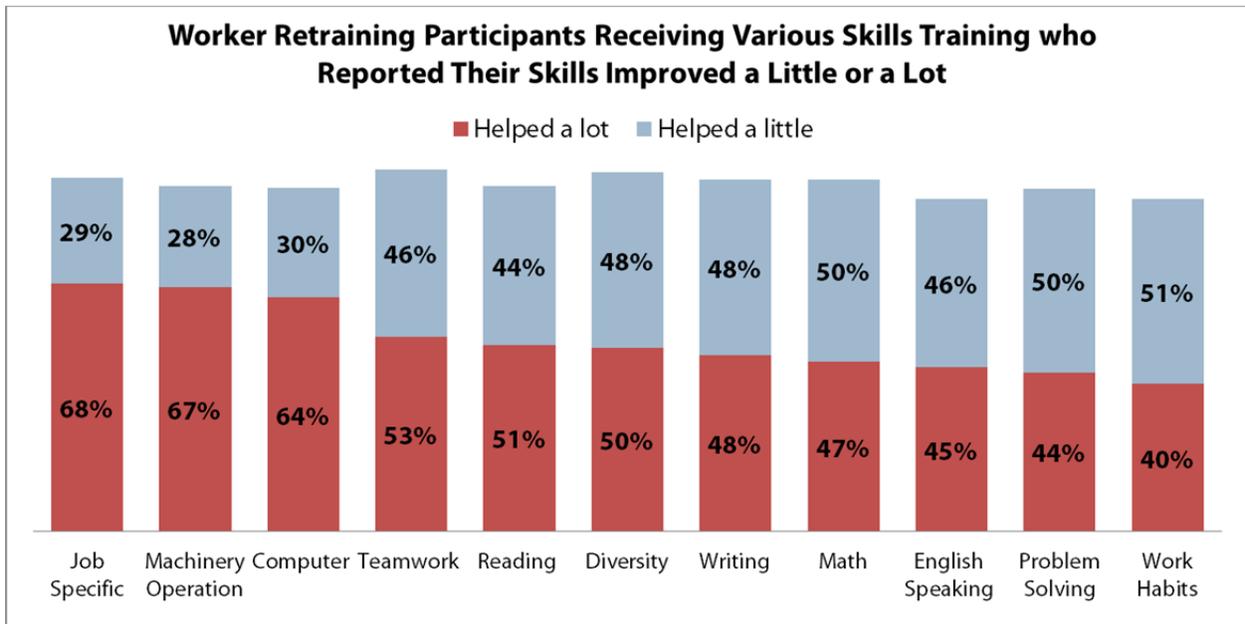
The primary goal of Worker Retraining is to prepare dislocated workers for new jobs. Worker Retraining participants agree: 90 percent indicated one of the main reasons they enrolled was to learn skills for a new job, and 76 percent reported they enrolled to get or finish a degree or certificate. In addition, 70 percent decided to enroll for personal improvement or enjoyment.

Complementing job specific skills, many participants also received other types of training. Compared to the 2008 Workforce Board Participant Survey, the current participants appear to have received less of some types of training. For example, the percentage of participants receiving computer skills, diversity, and writing skills training dropped by 11 percentage points. Math skills training dropped the most, going from 61 percent in 2008 to 47 percent this year, a drop of 14 percentage points. One exception to this decrease in skills training has been machinery operations, which increased by 12 percentage points.



Source: Workforce Board's Participant Satisfaction Survey 2011.

