

# Workforce Investment Act Title I-B Adult Program

## Program Details

All customers age 18 and older who walk into a WorkSource Center are eligible for core services through the federal Workforce Investment Act (WIA) Title I-B Adult program—from skill assessments to job search and placement assistance.

These core services include:

- Skill assessment.
- Labor market information.
- Consumer reports on training programs.
- Information on job openings.

Core services tend to be self-service and don't require participants to meet certain eligibility requirements. Instead, they are part of the main menu of offerings at Washington's WorkSource Centers, helping a wide variety of job-seekers find their way back into employment.

For some, particularly those *unable* to land a job through the above core services, the WIA Adult program provides intensive services. These services include:

- More intensive assessments.
- Individual counseling.
- Career planning.
- Short-term pre-vocational services.

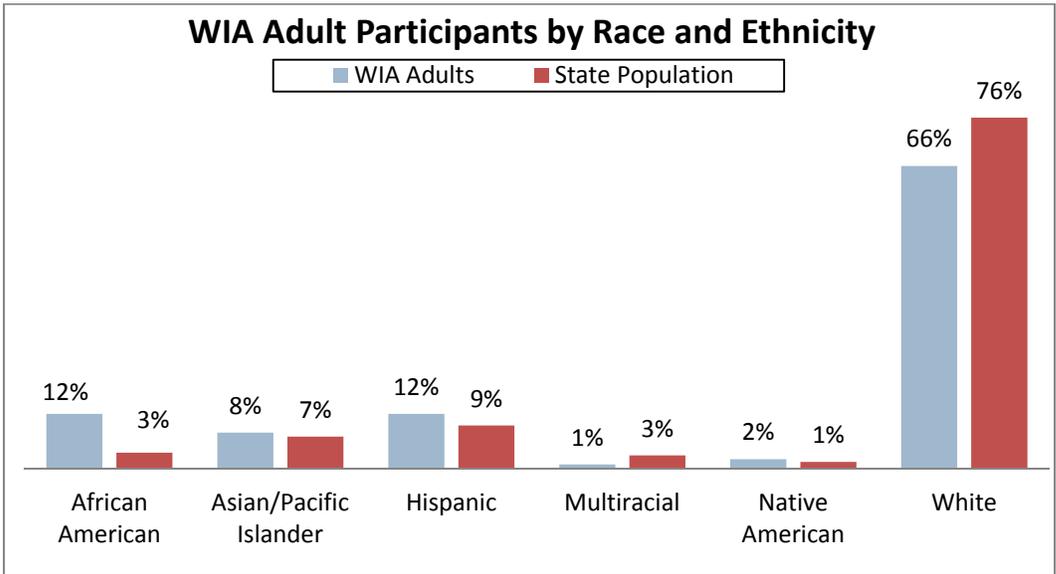
Nearly half of the program participants (around 45 percent during 2007-2008) also participated in job training where training costs are supported by the WIA Adult Program.

## Participant Profile

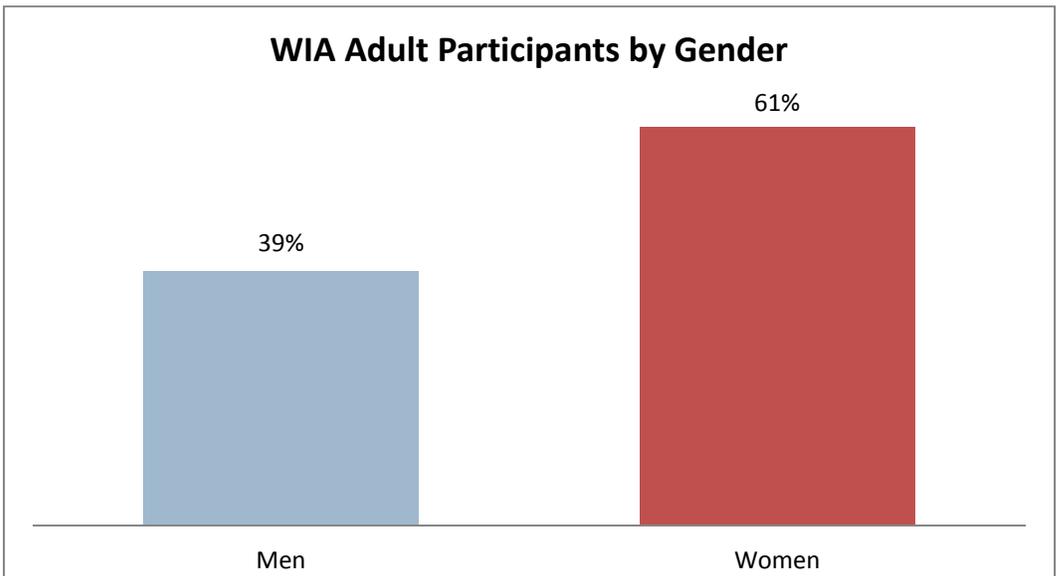
For this report, researchers studied the results of 2,864 participants who left the WIA Adult program in PY 2007-2008. These participants in the WIA Adult program were more likely to be a member of a racial or ethnic minority group, female and have less education than the general population in Washington.

