

# Division of Vocational Rehabilitation

## Program Details

The Division of Vocational Rehabilitation (DVR) within the state's Department of Social and Health Services offers services to help individuals with disabilities become employed. Depending on the individual and their functional limitations, this may include part-time employment, self-employment, or supported employment. Services are based on the needs of the individual and include: assessment; counseling; vocational, academic, and other training services; physical and mental restoration services; assistive technology; independent living services; mobility and transportation; communication services; and job search and placement.

Eligibility requires certification by DVR that the individual:

- Has a physical, mental, or sensory impairment that constitutes or results in a substantial impediment to employment.
- Requires vocational rehabilitation services to prepare for, enter into, engage in, or retain employment.
- Can benefit from vocational rehabilitation services in obtaining a job.

*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.*

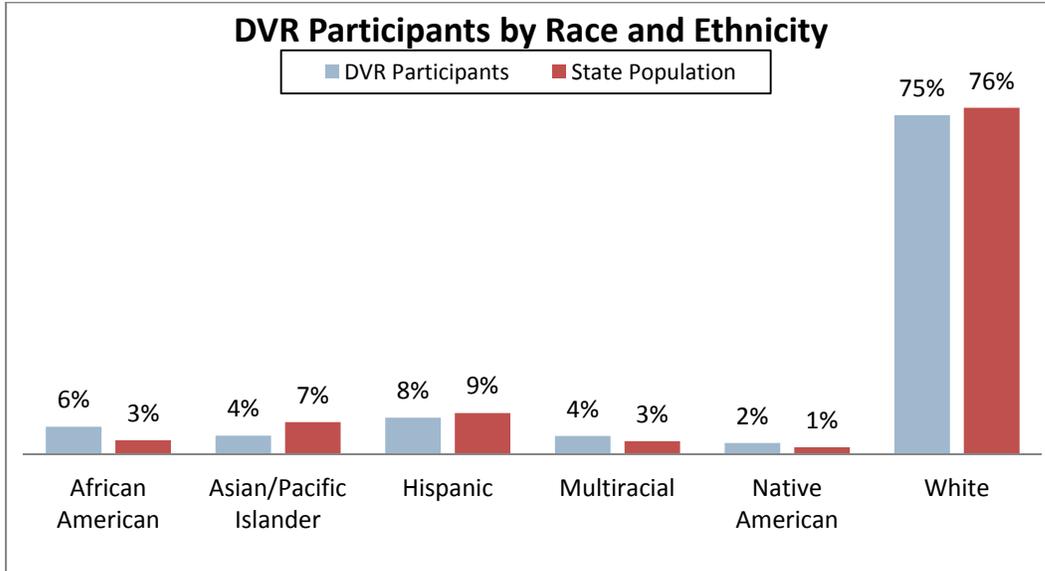
These strict eligibility requirements should be considered when reviewing the outcomes of DVR clients.

## Participant Profile

For this report, researchers studied the results of 3,563 clients who left DVR programs during the 2007-2008 program year. The median length of time in an individualized plan for employment for those leaving DVR programs in 2007-2008 was 10 months.

Significant programmatic changes need to be considered when comparing outcomes for DVR clients over time. The most important of these is the adoption of an order-of-selection policy. Since the end of 2000, when program funds and staff resources were insufficient to serve all eligible applicants, DVR was required to maintain a waiting list for services. In initiating services to individuals on the waiting list, priority was given to those with the most significant disabilities: Priority 1 was individuals with most severe disabilities, Priority 2 was individuals with severe disabilities. DVR eliminated the waiting list for clients in February 2008.