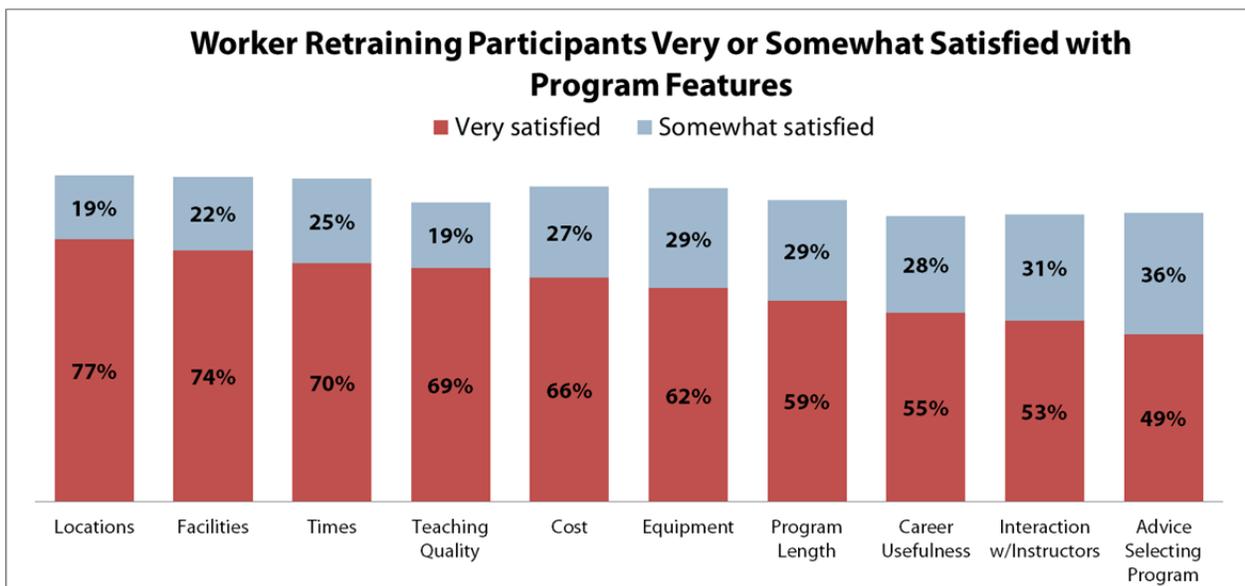
Compared to the participants in the 2008 survey, the participants in the 2011 survey tended to respond that their skills improved "a little" versus "improved a lot." For example, participants responding that their job specific skills had "improved a lot" declined from 81 percent in 2008 to 68 percent in 2011, and the percentage indicating their skills improved "a little" increased from 17 percent in 2008 to 29 percent in 2011. The percentage of participants reporting overall improvement in teamwork, diversity, and work habits skills as a result of training increased from 2008 to 2011.



Source: Workforce Board's Participant Satisfaction Survey 2011.

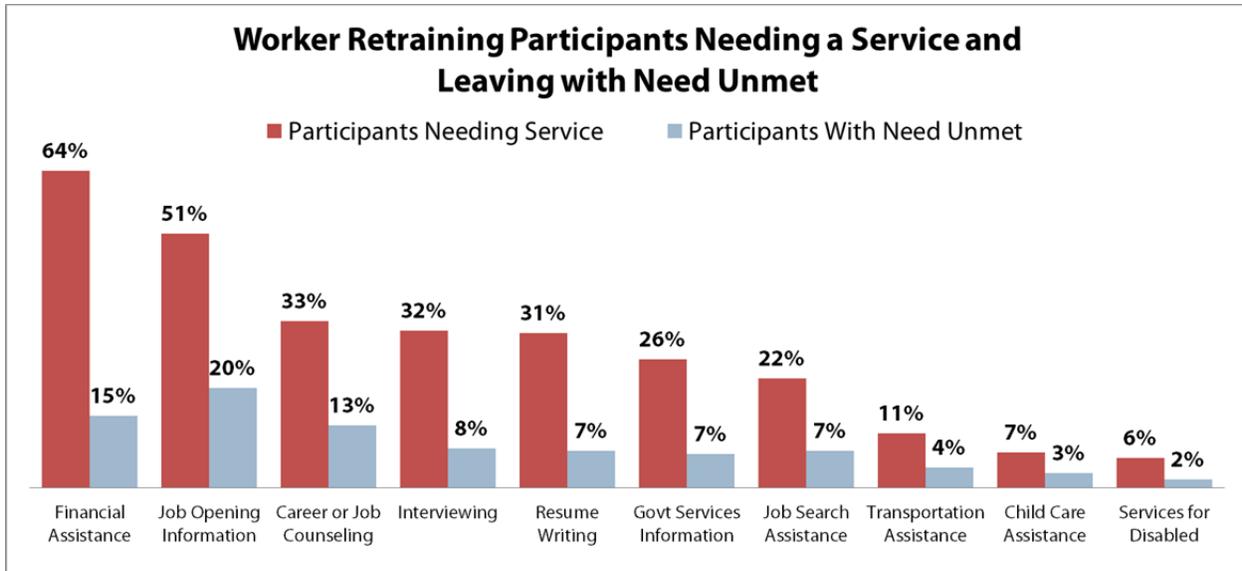
Participant Satisfaction

Similar to the previous study, participants expressed very high levels of satisfaction with their program. Some 83 percent reported they had met their educational objectives compared to 84 percent in 2008 and 90 percent in 2006. Similarly, 86 percent of the participants reported they were "very satisfied" or "somewhat satisfied" with the program, down from 90 percent in 2008 and 93 percent in 2006. Participants tended to be "very satisfied" with most aspects of the program, particularly location, facilities, and the times held. Advice selecting a program and interaction with instructors showed the lowest percentage reporting being "very satisfied."



