

Private Career Schools

Program Details

Private career schools are independent businesses that provide participants with training in a variety of occupations. No public funds are appropriated for private schools, but eligible participants may:

- Obtain federal grants and loans to pay for educational expenses if the school they choose has been authorized to participate in federal student aid programs.
- Secure funding under the state’s Worker Retraining program.
- Use “Individual Training Account” vouchers, funded under the Workforce Investment Act (WIA) Title I-B.

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.

During the time of this study, there were roughly 360 private career schools in Washington. The Workforce Training and Education Coordinating Board (Workforce Board) licensed approximately 275 certificate-granting vocational institutions. Program results in this study were limited to those institutions licensed by the Workforce Board.

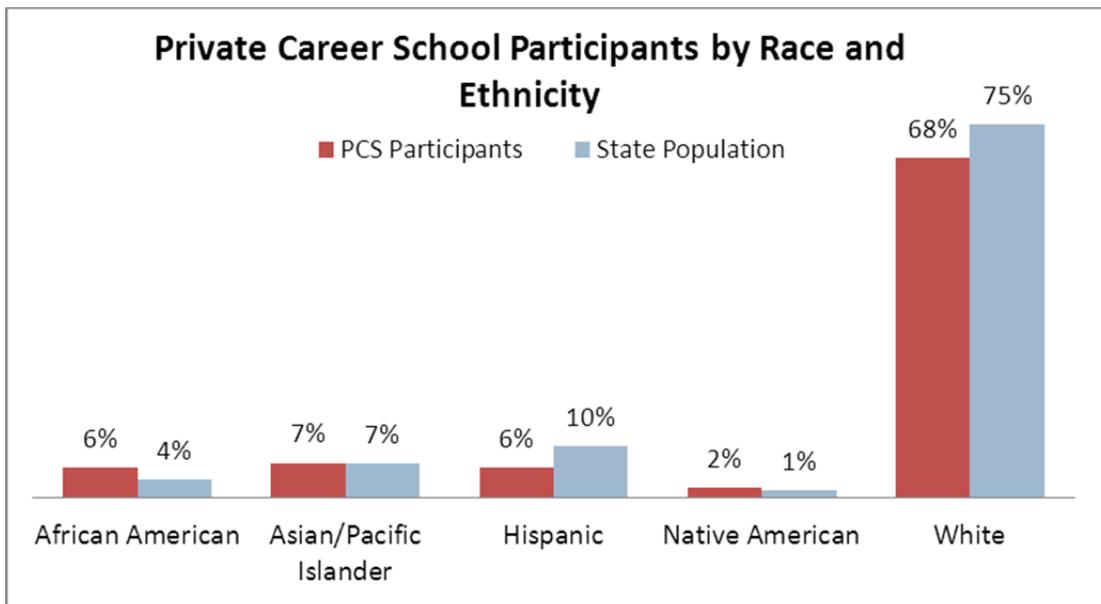
Records were collected on 11,628 participants who left programs during the 2008-09 school year. The median length of enrollment for these participants was four and a half months. However, the duration of private career school programs vary widely. One quarter of participants had enrollment lengths of 10 months or longer, while another quarter was enrolled for one month or less.

Participant Profile

Washington residents from racial and ethnic minorities are well represented among private career school participants.¹ African Americans accounted for 6 percent of participants, a representation 1.5 times their portion of the state’s population. Although Hispanics also accounted for 6 percent of participants, this is 4 percentage points below their representation in the general state population. Whites were also under-represented among Private Career School participants at 68 percent, or 7 percentage points below their general population

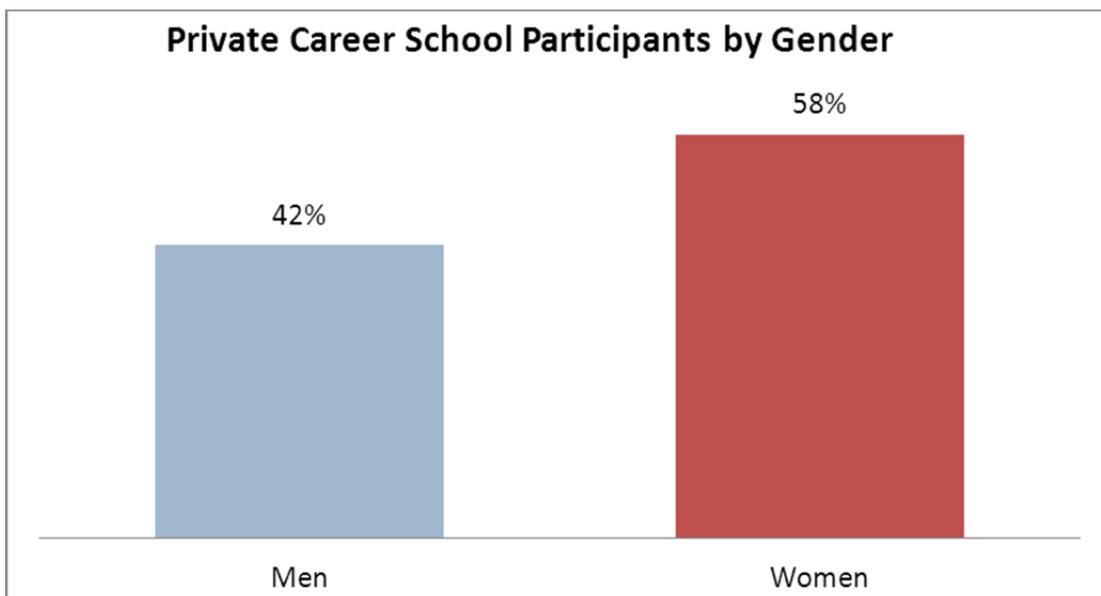
¹ In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African Americans); 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.

representation in the state.² Overall, the racial and ethnic make-up of those who successfully completed their private career school program mirrors the distribution of participants from the previous Workforce Training Results in 2008.



Source: Private Career Schools' administrative records 2008-09.

Among those exiting private career schools in 2008-09, 58 percent were women. That is nearly identical to the 59 percent in 2007-08. Of the completers, 58 percent were women—although both men (78 percent) and women (75 percent) completed at about the same rate.



Source: Private Career Schools' administrative records 2008-09.

² An additional 10 percent of Private Career School participants self-identified their race as other and 1 percent as multi-racial.

Education Level

When Private Career School participants enrolled they had the following education levels:

- 62 percent had not previously attended college.
- 20 percent had attended college without receiving a credential.
- 9 percent had a certificate or associate's degree.
- 8 percent had a bachelor's degree or higher credential.

The typical student, based on the median, was age 26 when enrolled. One quarter of the participants were under age 21 at enrollment, while another quarter were over 37 years old.

State Core Measures: Tracking Private Career School 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 & Employer Survey

The 2011 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records. Employer satisfaction was assessed through the Workforce Board's Employer Survey from 227 firms that hired employees who recently exited a Private Career School program.

Net Impact Study Adds More Insight into Program Performance

In addition, this year's report includes a comprehensive Net Impact Study. To assess both short- and long-term employment and earnings trends, data on employment records from as far back as 2006-07 is used in the 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

Turn to page 18 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 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.

Did Participants Get the Skills They Needed?

As a measure for whether participants got the skills they needed, this study tracks the credential and degrees earned by participants, along with completion rates. Of the participants observed in 2009-10, 76 percent had completed their program by receiving a credential. This percentage is down from 82 percent two years prior.

