



Workforce Training and Education Coordinating Board

2014 Workforce Training Results

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.

Every year, 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.

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.

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

Participant Profile

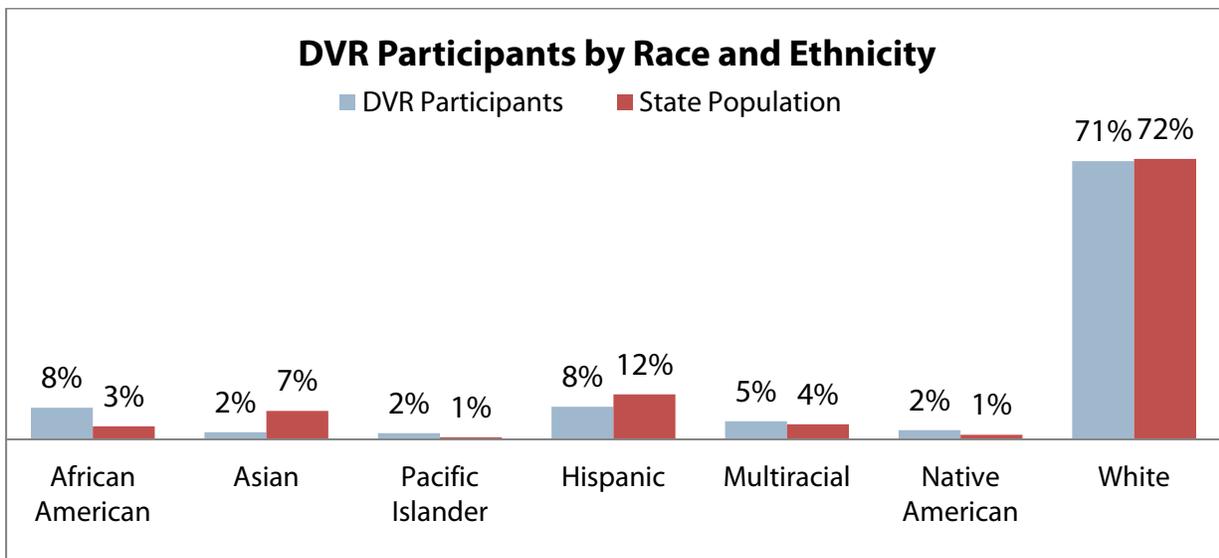
For this 2014 report, researchers studied the results of 5,047 participants who left DVR programs during the most recent program year.¹ The median length of time DVR clients engaged in individualized employment plans was 12 months.

¹ The 2014 Workforce Training Results reports are based on data observed as recently as 2012-2013 for individuals exiting programs during 2011-12.



Significant programmatic changes need to be considered when examining 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. By revamping the order-of-selection policy, and implementing other service improvements, DVR was able to eliminate the waiting list for clients in 2008.

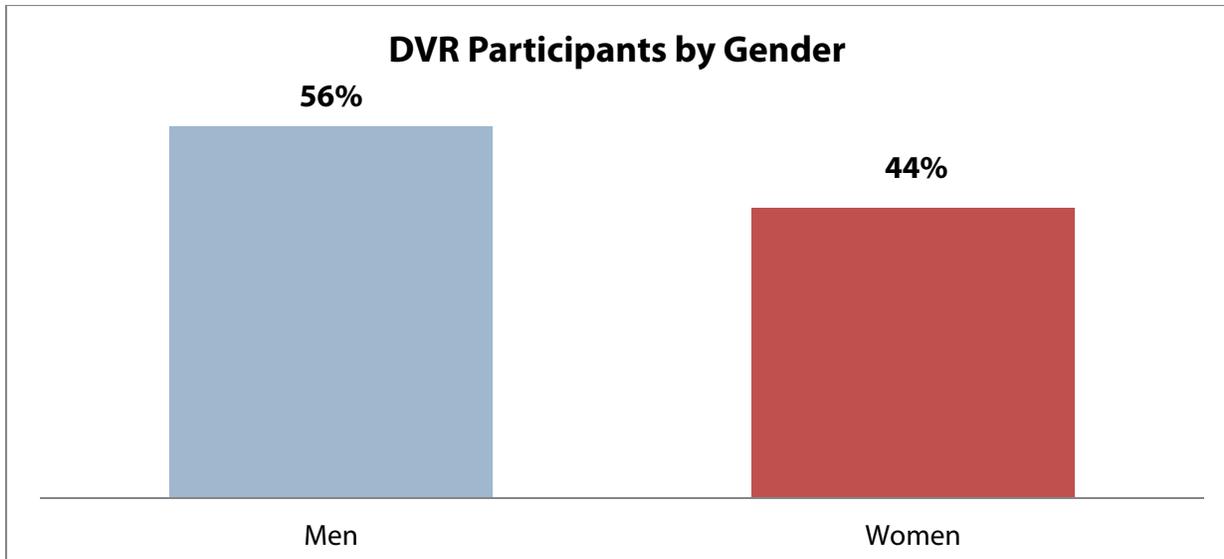
The racial/ethnic composition of the DVR clients roughly reflects those of the general population in Washington, though the African American population is over represented and the Asian and Hispanic populations are underrepresented.



Source: Division of Vocational Rehabilitation administrative records 2011-12 and 2011 U.S. Census Data from the American Community Survey.

Nearly 44 percent of the clients were women, identical to the prior three program years. Women were just as likely as men to finish the program.





Source: Division of Vocational Rehabilitation administrative records.

The median age upon entering a plan in the program was 39. One quarter of participants were under age 25 at entry, while another one quarter of participants were age 49 or older.

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.

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 2014 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records for 2012-13.²

² The Workforce Board’s 2012 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.