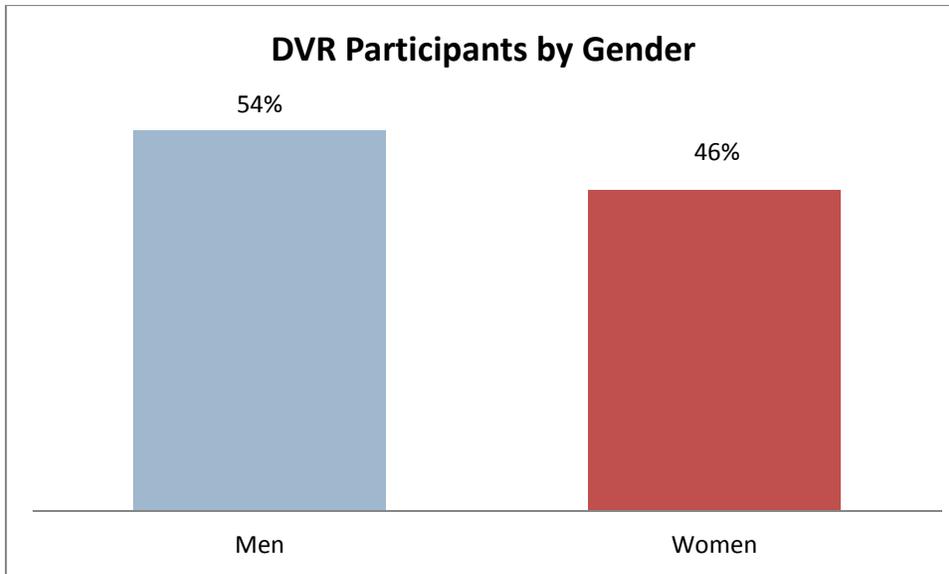
The racial and ethnic composition of the 2007-2008 clients roughly reflects those of the general population in Washington in 2008, though the Asian population is slightly under represented and African Americans slightly over represented.<sup>1</sup> A similar ratio exists of those rehabilitated.



Source: Division of Vocational Rehabilitation administrative records 2007-2008.

Forty-six percent of the 2007-2008 clients were women, up one percentage point from 2005-2006. However, women were more likely to finish a program: Of those who completed, 59 percent were women.

<sup>1</sup> 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 2008 *State Population Survey*, 76 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: Division of Vocational Rehabilitation administrative records.

The median age upon entering a plan in the program was 37; one quarter of participants were age 47 or older.

## State Core Measures: Tracking DVR 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?<sup>2</sup>
- 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 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 also reached

<sup>2</sup> Workforce Training Results usually includes a survey that measures the satisfaction of workforce participants, in addition to employers. The survey was not conducted this time because of budget constraints.

back to 2006-2007 employment records, to help assess trends over a slightly longer time frame.<sup>3</sup>

### **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 workforce programs, 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 9 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?**

Just under 60 percent of DVR clients were classified as rehabilitated upon leaving the program (that is, they were working for 90 days prior to exit). This rehabilitation rate is higher than the 47 percent reported in 2005-2006.

### **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.<sup>4</sup> The study looks at employment and earnings three calendar quarters after the participant left the DVR program. Record matches found 53 percent had reported employment during the third quarter after they left the

<sup>3</sup> The Workforce Board's 2010 Employer Survey, which measures the satisfaction of Washington's employers with workforce programs such as DVR, is not included in this report because DVR's sample size is not large enough.

<sup>4</sup> 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).

program. The median hourly wage<sup>5</sup> was \$10.31, and median annualized earning was \$11,104.<sup>6</sup> Those deemed rehabilitated upon leaving the program (that is, those who had been working for 90 days) tended to have better employment and earnings outcomes than those not considered rehabilitated (74 percent employed and median earnings of \$11,735.)

DVR clients leaving in 2007-2008 had slightly higher employment rates than those leaving in 2005-2006. However, among those rehabilitated the employment rate was about the same. Their inflation-adjusted median wage increased slightly. Annual earnings increased about 7 percent from 2005-2006.

Employment among DVR clients continued to be heavily concentrated in services and the retail trade industries. The chart below shows the 2008-2009 employment and earnings of participants who left the program during the 2007-2008 program year.