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 a Private Career School program. The chart below shows the 2009-10 employment and earnings of participants who left a program in the 2008-09 program year. Some 60 percent of participants were employed, with a median hourly wage of \$13.41, and median annualized earnings of \$20,596.⁴ Those who completed their programs had a higher employment rate and earnings: 62 percent and \$21,938 respectively.

Employment and Earnings for Private Career School Participants, 2009-10

Performance Measure	Results
Employment Rate (Self-Reported)	74%
Employment Rate* (State Records)	60%
Full Time Employment **	52%
Median Quarterly Hours	402 hours
Median Hourly Wage***	\$13.41
Median Annualized Earnings***	\$20,596

** These figures apply to those with employment reported to ESD 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 people Private Career School participants were able to support at the poverty level was 3.6 people. At the 200 percent of poverty level, the median earning supported nearly 1 person.⁵

³ These files contain information on only those individuals with employment reported for unemployment insurance (UI) benefits purposes (approximately 90 percent of in-state employment, with self-employment, active military duty, and those working for religious, nonprofit organizations being the major groups of employees 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 2009 dollars.

⁵ 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.

Self Sufficiency Level Trends for Private Career School Participants

Performance Measure	2002-03	2004-05	2006-07	2008-09	2009-10
Household size-poverty level	4.1	3.7	4.2	4.2	3.6
Household size-200 percent poverty level	1.1	.9	1.1	1.1	.9

The percentage of Private Career School participants who self-report receiving medical benefits from their employers has dropped substantially since 2004-05, while the percentage receiving retirement benefits has remained fairly stable.

Private Career School Participants Receiving Benefits from Employers

Performance Measure	2002-03	2004-05	2006-07	2008-09*	2009-10
Self-Reported Medical Benefits from Employer	64%	68%	62%	N/A	60%
Self-Reported Retirement Benefits from Employer	36%	36%	35%	N/A	34%

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

The following table shows employment information for Private Career School participants over five study periods.

Private Career School Participants Employment and Earnings Trends

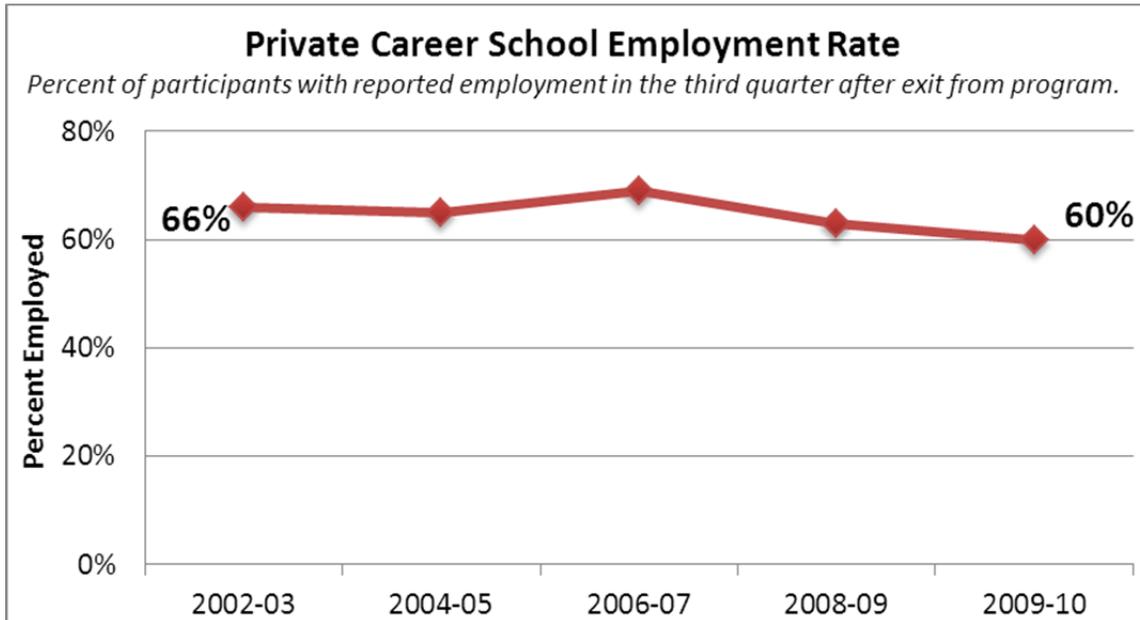
Performance Measure	2002-03	2004-05	2006-07	2008-09	2009-10
Employment Rate (Self-Reported)	77%	78%	82%	N/A	74%
Employment Rate* (State Records)	66%	65%	69%	63%	60%
Full Time Employment**	57%	56%	60%	56%	52%
Median Quarterly Hours	428	428	443	423	402
Median Hourly Wage***	\$13.51	\$12.89	\$13.52	\$13.98	\$13.41
Median Annualized Earnings***	\$22,416	\$20,866	\$22,668	\$22,653	\$20,596

*Employment reported to ESD six to nine months after leaving program. Rate is not limited to those who completed a program. Rate does not include self-employment, employment outside the Northwest or military service and thus understates total employment by approximately 10 percent.

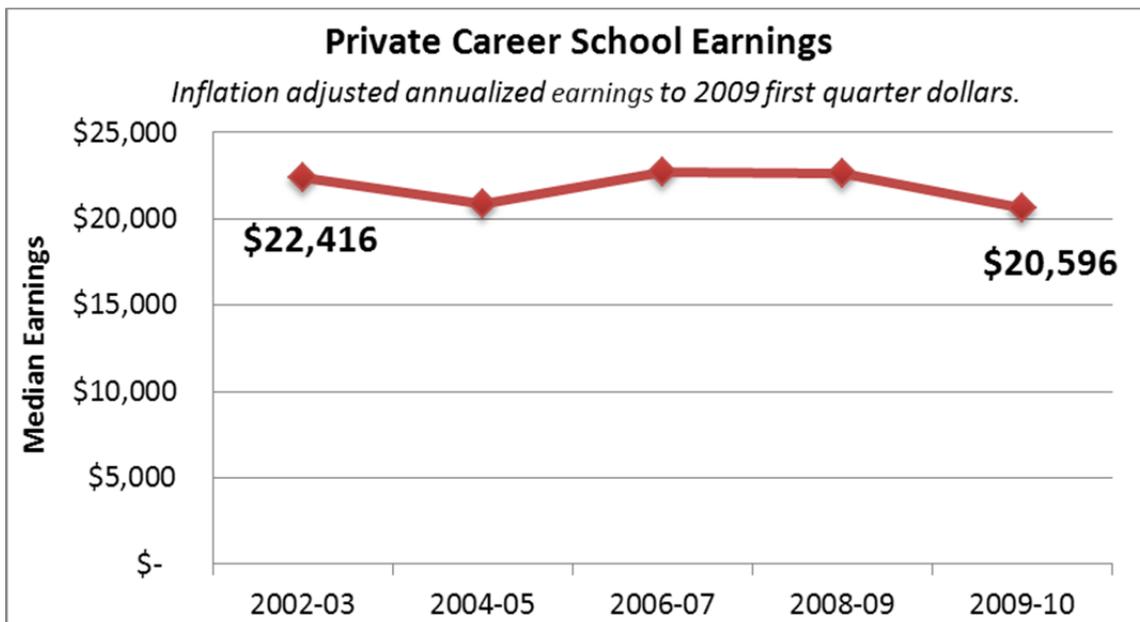
**Full-time employment averages 30 or more hours per week.