Source: Workforce Board's Participant Satisfaction Survey 2011.

As in the past, the two most frequently needed support services while enrolled were financial assistance and job opening information. The percentage of participants who reported needing financial assistance dropped from 71 percent to 64, and the percentage that left with an unmet need⁵ in this area dropped from 17 to 15 percent. While most participants received the support services needed, the same as was found in 2008, one in five participants left the program with an unmet need for job opening information.



Source: Workforce Board's Participant Satisfaction Survey 2011.

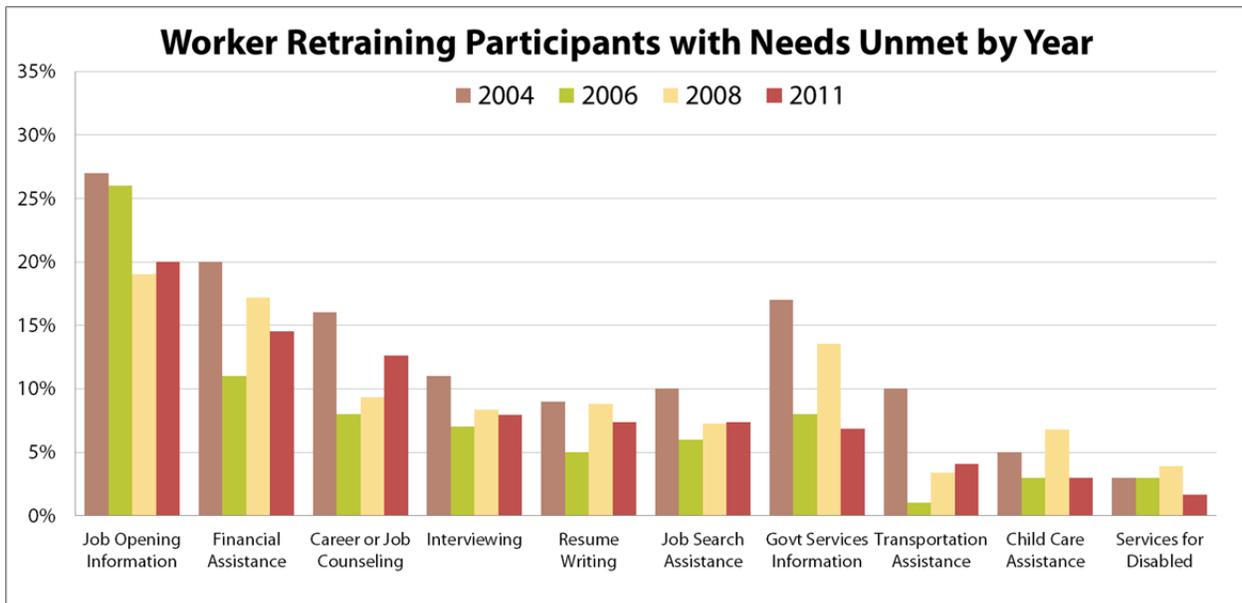
Overall, during the past three surveys there has been a decline in participants reporting that they left their program with an unmet need in most categories. However, there are a few exceptions. The percent leaving with an unmet need in career or job counseling increased in the past five years, although it is still not as high as it was in 2004.

⁹ Upjohn estimated the impact of the net change in earnings on social security, Medicare, federal income, and state sales taxes.

¹⁰ This employee benefits amount does not account for the reduction in employee benefits associated with foregone earnings. If the same benefit percentage (20 percent) were applied to foregone earnings, the gain in employee benefits in the longer term would be about \$3,000.

¹¹ This ratio does not include the impacts on taxes, UI benefits, and public assistance, which are direct transfers between student and the public (taxpayers).