Net Impact Study Adds More Insight Into Program Performance

In addition, the 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 15 for the Net Impact Study. Conducted every four years, this in-depth report adds extra value to 2014 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?

Some 55 percent of the 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 3 percentage points higher than the 52 percent observed in the last report.

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.³ The study looks at employment and earnings three calendar quarters after the participant left the DVR program. Record matches found 50 percent had reported employment during the third quarter after they left the program. This is up from 47 percent the prior program year. The median hourly wage was \$11.46, and median annualized earning was \$13,655.⁴ Both median hourly wages and median annual earnings are down from the prior program year. Individuals deemed rehabilitated upon leaving the program—that is, those who had been working for 90 days—tended to have better employment and earnings

³ 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).

⁴ 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 2013 dollars.



outcomes than those not considered rehabilitated (76 percent employed and median earnings of \$14,691).

DVR clients observed for the 2014 Workforce Training Results had employment rates 3 percentage points higher than those in 2013. Full time employment decreased 2 percentage points. When looking at those considered to be rehabilitated, the employment rate was 2 percentage points higher than employment for rehabilitated clients in the previous report. Participants that are considered rehabilitated had their inflation-adjusted median hourly wage decrease from \$12.01 to \$11.65 and annual earnings decreased by just over \$1,125 from the 2013 report.

Employment and Earnings DVR Participants, 2014

Performance Measure	Results
Employment Rate* (State Records)	50%
Full Time Employment**	38%
Median Hours Worked Quarterly	297 hours
Median Hourly Wage***	\$11.46
Median Annualized Earnings***	\$13,655
Median Annualized Earnings (rehabilitated)	\$14,691

* 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 2013 dollars in order to account for inflation.

Earnings of DVR Participants

To better gauge the financial effectiveness of Washington’s workforce programs, it helps to frame income levels. One common yardstick is the federal poverty level. In 2013, the federal poverty level for one person was \$11,490 per year.⁵

⁵ Poverty levels from 2013 were used in this edition of Workforce Training Results to measure the results of workforce programs on participants observed in 2012-13. The federal poverty level is determined by the Department of Health and Human Services. The level varies according to family size. The number is adjusted for inflation and reported annually in the form of poverty guidelines. Public assistance programs typically define eligibility income limits as some percentage of the federal poverty level.



In the 2014 report, DVR participants were able to support a median 1.5 people at the poverty level—meaning they could support themselves and half of another person. They did not have enough earnings to support themselves, let alone others, at 200 percent of the poverty level (.6 people).



Number of People Supported at Poverty Level by Participant Income

Performance Measure	2010	2011	2012	2013	2014
Household size-poverty level	1.1 people	1.2 people	1.5 people	1.8 people	1.5 people
Household size-poverty level at 200 percent	0.5 people	0.5 people	0.6 people	0.6 people	0.6 people

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

Employment and Earnings Trends for DVR Participants, 2010-2014

Performance Measure	2010	2011	2012	2013	2014
Employment Rate (Self-Reported)	N/A	56%	N/A	N/A	N/A
Employment Rate* (State Records)	53%	46%	43%	47%	50%
Full Time Employed **	37%	28%	38%	40%	38%
Median Quarterly Hours	284	285	294	307	297
Median Hourly Wage***	\$11.12	\$11.53	\$11.57	\$11.79	\$11.46
Median Annualized Earnings***	\$11,977	\$12,487	\$13,563	\$14,692	\$13,655

*These figures apply to those with employment reported to the state's 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.

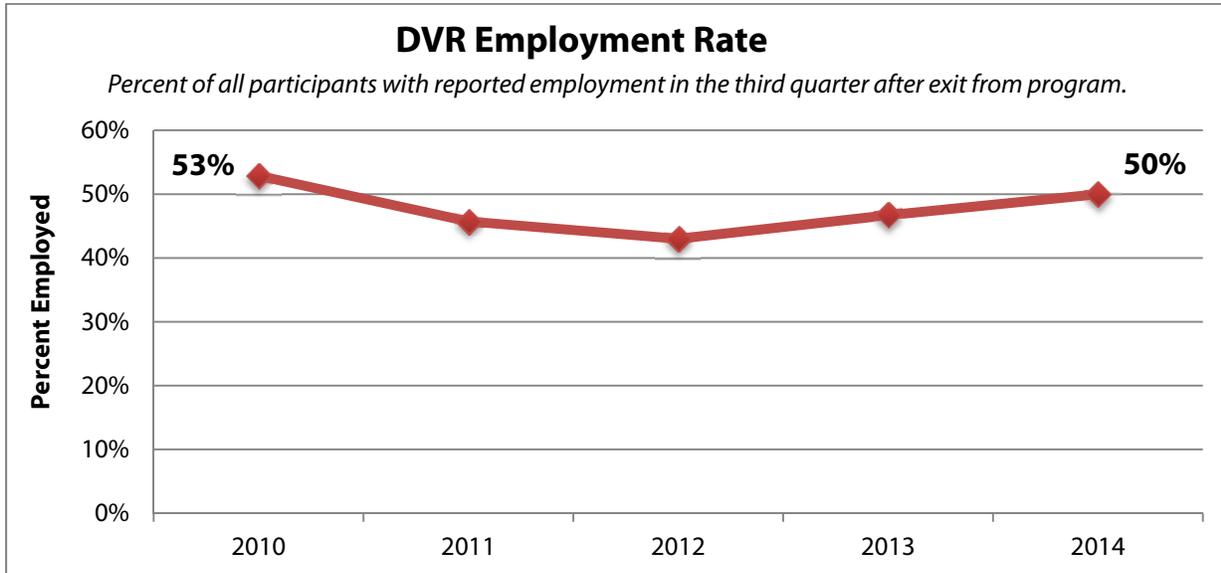
**Full-time employment averages 30 or more hours per week.