### 2007-2008 Program Year Performance for DVR

Performance Measure	Results
Employment Rate*	53%
Percentage Employed Full Time**	37%
Median Annualized Earnings	\$11,104
Median Hourly Wage***	\$10.31
Hours Worked Quarterly (Median)	284 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. \*\*\* Earnings/wages expressed in first quarter 2009 dollars.*

To put earnings in context, the median number of people DVR participants were able to support at the poverty level after leaving the program in 2007-2008 was 1.1 people. At the 200 percent of poverty level, this worked out to half of what was needed to support one person.<sup>7</sup>

### Self Sufficiency Level for DVR – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Household size-poverty level	1.9	1.4	1.1	1.1
Household size-poverty level at 200 percent	.7	.6	.5	.5

<sup>5</sup> All wages and earnings are stated in 2009 Q1 dollars.

<sup>6</sup> 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.

<sup>7</sup> 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.

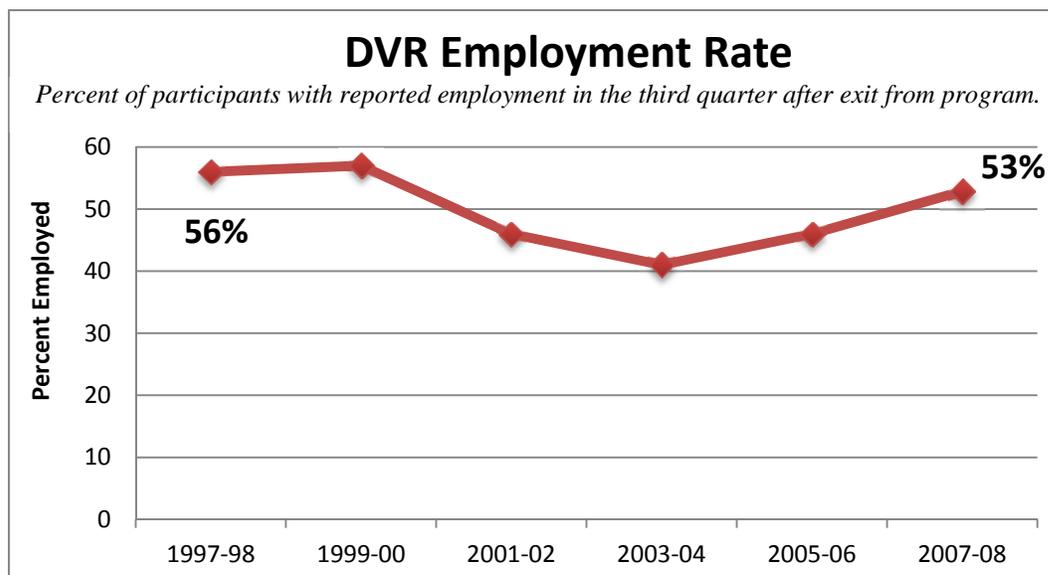
The following table shows employment and earnings information over the course of four study periods.

### Program Performance for DVR – Previous Years

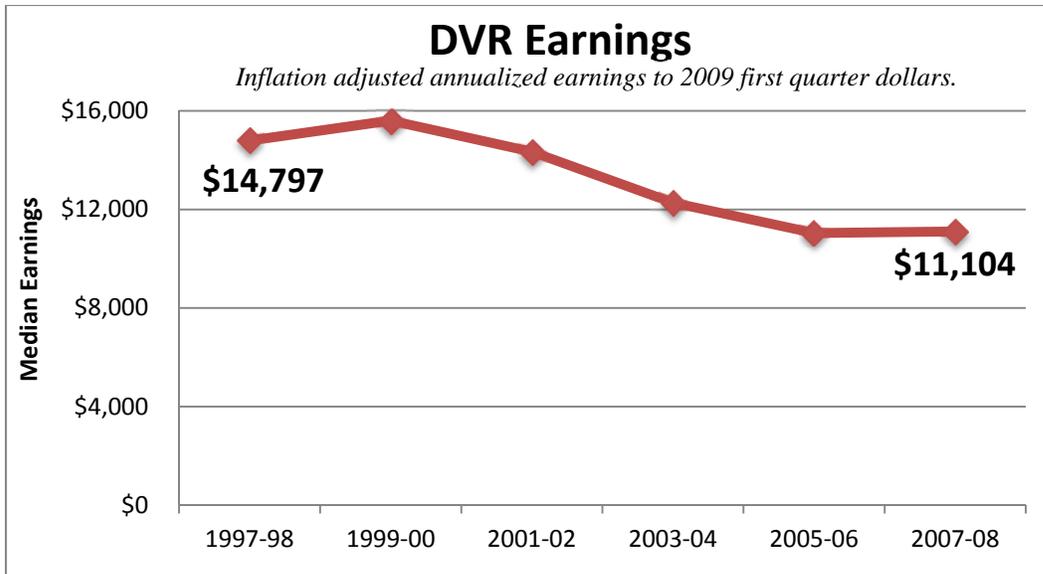
Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Employment Rate*	46%	41%	46%	53%
Percentage Employed Full Time**	43%	39%	37%	37%
Median Annualized Earnings	\$14,342	\$12,277	\$11,044	\$11,104
Median Hourly Wage***	\$11.42	\$10.44	\$9.98	\$10.31
Hours Worked Quarterly (Median)	310	299	284	284