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

After peaking in 2006-07, the employment rate for Private Career School participants dropped after 2008. The most recent employment decline reflects the continued effect of the Great Recession. Full time employment and median hours worked have also dropped since 2006-07. Earnings among Private Career School participants have stagnated, declining nearly 10 percent since 2002



Source: Workforce Training Results 2002-10.



Source: Workforce Training Results 2002-10.

Private Career School Student Employment by Industry

As in the previous study, employment among private career school participants is concentrated in services (see following chart), especially health services. Compared to those observed in 2008-09, participants observed in 2009-10 were 1 percentage point more likely to be employed in services and a nearly 4 percentage points more likely to be employed in retail trade industries. Employment in construction dropped by nearly 1 percentage point compared to the prior year as well.

Industry Group	
60.5%	Services (<i>see breakout below</i>)
13.7%	Retail Trade (<i>see breakout below</i>)
6.0%	Transportation and Warehousing and Utilities
5.0%	Manufacturing
4.6%	Construction
3.2%	Financial Services
2.9%	Wholesale Trade
1.6%	Public Administration
1.3%	Information
1.1%	Natural Resources and Mining
Breakout of the Services Industry	
25.7%	Health Care
10.4%	Accommodation and Food Services
6.7%	Administrative Support
4.3%	All Other Services
3.8%	Education Services
3.6%	Professional, Scientific, and Technical Services
3.4%	Social Assistance
2.6%	Arts, Entertainment, and Recreation
Breakout of the Retail Trade Industry	
3.3%	Department and Warehouse Stores
2.0%	Food and Liquor Stores
1.9%	Clothing and Accessories Stores
1.5%	Health Care and Beauty Products
1.4%	Miscellaneous Store Retailers
1.0%	Vehicle Sales
0.8%	Hardware, Garden and Farm Supplies
0.7%	Books, Music and Hobbies Sales
0.5%	Gasoline Stations
0.4%	Electronics and Appliance Stores
0.2%	Home Furnishings Sales

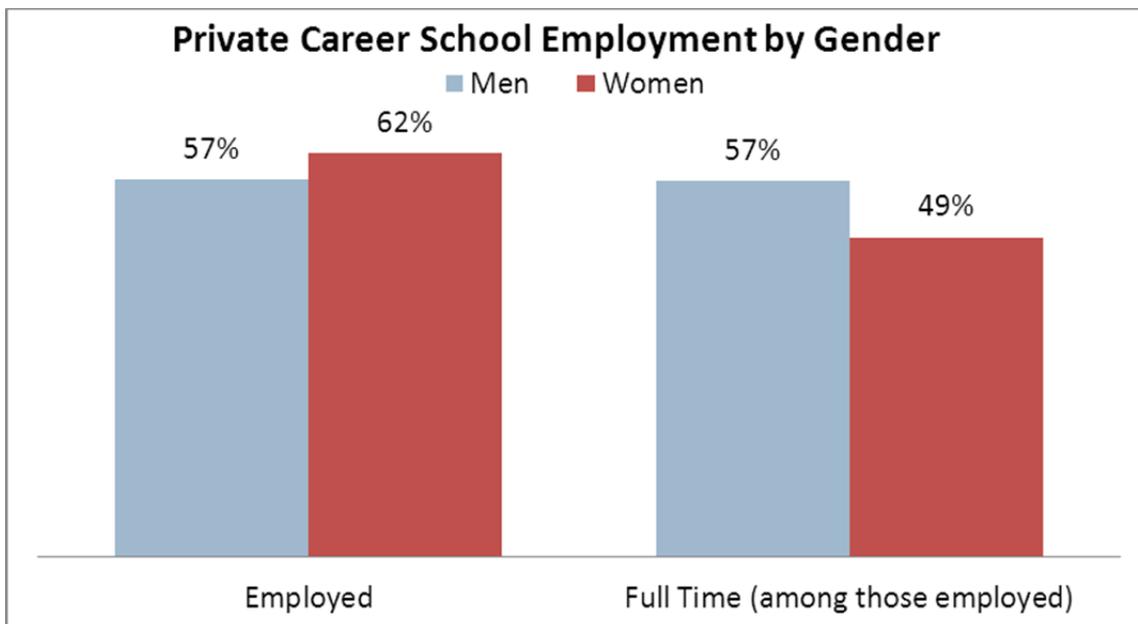
Source: Matches with Employment Security Department data in third quarter after exiting program.

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

Wages and Employment Results Vary by Population

Wage and employment results can vary by gender, race and ethnicity, and disability. The following chart shows the percentage of women and men private career school participants who were reported to be employed. Also broken out is what percentage of those working held a full-time job.

Women (62 percent) were more likely to be employed in the third quarter after leaving their programs than men (57 percent). Women, however, were less likely than men to be employed full-time (49 percent compared to 57 percent), and among those employed, their median hourly wage was 84 percent of men (\$12.68 compared to \$15.12). An even greater disparity was found in terms of median annual wages, with women earning only 76 percent of men's wages (\$18,636 compared to \$24,560).



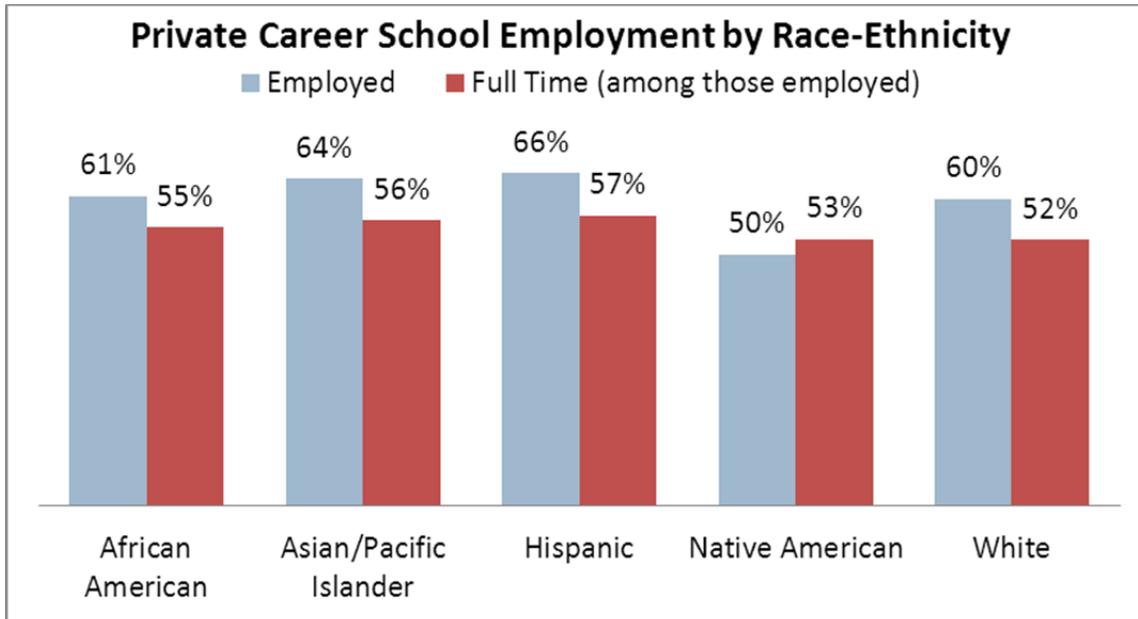
Source: Employment Security Department data matches 2008-09.