***Earnings/wages expressed in first quarter 2013 dollars in order to account for inflation.

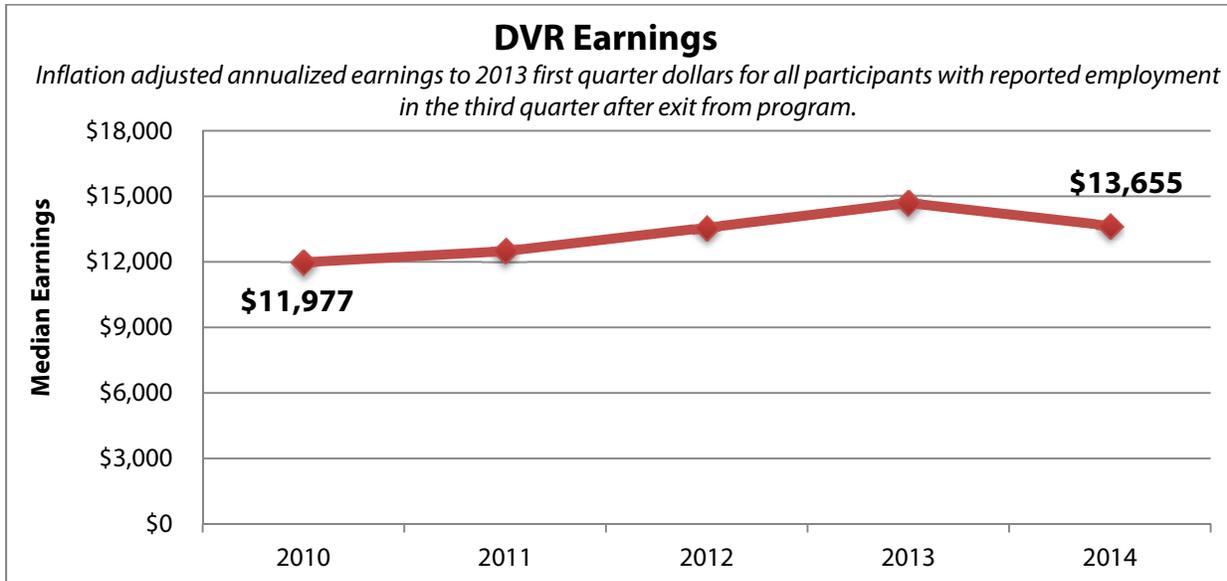
A survey conducted in 2011 of DVR participants revealed that 55 percent received medical benefits, and 31 percent received retirement benefits.



The state employment rate among all participants increased 3 percentage points to 50 percent. Median hourly wages and median annual earnings have decreased since the last report.



Source: Workforce Training Results 2010-2014 reports. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent.



Source: Workforce Training Results 2010-2014 reports. Note: This chart shows annualized earnings in 2013 first quarter dollars to account for inflation.



DVR Employment by Industry

Employment among DVR clients continued to be heavily concentrated in services. Within services, social assistance (12 percent) was the largest employer of DVR program exiters.

Industry Group	
58.2%	Services (see breakout)
18.3%	Retail Trades (see breakout)
7.6%	Manufacturing
3.2%	Financial Activities
3.1%	Transportation and Warehousing and Utilities
2.4%	Construction
2.2%	Wholesale Trade
2.0%	Public Administration
1.6%	Information
1.5%	Natural Resources and Mining
Breakout of Services	
21.1%	All Other Services
12.0%	Social Assistance
10.8%	Administrative & Support & Waste Mgmt & Remediation
9.5%	Health Care
4.8%	Educational Services
Breakout of Retail Trades	
7.5%	All Other Retail Trade
5.4%	General Merchandize Stores
4.8%	Food & Beverage Stores
0.5%	Gasoline Stations

Source: Matches with Employment Security Department data in third quarter after exiting program. Industry groups based on North American Industry Classification System codes.

Relationship of Training to Employment

In 2011, the Workforce Board surveyed DVR participants who had left their program in 2009-10. The survey provided data on employment and participant satisfaction with the training. The survey was conducted by telephone and was completed by 75 participants.