\* 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 experienced ups and downs in employment and declines in earnings. The declines may be associated with the priority given to individuals with the most significant disabilities between 2000 and 2008.



Source: Workforce Training Results 1997-2008.



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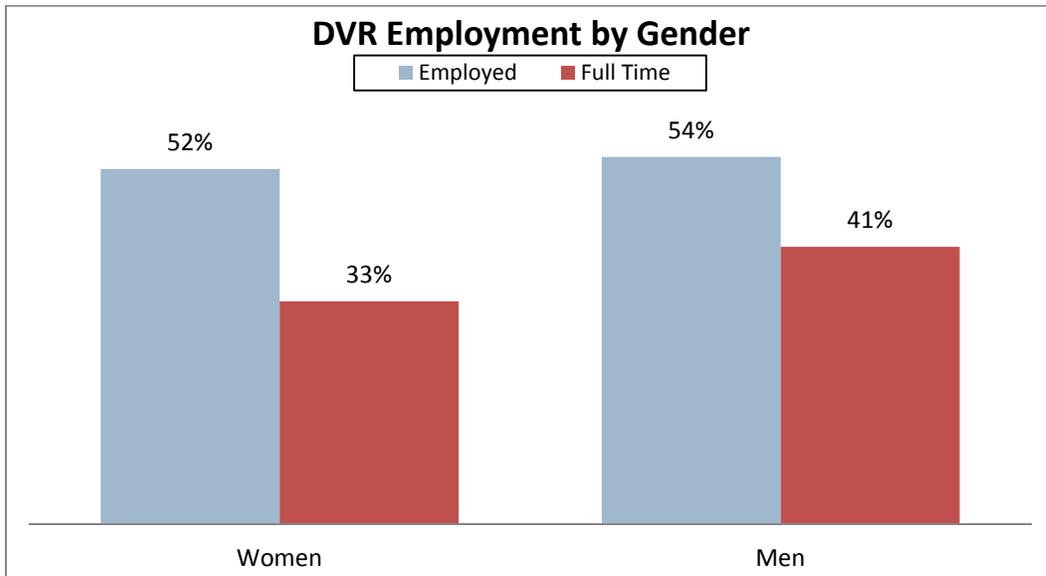
<b>DVR Employment by Industry</b>	
<b>Industry Group</b>	<b>Employment</b>
Services (See breakout below)	56.4%
Retail Trade (See breakout below)	21.4%
Manufacturing	7.2%
Public Administration	3.3%
Construction	2.8%
Wholesale Trade	2.4%
Financial Activities	2.4%
Transportation and Warehouse and Utilities	2.1%
Natural Resources and Mining	1.2%
Information	0.9%
<b>Services</b>	<b>56.4%</b>
All Other Services	21.4%
Social Assistance	11.0%
Health Care	10.8%
Administration and Support and Waste Management and Remediation Services	8.3%
Education Services	5.0%
<b>Retail Trade</b>	<b>21.4%</b>
All Other Retail Trade	8.0%
General Merchandise Stores	7.5%
Gasoline Stations	5.2%
Food and Beverage Stores	0.6%

Note: Industry groups based on North American Industry Classification System codes.