Race-Ethnicity Plays Role

All program participants, with the exception of Native Americans, had employment rates over 60 percent in the third quarter after leaving their programs. Hispanics had the highest rate of employment at 66 percent. In terms of full time employment, all racial and ethnic groups had employment rates between 52 and 57 percent, with Hispanics having the highest rate.

Among those employed the median hourly wages were highest among whites at \$13.78. Wages for African Americans (\$11.88), Asian/Pacific Islanders (\$13.45), Hispanics (\$13.22) and Native Americans (\$12.76) were, on average, less than what white program participants earned.

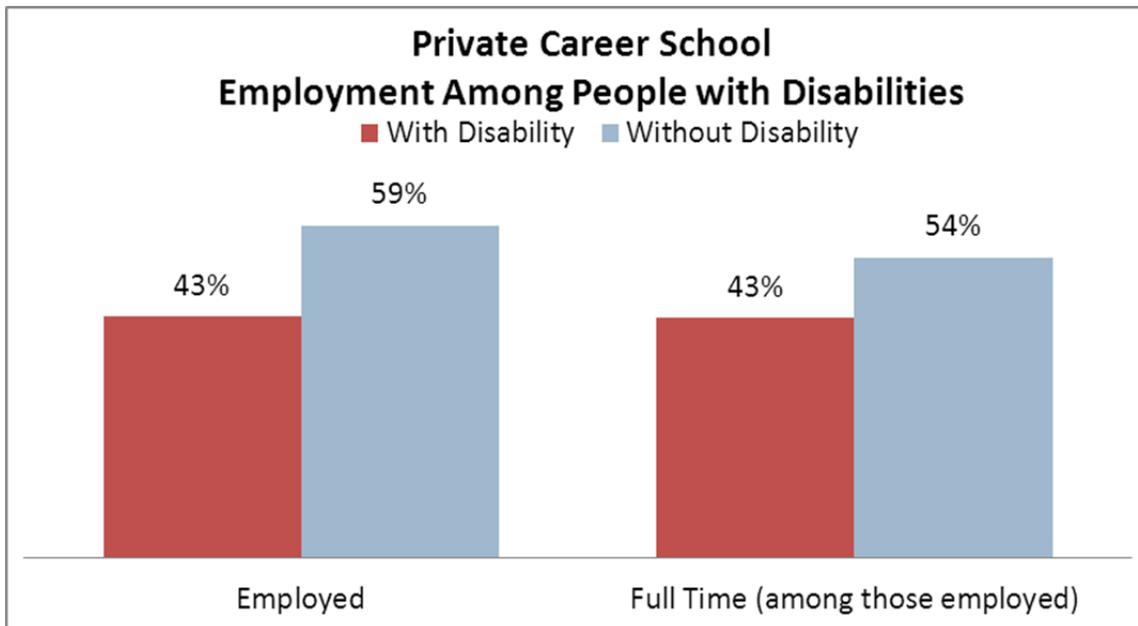
In terms of median annual earnings, Asian/Pacific Islanders earned the most at \$22,164 per year, followed by Hispanics at \$21,483. Whites earned \$20,905, African Americans earned \$22,905 and Native Americans earned \$19,271 annually.



Source: Employment Security Department data matches 2008-09.

Disability Impacts Employment, Earnings

Employment outcomes and earnings also varied by disability status. College records indicate that less than 1 percent of the participants included in this study had a disability. Compared to participants without disabilities, participants with disabilities were less likely to have reported employment during the third quarter after exit (43 percent versus 59 percent). They were also less likely to be working full-time (43 percent versus 54 percent). Participants with a disability earned about 90 percent of median wages as those without a disability (\$19,264 compared to \$21,400). Yet, in terms of median hourly wages, participants with a disability earned more than non-disabled participants (\$14.84 compared to \$13.86). The difference in these two earnings patterns are due to the lower number of hours worked by disabled participants.



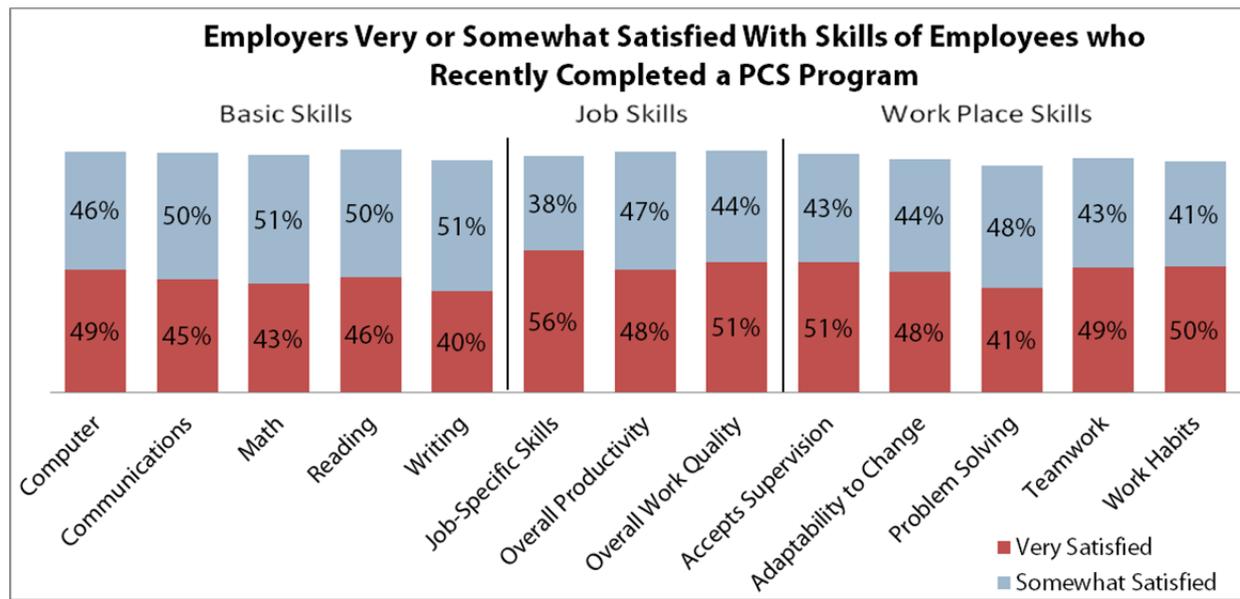
Source: Employment Security Department data matches 2008-09.

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 program at a private career school. Ninety-five percent said they were either “somewhat satisfied” or “very satisfied” with the overall work quality of these new employees, up from the 89 percent from the 2008 survey.

Over the past decade, Washington employers’ overall satisfaction has varied, according to the skills they were asked to rate. Satisfaction has increased from 2008 for all skills, with computer skills as the only category in which participants were rated as slightly less satisfactory. The charts below show the overall satisfaction of employers with work-related skills of new employees who recently completed a private career school program and shows the overall satisfaction with basic skills.

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 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.