⁵ Unmet need refers to cases where the student reports that either they did not receive the required service or what was provided did not meet their needs.



Source: Workforce Board Participant Satisfaction Surveys 2002-2011.

Relationship of Training to Employment

To measure the extent to which a participant's education program and training related to employment, we asked participants three questions:

1. How related was the program to their job?
2. How important was the training in getting hired?
3. Are the skills they learned useful in their job?

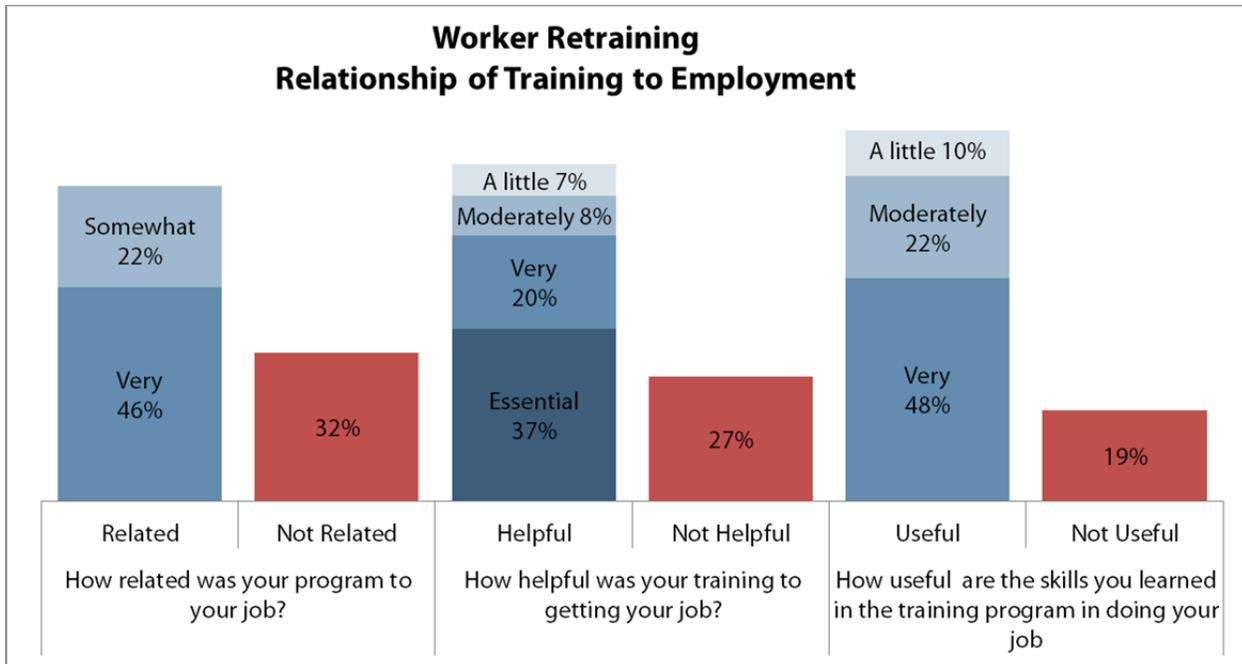
Asking about the relationship between training and employment in different ways can produce more complete information. For example, some participants said their training was not related to their job, but nevertheless found the skills acquired were useful on the job.

Among Worker Retraining participants employed seven to nine months after leaving a program, 46 percent said their training was "very related" to their job. A further 22 percent reported the training was "somewhat related" to their job. In 2008, slightly lower rates of employed participants reported their training was "very related" (41 versus 46 percent) while 8 percent more participants said the training was "somewhat related."

Participants interviewed in 2011 also indicated the training was helpful to them in getting their job. Of those participants, 37 percent indicated their training was an "essential requirement," another 20 percent indicated it was "very important," and 8 percent reported it was "moderately important." Seven percent said it was "a little helpful." The remaining 27 percent indicated their training was "not important at all" to getting their job.

Most participants said skills they learned in their training program were useful in doing their job. Some 48 percent of participants indicated the skills were "very useful," 22 percent said "moderately useful," and 10 percent "a little useful." Only 19 percent of participants who were employed indicated the skills were "not useful at all."

When combining two of the questions about the program’s relationship to the job and about whether the skills acquired were helpful, a small percentage of participants answer negatively to both. Just 19 percent of participants employed the third quarter after exit said the training they received was *neither* helpful in their job nor related to the job they obtained.