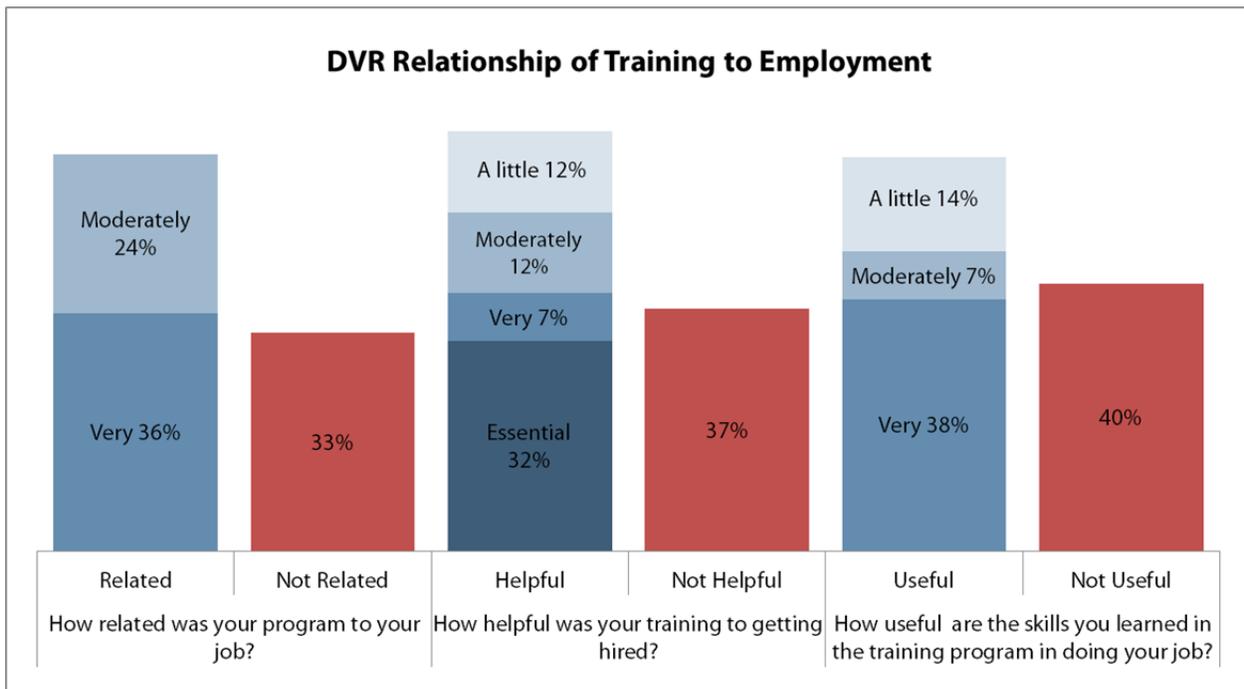


To measure the extent to which a participant’s education program and training related to employment, we asked participants three questions:

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 participants employed six to nine months after leaving a program, 36 percent said their training was “very related” to their job. A further 24 percent reported the training was “somewhat related” to their job. In 2008, slightly lower rates of employed participants reported their training was “very related” (30 percent) while a similar percentage of participants said the training was “somewhat related.”



Source: Workforce Board’s Participant Satisfaction Survey 2011.

DVR participants interviewed in 2011 also indicated the training was helpful to them in getting their job. Of those participants, 32 percent indicated their training was an “essential requirement,” another 7 percent indicated it was “very important,” and 12 percent reported it was “moderately important.” Twelve percent said it was “a little helpful.” The remaining 37 percent indicated their training was “not important at all” to getting their job.

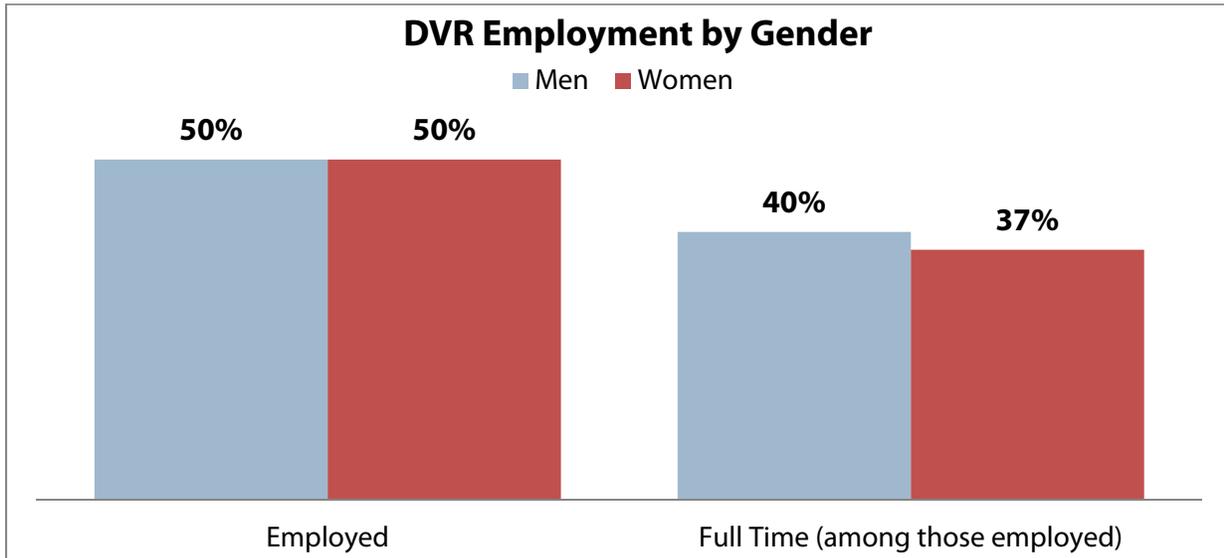


Most participants said the skills they learned in their training program were useful in doing their job. Some 38 percent of participants indicated the skills were “very useful,” 12 percent said “moderately useful,” and 10 percent “a little useful.” The remaining 40 percent of participants who were employed indicated the skills were “not useful at all.”



Wages and Employment Results Vary by Population

Wage and employment results can vary by gender, and race and ethnicity. Women and men in the DVR program were just as likely to be employed (50 percent). Women's median hourly wages were nearly identical to men's (\$11.42 versus \$11.49); however, their median annual earnings were 89 percent of men's (\$12,749 versus \$14,290).