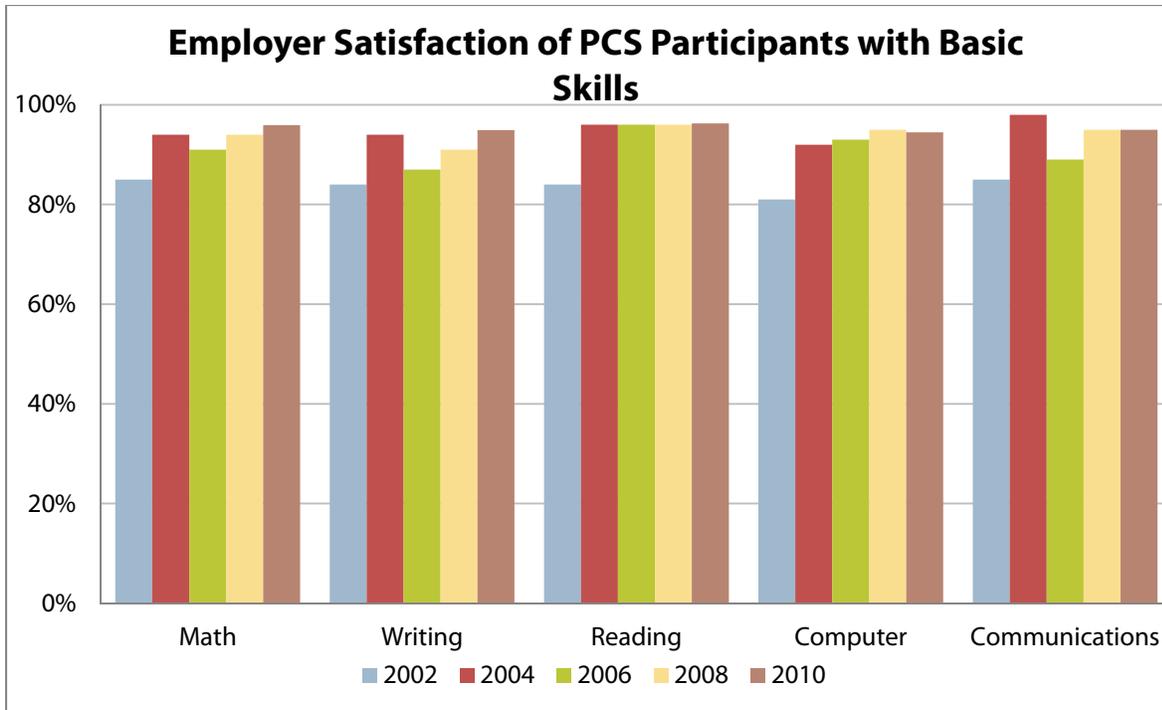


Source: Workforce Board Employer Survey conducted in 2010.

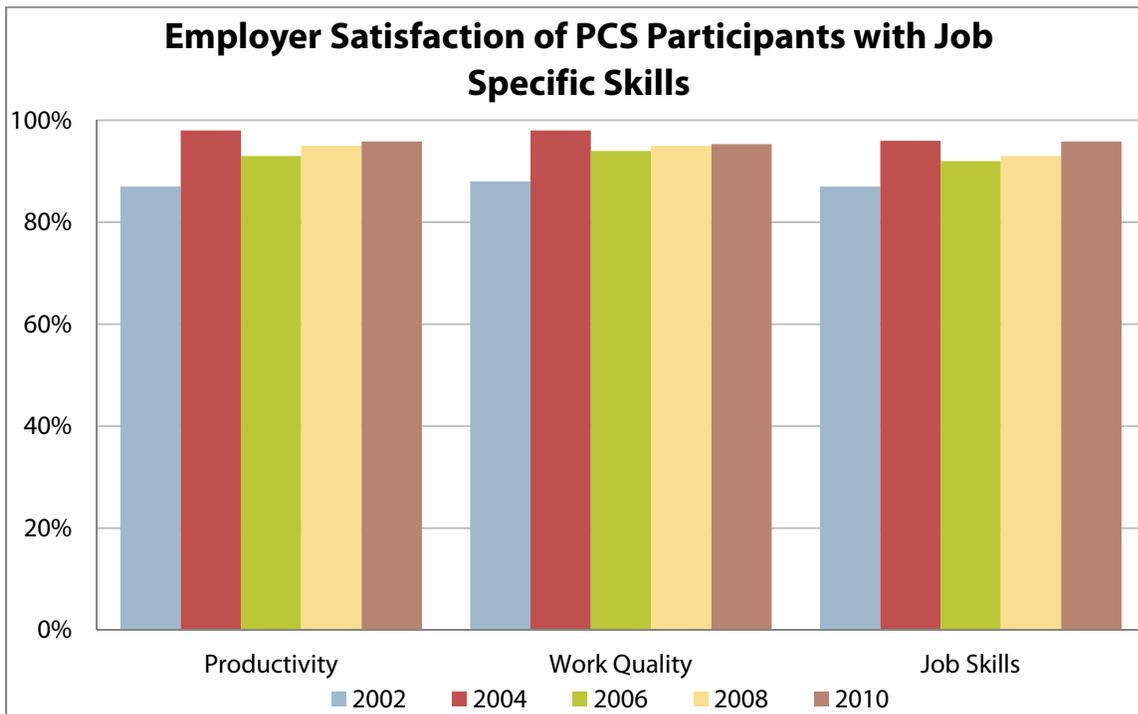
For basic skills, employers were most satisfied with computer skills, with reading coming in a close second. Job-specific skills showed the highest level of satisfaction in the job skills area. Employers were most satisfied with the ability to accept supervision in the work place, followed closely by work habits.

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

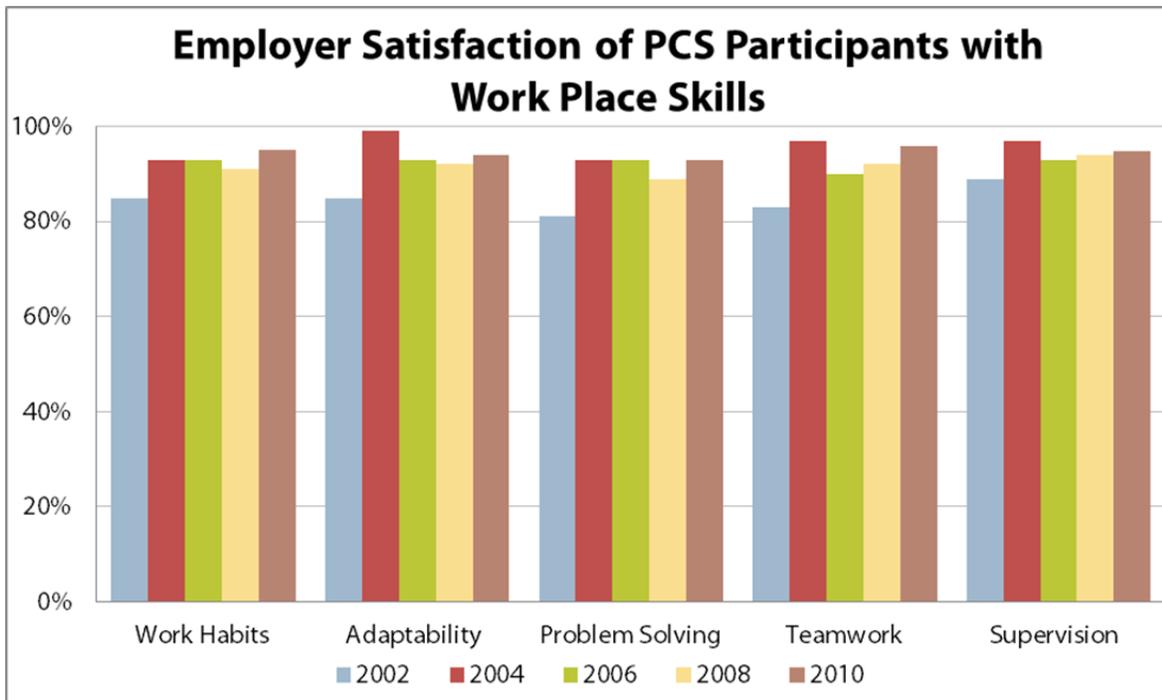
- Job-specific skills (56 percent).
- Accepts supervision (51 percent).
- Overall work quality (51 percent).