Source: Employment Security Department data match in third quarter after exiting program.

## Wages and Employment Results Vary by Population

Wage and employment results can vary by gender, race and ethnicity, and disability. The employment rate for women in post-program employment was slightly lower than for men. However, women's median hourly wages were slightly higher. Women's median hourly wage was 2 percent higher than men (\$10.44 versus \$10.21). The difference in median annual earnings was more dramatic, with women's median annual earnings at 89 percent of men's (\$10,476 versus \$11,778.)

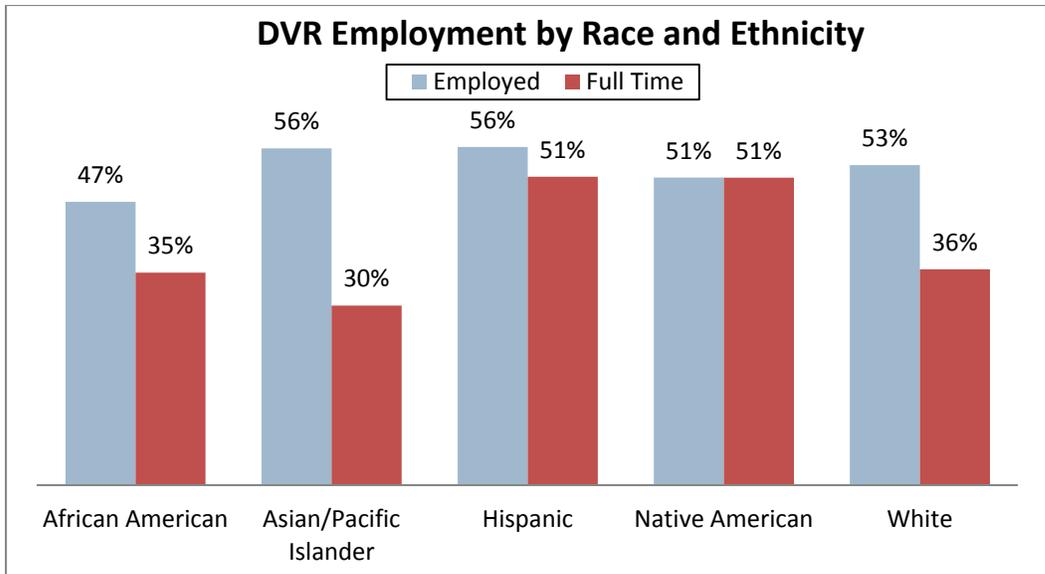


Source: Matches with Employment Security Department data.

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

Employment rates for all races and ethnicities varied only slightly, and none of the differences were statistically significant. Hispanics and Native Americans were more likely to be employed full time than whites (51% vs. 36%). Median annual earnings were about the same for African Americans as whites (\$10,779 vs. \$10,884), Asians/Pacific Islanders earned less at (\$9,377), and Hispanics earned more at (\$14,788). Native Americans earned 77 percent more than whites at (\$19,358).



Source: Matches with Employment Security Department data.

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.

### Net Impact - Did 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 Division of Vocational Rehabilitation 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 had been found eligible for DVR services, but chose not to participate.

The Division of Vocational Rehabilitation program has positive net impacts on employment and hours worked each quarter.

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.

### **Impact on Employment and Earnings: Participants vs. Control Group**

<b>Vocational Rehabilitation</b>	<b>Short-term</b>	<b>Long-term</b>
Net Employment Impacts	12.80 percentage points	12.40 percentage points
Net Hourly Wage Impacts	No significant positive impact	No significant positive impact
Net Hours Employed per Quarter Impacts	No significant positive impact	47.4
Net Annualized Earnings	\$ 1,256	\$1,340

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

Dollars listed are the average annual earnings difference between DVR participants who got jobs and those in the control group who were employed. Earnings and wages are in 2009 Q1 dollars.

As can be seen above, the DVR program had a significant impact on employment, and boosted wages when comparing participants with non-participants. Also, the long-term impact on the number of hours worked each quarter was substantial for program participants.