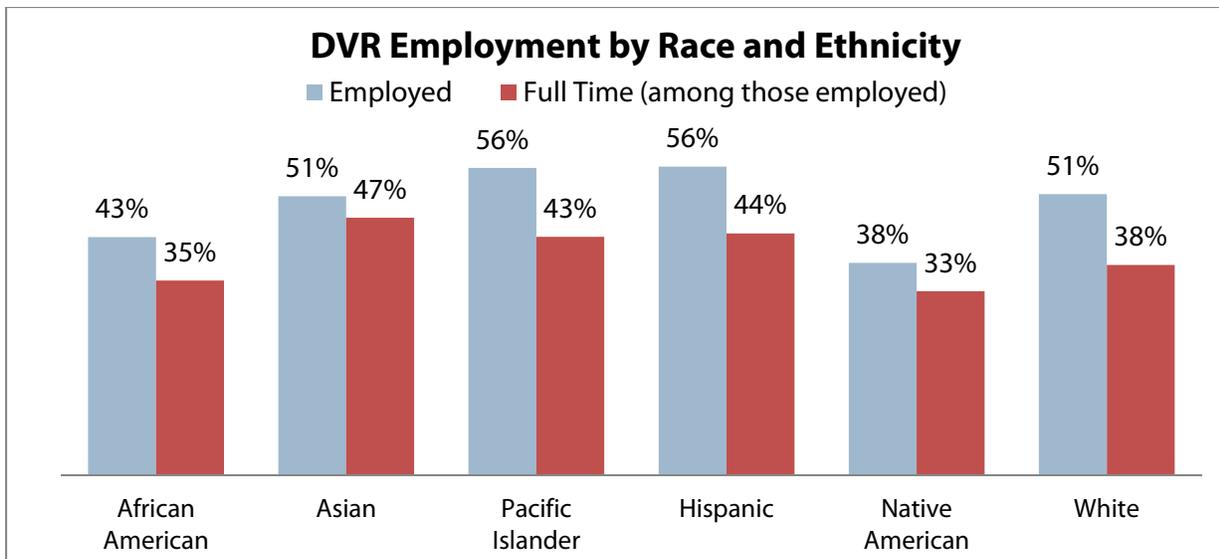
Source: Matches with Employment Security Department data.

Race/Ethnicity Plays Role

Substantial variation was found among employment rates by race and ethnicity. Pacific Islanders and Hispanics had the highest employment rate at 56 percent, followed by Asians and whites (51 percent) and African Americans (43 percent), and Native Americans (38 percent). Full time employment rates also varied. Asians had the highest full time employment rate (47 percent), followed by Hispanics (44 percent), Pacific Islanders (43 percent), whites (38 percent), African Americans (35 percent) and Native Americans (33 percent).

Native Americans had the highest hourly wage at \$13.05, followed by Asians (\$12.26), whites (\$11.54), African Americans (\$11.41), Hispanics (\$11.13) and Pacific Islanders (\$10.83). Asians had the highest median annual earnings at \$16,426, followed by Hispanics (\$15,582), Pacific Islanders (\$15,030), whites (\$13,661), African Americans (\$11,940), and Native Americans (\$11,773).

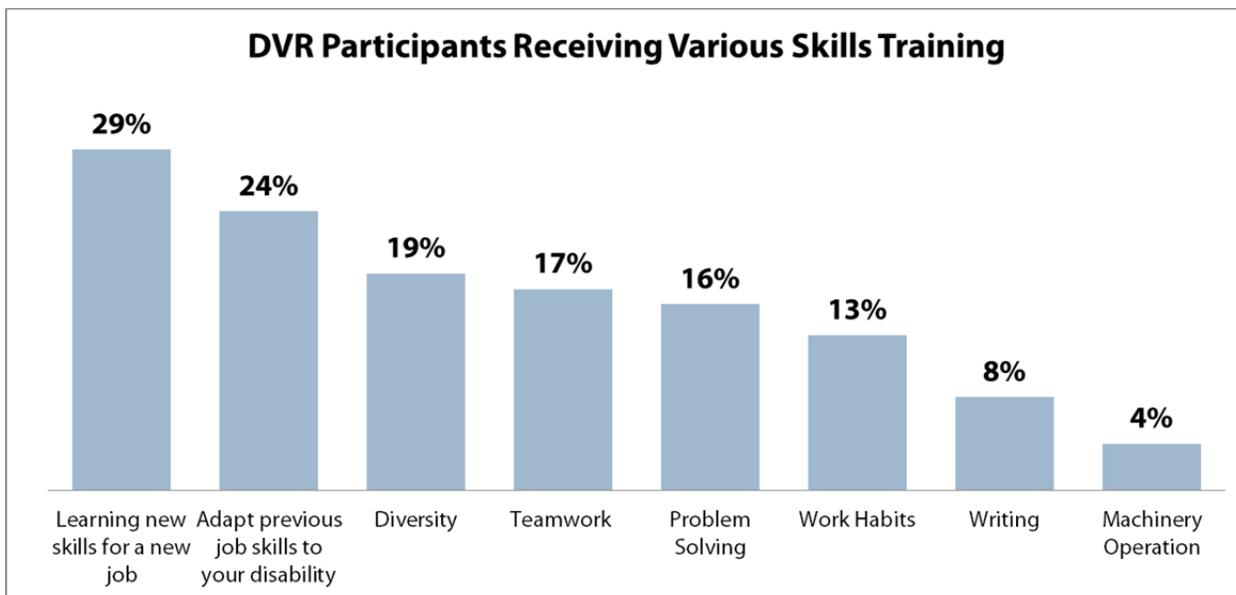




Source: Matches with Employment Security Department data.

Competency Gains

Of those responding to the Participant Survey, 80 percent entered the DVR program to get job search assistance and 68 percent of DVR clients enrolled in the program to learn skills for a new job. Among the skills provided by DVR, most clients received training in learning new skills for a new job (29 percent) and adapting previous job skills to their disability (24 percent).