Source: Workforce Board's Biennial Employer Survey from 2002 through 2010.



Source: Workforce Board's Biennial Employer Survey from 2002 through 2010.



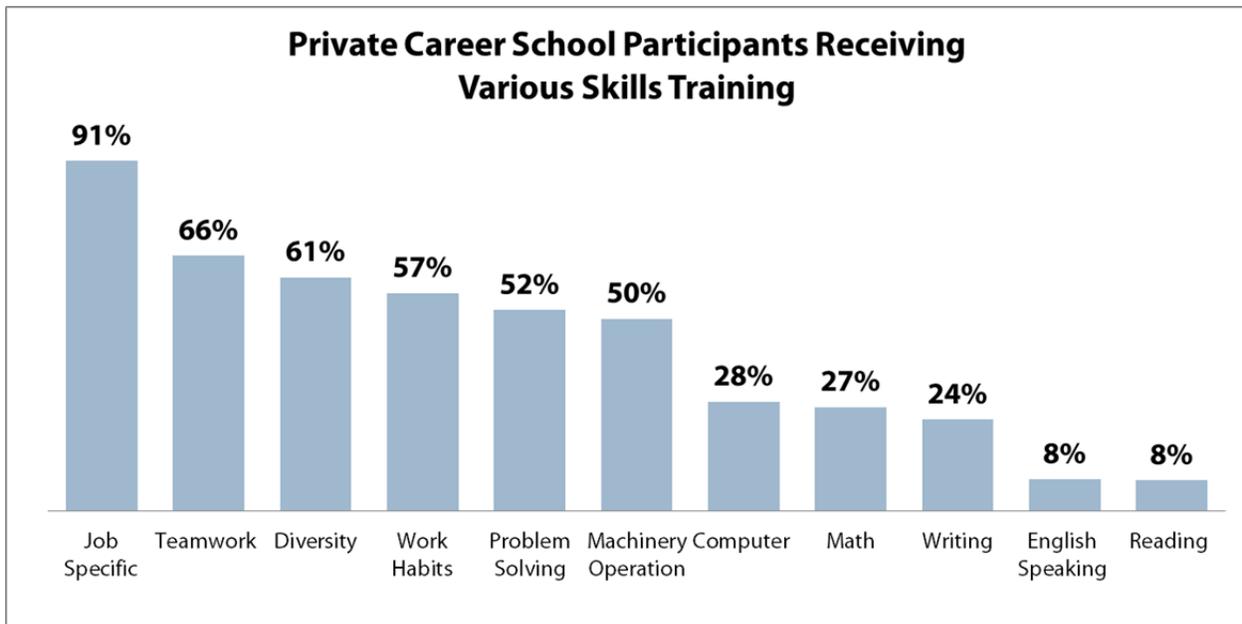
Source: Workforce Board's Biennial Employer Survey from 2002 through 2010.

Participant Survey – Did Participants Get the Skills They Needed?

In 2011 the Workforce Board surveyed Private Career School 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 362 participants.

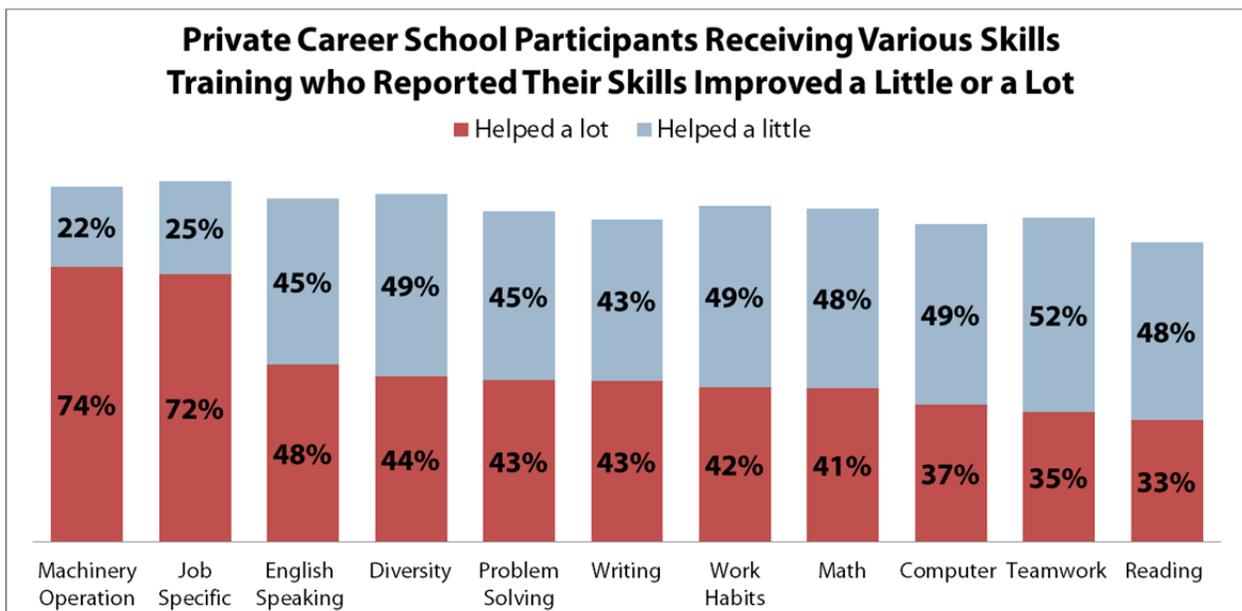
According to survey results, 88 percent of participants indicated they entered a private career school to learn skills for a new job, similar to two years ago. Participants also indicated that they enrolled for their own personal enjoyment or improvement (77 percent), to get a degree or certificate (75 percent), or to improve skills for a job they already had (21 percent).

The highest percentage of participants, 91 percent, reported receiving job specific skills. In addition, participants received training in basic and workplace skills. As in previous studies, the majority of participants received training in workplace skills such as teamwork (66 percent), diversity (61 percent) and work habits (57 percent). Fewer received training in basic skills like reading, English speaking, math, and writing.