Source: Workforce Board's Participant Satisfaction Survey 2011.

Net Impact - Did Program Make a Difference in Participant Success

Every four years the Workforce Training and Education Coordinating Board conducts a net impact analysis 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 community or technical college Worker Retraining program were compared to individuals who had similar demographic characteristics, but who did not participate in any of the programs included in the study. The comparison group members were selected from among those who registered with WorkSource, Washington’s one-stop career center system.

The Worker Retraining program has positive net impacts on employment and wages.

The most recent analyses examined the experience of participants who left Worker Retraining programs, including the short term impacts on participants leaving in 2007-08, and the long term impacts on those who left in 2005-06.

Impact on Employment and Earnings: Participants vs. Control Group

Worker Retraining	Short-term [^]	Long-term [^]
Net Employment Impact*	8.80 percentage points	7.50 percentage points
Net Hourly Wage Impacts**	No significant positive impacts	\$1.00
Net Quarterly Hours Impacts	26.6	23.5
Net Annualized Earnings**	\$1,612	\$2,754

[^]Short-term is 3 quarters after program exit; Long-term is average across 3 years since program exit.

*Percentages listed are employment percentage points above those of the control group of non-participants.

**Wages and earnings, expressed in first quarter 2009 dollars, represent the average difference between Worker Retraining participants who got jobs and those in the control group who were employed.

As can be seen above, the Worker Retraining Program had a positive impact on employment, hours worked and annualized earnings. The long-term net impacts on hourly wages were also positive among Worker Retraining participants versus the control group.

Costs and Benefits

The cost-benefit analysis estimates the value of the net impact on earnings, employee benefits (estimated at 25 percent of earnings), UI benefits, and certain taxes.⁹ Program costs include both direct program costs and support payments borne by taxpayers and the tuition and foregone earnings borne by students. Benefits and costs are calculated for both the observed period of time abased upon a statistical model that estimated the benefits and costs out to age 65 in order to compare benefits and costs in terms of net present values, post-program benefits and costs are discounted by 3 percent per year and all figures are stated in 2009 Q1 dollars to control for inflation. The benefits and costs presented here are based on impacts estimated for students leaving programs in 2005-2006, because a longer-term follow-up is required for this analysis.

Participant and Public Benefits and Costs per Participant in Community and Technical Colleges Worker Retraining Programs

Benefit/Cost	First 2.5 years		Lifetime (until 65)		Sum of Costs and Benefits
	Participant	Public	Participant	Public	
Benefits					
Earnings	\$9,394	\$0	\$73,627	\$0	
Fringe Benefits	\$2,348	\$0	\$18,407	\$0	
Taxes	-\$1,939	\$1,939	-\$15,203	\$15,203	
Transfers					
UI	-\$146	\$146	\$1,089	-\$1,089	
Costs					
Foregone net earnings	-\$11,718	-\$2,318	-\$11,718	-\$2,318	
Program costs	-\$3,491	-\$6,791	-\$3,491	-\$6,791	
Benefits	\$9,656	\$2,085	\$77,919	\$14,114	
Costs	-\$15,209	-\$9,110	-\$15,209	-\$9,110	
Total (Net)	-\$5,552	-\$7,024	\$62,711	\$5,004	\$67,715

Note: Benefits and costs are expressed in 2009 first quarter dollars.

For each student in the CTC Worker Retraining program, the public (taxpayer) cost is about \$6,791 over the length of their enrollment, and the student costs are about \$3,491 in tuition and \$11,718 in foregone earnings while training. During the course of working life to age 65, the average trainee will gain about \$61,909 in net earnings (earnings minus foregone earnings) and over \$18,400 in employee benefits. These are net gains compared to the earnings of similar individuals who did not receive training. Including program costs and the net impacts on taxes and unemployment insurance benefits, the total net benefit per participant is \$62,711.

Projected participant net benefits to age 65 outweigh public costs invested in college training by a ratio of \$9 to 1, or \$62,711 to \$6,791.

From the time of leaving training to age 65, the public is forecasted to gain \$15,203 in net additional Social Security, Medicare, federal income, and state sales taxes. The estimated lifetime net benefit to taxpayers is \$5,004 per participant.

Projected taxpayer net benefits to age 65 outweigh public costs invested in college training by a ratio of \$2 to 1 or \$14,114 to \$6,791.