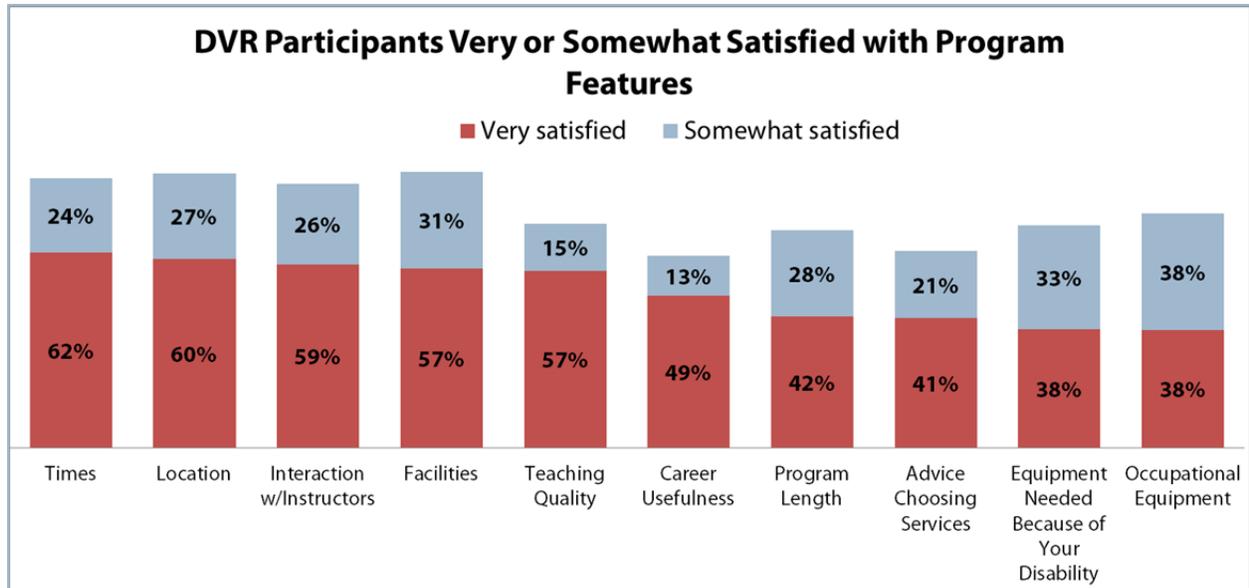
Source: Workforce Board's Participant Satisfaction Survey 2011.

Among those employed in the third quarter after leaving the program, 58 percent indicated their training was related to their job, which was up from 55 percent on the 2008 survey.



Participant Satisfaction

Some 75 percent of clients said they were “very satisfied” or “somewhat satisfied” with their DVR program, slightly lower than the satisfaction level reported in 2008. Respondents reported relatively high overall levels of satisfaction with times, location, interaction with instructors,⁶ and the program’s facilities. Overall satisfaction (participants indicating they were either very or somewhat satisfied) was lowest with respect to usefulness of the program to their careers. However, since 2008 the percentage of participants who indicated they were “very satisfied” with DVR’s career usefulness has increased 10 percentage points.

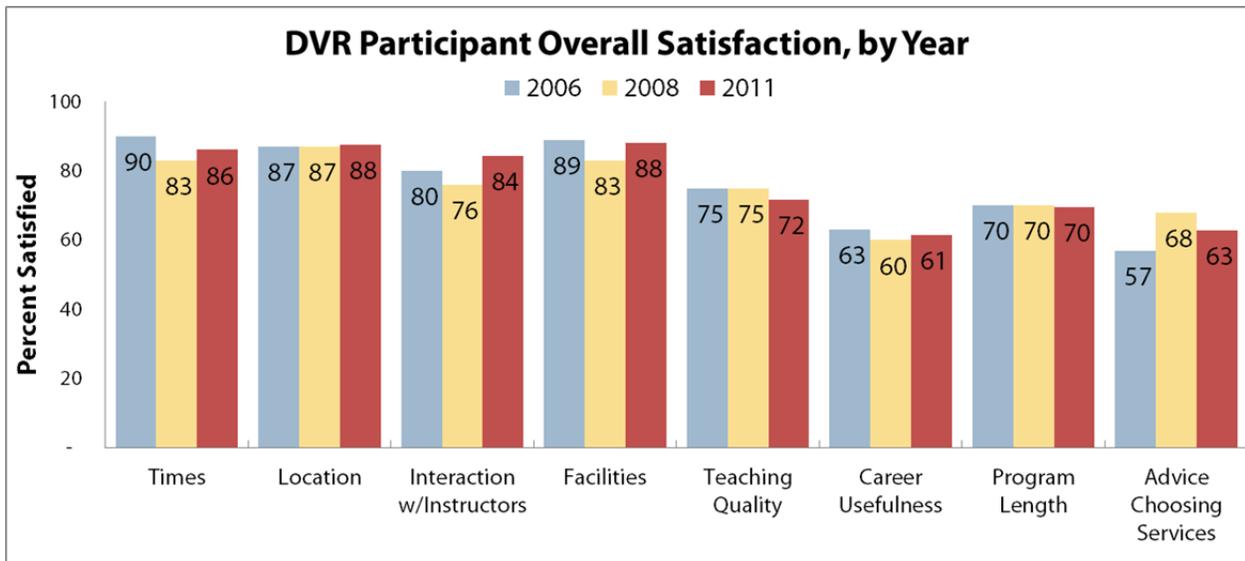


Source: Workforce Board's Participant Satisfaction Survey 2011.

Over the past three surveys, participant satisfaction with various program features has remained fairly steady. The largest gain in satisfaction was with interaction with instructors. Participant satisfaction with instructors increased by 8 percentage points, from 76 percent in 2008 to 84 percent in 2011. Participant satisfaction with program facilities also increased, from 83 percent in 2008 to 88 percent in 2011. The largest decrease was in advice choosing services, which dropped from 68 percent in 2008 to 63 percent in 2011. All other programs had changes of 3 percentage points or lower, or did not change at all. Satisfaction with program length held steady for the last three surveys, with 70 percent of participants indicating they were satisfied with the length of the program.

⁶ The Division of Vocational Rehabilitation employs vocational rehabilitation counselors who work with clients.