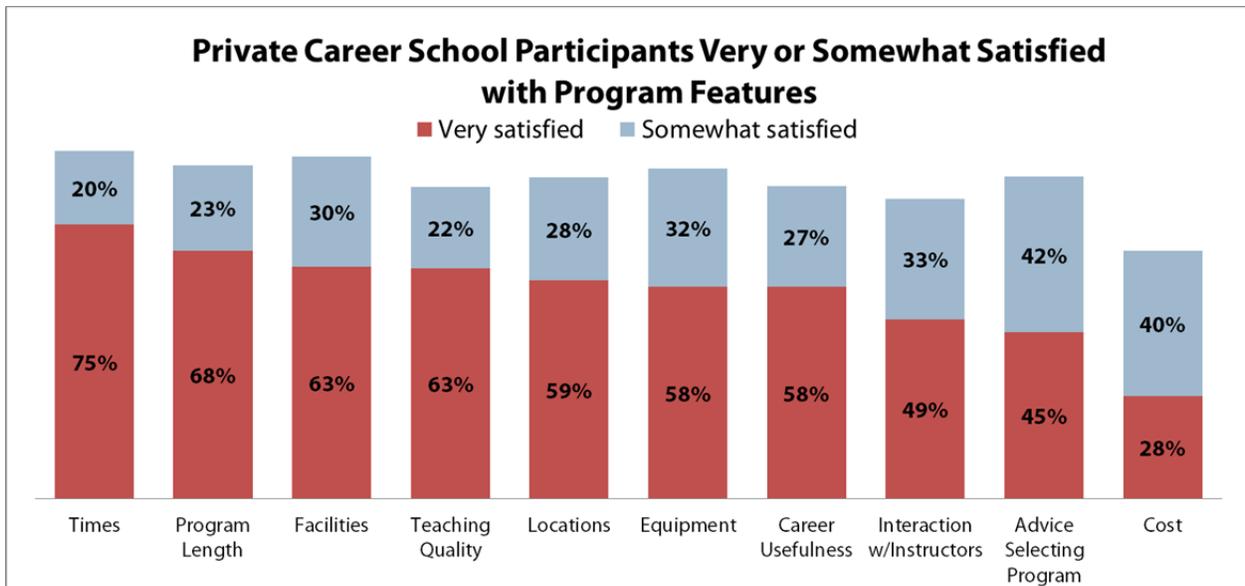
Source: Workforce Board's Participant Satisfaction Survey 2011.

Participants tended to report their skills improved as a result of training. Participants were more likely to report "a lot" of improvement in technical skills such as job-specific skills and machinery operations, and less likely to report "a lot" of improvement in basic skills such as writing, math and computer skills. Compared to previous surveys, a slightly lower percentage of participants reported "a lot" of improvement in job-specific skills (72 percent in 2011 versus 79 percent in 2008).



Source: Workforce Board's Participant Satisfaction Survey 2011.

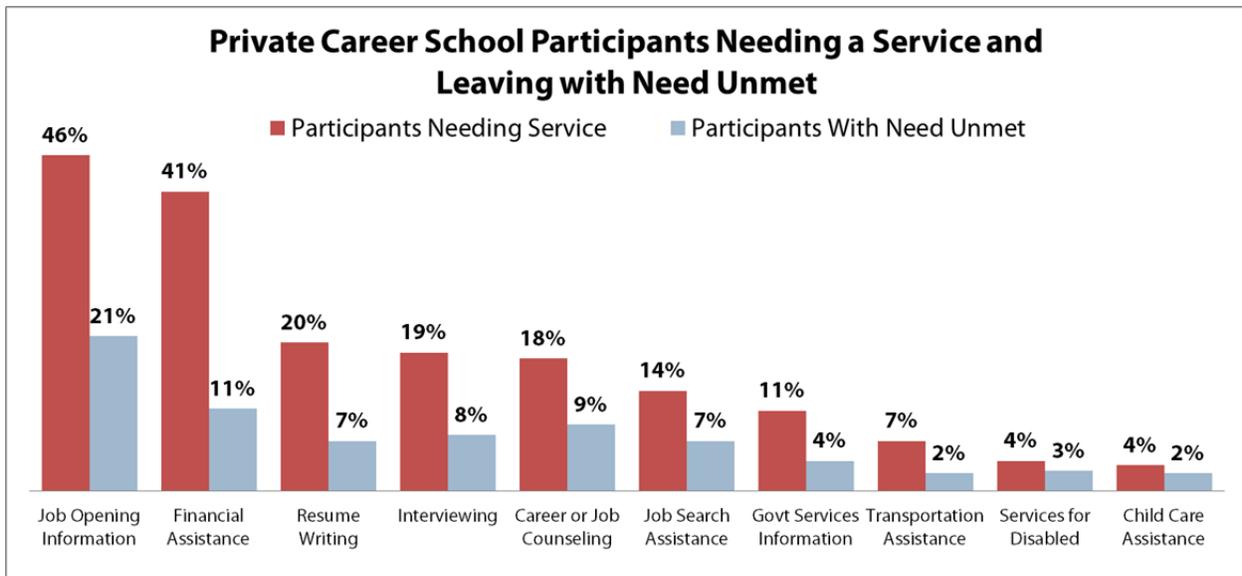
The participants in the current survey reported nearly identical levels of satisfaction with their programs as participants from the previous survey. Some 86 percent reported they had met their educational objectives. The percentage indicating that they were “very” or “somewhat” satisfied with their program overall was 85 percent. When asked about specific program features, satisfaction was highest with program times and length. Satisfaction was lower this year with teacher quality and interaction with instructors outside the classroom. Overall, participants were most satisfied with time, length of program, facilities and teacher quality and least satisfied with program cost.



Source: Workforce Board's Participant Survey 2011.

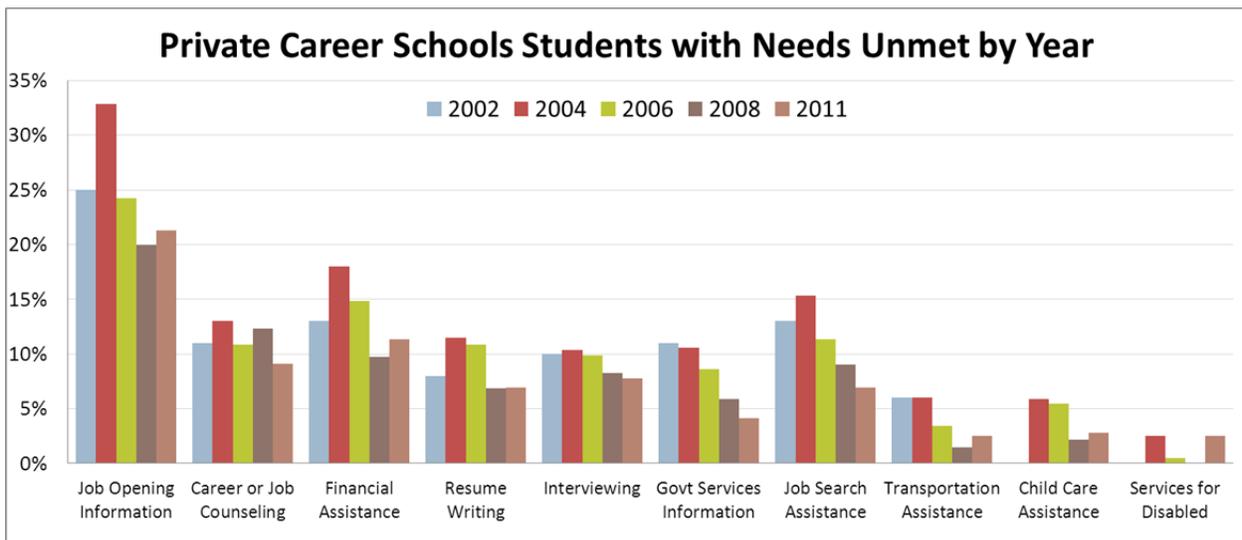
In most cases the needed services were provided. As in previous studies, participants said they were most in need of information about job openings and financial assistance. However, participants also reported the highest percent of unmet needs⁶ in these two areas. Just over one-fifth of participants reported that their need for job opening information was not met. Eleven percent indicated that their need for information regarding financial assistance was not met.

⁶ 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's Participant Survey 2011.

In the past decade there has been an overall decline in the percentage of participants reporting they left private career schools with unmet needs. However, the percentage of participants reporting an unmet need regarding services for the disabled has increased.



Source: Workforce Board's Participant Surveys 2002-11.

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.

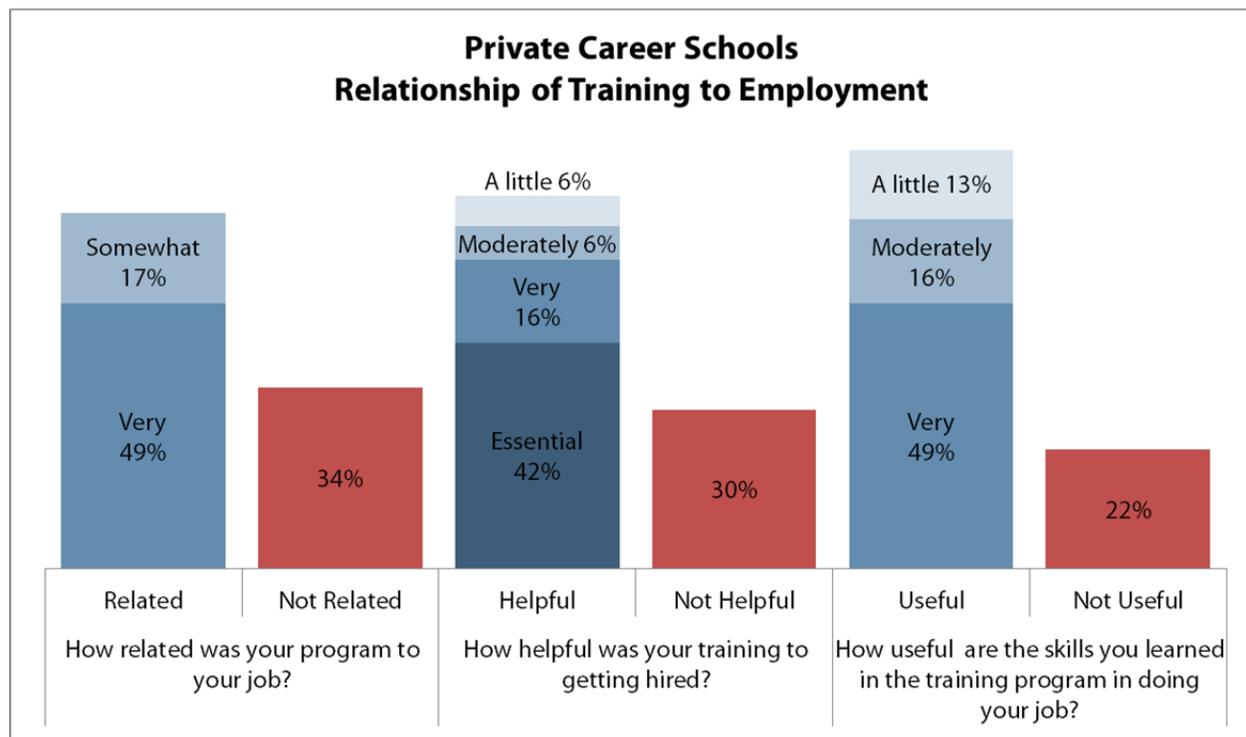
Asking about the relationship between training and employment in different ways can produce more complete information. For example, some participants said their training was not related to their job, but nevertheless found the skills acquired were useful on the job.

Among participants employed seven to nine months after leaving a program, 66 percent indicated their training was related to their job. This is broken down further, with 49 percent saying their training was “very related” to their job. An additional 17 percent reported the training was “somewhat related” to their job. In 2008, the same rate of employed participants reported their training was related to their job (66 percent).

Participants interviewed in 2011 also indicated the training was helpful to them in getting their job. Of those participants, 42 percent indicated their training was an “essential requirement,” another 16 percent indicated it was “very important,” and 6 percent reported it was “moderately important.” Six percent said it was “a little helpful.” The remaining 30 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 49 percent of participants indicated the skills were “very useful,” 16 percent said “moderately useful,” and 13 percent “a little useful.” Some 22 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 answered negatively to both. Just 18 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 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.

Private Career School programs have positive net impacts on hourly wages and annualized earnings.

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 Private Career School 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 most recent net impact analysis examined the experiences of participants who left Private Career Schools. The short term impacts are for participants leaving in 2007-08 and the long term impacts are for those who left in 2005-06.

Impact on Employment and Earnings: Participants vs. Control Group

Private Career Schools	Short-term [^]	Long-term [^]
Net Employment Impact*	No significant positive impacts	3.40 percentage points
Net Hourly Wage Impact**	\$1.03	\$ 0.61
Net Hours Employed per Quarter Impact	20.8	27.1
Net Annualized Earnings Impact**	\$2,451	\$2,064

[^]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 Private Career School participants who got jobs and those in the control group who were employed.

As can be seen above, Private Career School participants experienced positive long-term net impacts on their employment, hours worked per quarter and on annualized earnings. In the short-term, Private Career School participants did not experience the same positive net impact on employment but did benefit from higher hourly wages; hours worked per quarter and increased annualized earnings.

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. Program costs include both direct program costs and support payments borne by the state and the tuition and foregone earnings borne by students. 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. 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 ABE Programs

Benefit/Cost	First 2.5 years		Lifetime (until 65)		Sum of Costs and Benefits
	Participant	Public	Participant	Public	
Benefits					
Earnings	\$2,818	\$0	\$14,115	\$0	
Fringe Benefits	\$705	\$0	\$3,529	\$0	
Taxes	-\$526	\$526	-\$2,632	\$2,632	
Transfers					
UI	-\$664	\$664	-\$676	\$676	
Costs					
Foregone net earnings	-\$1,881	-\$329	-\$1,881	-\$329	
Program costs	-\$9,736	\$0	-\$9,736	\$0	
Benefits	\$2,333	\$1,190	\$14,335	\$3,309	
Costs	-\$11,617	-\$329	-\$11,617	-\$329	
Total (Net)	-\$9,284	\$861	\$2,718	\$2,979	\$5,697

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

For each student in a private career school program, tuition is estimated at an average of \$9,736, although there is wide variability among schools and programs, and students frequently receive financial aid. Student costs include an average of \$1,881 in foregone earnings while in training, and the public (taxpayer) costs include \$329 in lost tax revenues from the foregone earnings. During the first two and one-half years after leaving a school, the average trainee will gain about \$2,818 in earnings. During the course of working life to age 65, the average trainee will gain about \$12,234 in net earnings (earnings minus foregone earnings) and over \$3,529 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 \$2,718.

From the time of leaving training to age 65 the public is expected to gain \$2,632 in net additional Social Security, Medicare, federal income, and state sales taxes and to save \$676 in UI benefits. The estimated lifetime net benefit to taxpayers is \$2,979 per participant.*

**Financial aid is outside the scope of this study and is not included in either the public or participant cost estimates.*