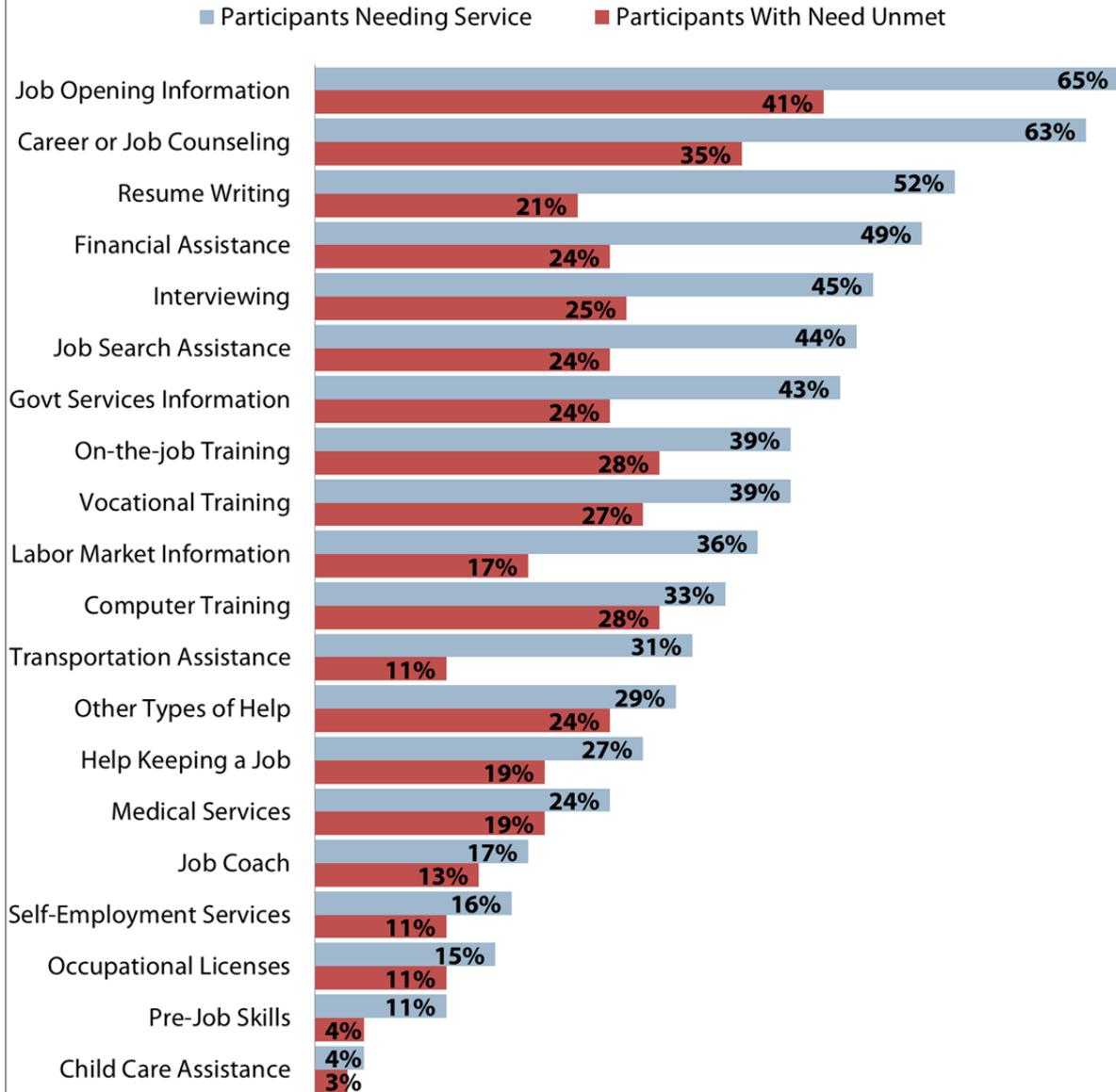
Source: Workforce Board's Participant Satisfaction Survey 2011.

Similar to 2008, DVR clients indicated information about job openings and job counseling as the support services they needed most while participating in the program. While the majority of clients had their support service needs met, over 40 percent left with an unmet need for job opening information, and 35 percent left with an unmet⁷ need for information about job counseling.

⁷ 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.



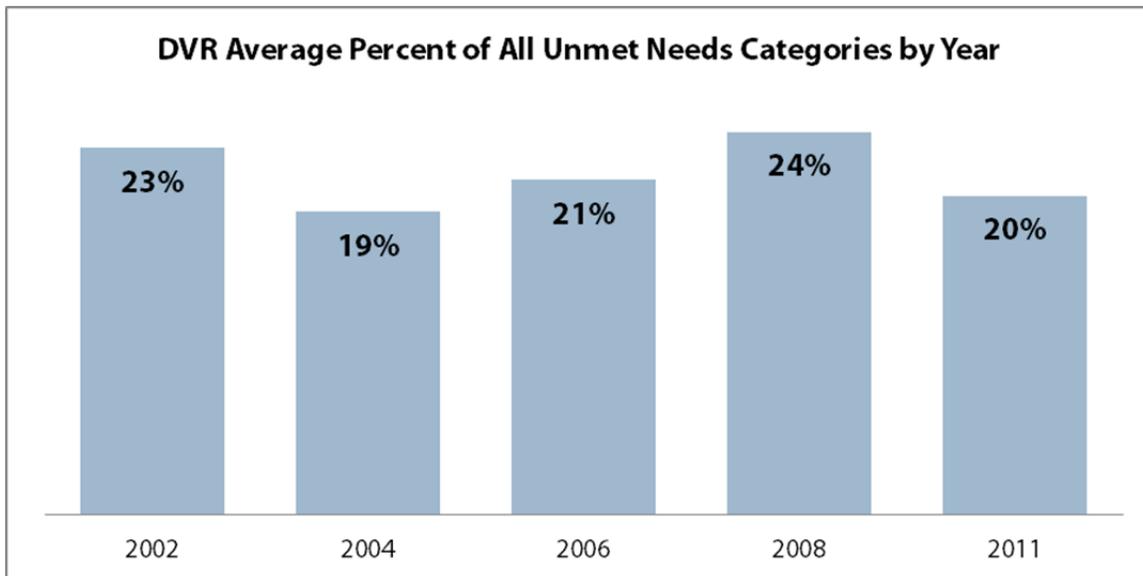
DVR Participants Needing a Service and Leaving with Need Unmet



Source: Workforce Board's Participant Satisfaction Survey 2011.

Overall, the percentage of unmet needs reported by DVR participants has decreased since the last participant survey in 2008.





Source: Workforce Board's Participant Satisfaction Survey 2011.

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

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 most recent net impact analyses examined experiences of participants who left Division of Vocational Rehabilitation programs through 2009. The short-term impact (Program Year 2007-08) was observed in 2008-09, while the long-term impact (Program Year 2005-06) was observed from 2006-07 through 2008-09.



Impact on Employment and Earnings: Participants vs. Control Group

Vocational Rehabilitation	Short-term [^]	Long-term [^]
Net Employment Impacts*	12.80 percentage points	12.40 percentage points
Net Hourly Wage Impacts**	No significant positive impact	No significant positive impact
Net Quarterly Hours Impacts	No significant positive impact	47.4
Net Annualized Earnings**	\$1,355	\$1,445

[^]Short-term is three quarters after program exit; Long-term is average across three 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 2013 dollars; they represent the average difference between DVR participants who got jobs and those in the control group who were employed.

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.

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.⁸ Program costs include both direct costs and support payments borne by the taxpayers and the tuition and foregone earnings borne by program participants. Benefits and costs are calculated for both the observed period of time and based upon a statistical model that estimated the benefits and costs out to age 65. 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 2013 Q1 dollars to control for inflation. The benefits and costs presented here are based on impacts estimated for clients leaving programs in 2005-2006 (observed from 2006-07 through 2008-09), because a longer-term follow-up is required for this analysis.

⁸ Upjohn estimated the impact of the net change in earnings on social security, Medicare, federal income, and state sales taxes.



Participant and Public Benefits and Costs per Participant in Division of Vocational Rehabilitation

Benefit/Cost	First 2.5 years		Lifetime (until 65)		Sum of Costs and Benefits
	Participant	Public	Participant	Public	
Benefits					
Earnings	\$4,526	\$0	\$19,042	\$0	
Fringe Benefits	\$1,131	\$0	\$4,761	\$0	
Taxes	-\$692	\$692	-\$2,912	\$2,912	
Transfers					
UI	-\$243	\$243	-\$281	\$281	
Costs					
Foregone net earnings	\$830	\$115	\$830	\$115	
Program costs	\$0	-\$7,551	\$0	-\$7,551	
Benefits	\$4,723	\$935	\$20,610	\$3,192	
Costs	\$830	-\$7,437	\$830	-\$7,437	
Total (Net)	\$5,553	-\$6,502	\$21,440	-\$4,244	\$17,196

Note: Benefits and costs are expressed in 2013 first quarter dollars.

For each client in a DVR program, the public (taxpayer) cost is \$7,551 over the length of their enrollment. Typically while participating in employment and training programs, individuals forego earnings. DVR clients, however, had net earnings during participation of \$830 over non-participants. During the first two and one-half years after leaving DVR, the average client will gain \$4,526 in earnings. During the course of working life to age 65, the average client will gain about \$19,872 in net earnings (net impact earnings plus earnings during participation) and about \$4,761 in employee benefits.

These are net gains compared to the earnings of similar individuals who did not receive DVR services. Including program costs and the net impacts on taxes and unemployment insurance benefits, the total net benefit per participant is \$21,440.

Projected participant net benefits to age 65 outweigh public costs for the DVR program by a ratio of \$3 to \$1, or \$21,440 to \$7,551.

From the time of leaving the DVR program to age 65, the public is forecast to gain about \$2,912 per participant in net additional Social Security, Medicare, federal income, and state sales taxes and to save \$281 per client in UI benefits. The estimated lifetime net cost to taxpayers is \$4,244 per participant.



Projected taxpayer net benefits to age 65 are less than public costs invested in DVR services by a ratio of \$.4 to \$1 or \$3,192 to \$7,551.

Summary and Areas for Improvement

DVR serves individuals with significant challenges to employment, yet achieves positive net impacts on employment and earnings. The return to participants far exceeds the cost of the services. This evaluation reveals some strong results, and some possibilities of how this return could be made stronger.

The participant survey suggests that more should be done to provide individuals with job counseling and information about job openings. Some 41 percent of survey respondents indicated their need for job opening information was not met. When asked about program features, most participants were somewhat or very satisfied with each aspect of their program, but a substantial percentage (38 percent) were not satisfied with the career usefulness of the services. Among DVR participants who became employed, between 33 and 40 percent found the services were either not related to their job, were not helpful in getting hired, or not useful for their job. While this means that most did find a relationship between their DVR experience and their job, there is room for improvement.

Under the 2014 State Plan, DVR will, among other steps, make greater use of labor market and postsecondary training information to improve vocational assessments and assist participants in better selecting employment goals that match the availability of jobs; develop more relationships with employers to create opportunities for participants to gain work experience through internships and obtain employment; and meet regularly with staff from workforce partners in order to identify current trends in local labor markets.