*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.*

Among those leaving the program during 2007-2008, 34 percent were of a racial/ethnic minority.<sup>1</sup> Some 61 percent were women.



Source: WIA Standardized Record Data (WIASRD) and Office of Financial Management 2008 State Population Survey.



Source: WIASRD and Office of Financial Management 2008 State Population Survey.

<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 2006 *U.S. Census Estimates*, 77 percent are whites; 3 percent are African Americans; 1 percent are Native Americans; 7 percent are Asians/Pacific Islanders; 3 percent are multiracial; and 9 percent are Hispanics.

When they enrolled, 13 percent of the studied participants had neither a high school diploma nor a GED, 30 percent had a high school diploma as their highest credential, 17 percent had a GED, and 40 percent had previously attended college.<sup>2</sup> Thirteen percent had limited English proficiency and 39 percent received public assistance while enrolled in the program.<sup>3</sup>

The median age of participants when leaving the program was 38; one quarter were over 48 years of age.

## **State Core Measures: Tracking WIA Adult 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>4</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, Employer Survey**

The 2010 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records for 2008-2009. Data used in the Net Impact Study also reached back to 2006-2007 employment records, to help assess trends over a slightly longer time frame. Employer satisfaction was assessed through the Workforce Board's 2010 Employer Survey from 164 firms that hired employees who recently completed a WIA program.<sup>5</sup>

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<sup>2</sup> According the 2006 *Washington State Population Survey*, of those aged 16-74, 11 percent have less than the equivalent of a high school diploma, and 62 percent have attended college.

<sup>3</sup> Public assistance recipients includes 29 percent who received cash assistance from state or local General Assistance, Refugee Cash Assistance, or Supplemental Security Income; 11 percent who received Temporary Aid for Needy Families (TANF) assistance; and 8 percent who received both types of assistance.

<sup>4</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.

<sup>5</sup> The Employer Survey includes employers who hired a participant who completed at least one of the three WIA programs: Adult, Dislocated Worker, or Youth.

## **Net Impact Study Adds More Insight into Program Performance**

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

The study follows the progress of all WIA Adult participants who left the program during the 2007-2008 program year. The median amount of time spent in the WIA Adult program by this cohort was seven months.<sup>6</sup>

An estimated 45 percent of these WIA Adult participants received training as part of their program. This means that 1,295 of those who left the WIA program during the 2007-2008 program year received one or more types of training:

- Occupational skills training.
- Programs that combine workplace training with related instruction.
- Training programs operated by the private sector.
- Skill upgrading and retraining.
- Entrepreneurial training.
- Job readiness training.
- Customized training.
- On-the-Job Training.<sup>7</sup>

*Turn to page 14 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.*

<sup>6</sup> Participants spent a slightly shorter amount of time in the WIA Adult program during 2007-2008 reporting years, than those leaving in 2005-2006.

<sup>7</sup> Some 7 percent of participants received On-the-Job training. This refers to training provided by an employer to a paid participant engaged in productive work that (a) provides knowledge or skills essential to the performance of the job; (b) provides reimbursement to the employer or up to 50 percent of the wage of the participant; and (c) is limited to the period of time required for a participant to become proficient in the occupation.

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

- 4 percent received an associate’s degree.
- 8 percent received an occupational skills license.
- 16 percent received an occupational skills certificate/credential.
- 5 percent received another type of credential.

Taken together, 34 percent of all participants, or 75 percent of those participants who received training, earned a credential.<sup>8</sup> Most participants who received training through the WIA Adult program attended a state community or technical college to advance their education and skill levels.

### **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>9</sup> The study looks at employment and earnings three calendar quarters after the participant left the WIA program. The chart below shows the 2008-2009 employment and earnings of participants who left the program during the 2007-2008 program year. Sixty-six percent of WIA Adult participants were employed. Of those who were working, 59 percent were employed full time. The median hourly wage of those working was \$12.59, more than \$4 per hour higher than Washington’s minimum wage of \$8.55 an hour in 2009.

### **2007-2008 Program Year Performance for WIA Adult**

<b>Performance Measure</b>	<b>Results</b>
Employment Rate*	66%
Percentage Employed Full Time**	59%
Median Annualized Earnings	\$21,284
Median Hourly Wage***	\$12.59
Hours Worked Quarterly (Median)	439 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.*

<sup>8</sup> Previous evaluations included a broader definition of “other credentials.”

<sup>9</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).

To put earnings in context, the median number of dependents WIA Adult participants were able to support at the poverty level after leaving the program in 2007-2008 was 3.8 people. At the 200 percent of poverty level, this supported one person.<sup>10</sup>

### Self Sufficiency Level for WIA Adult – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Household size-poverty level	3.3	3.5	3.8	3.8
Household size-poverty level at 200 percent	.9	.9	1	1

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

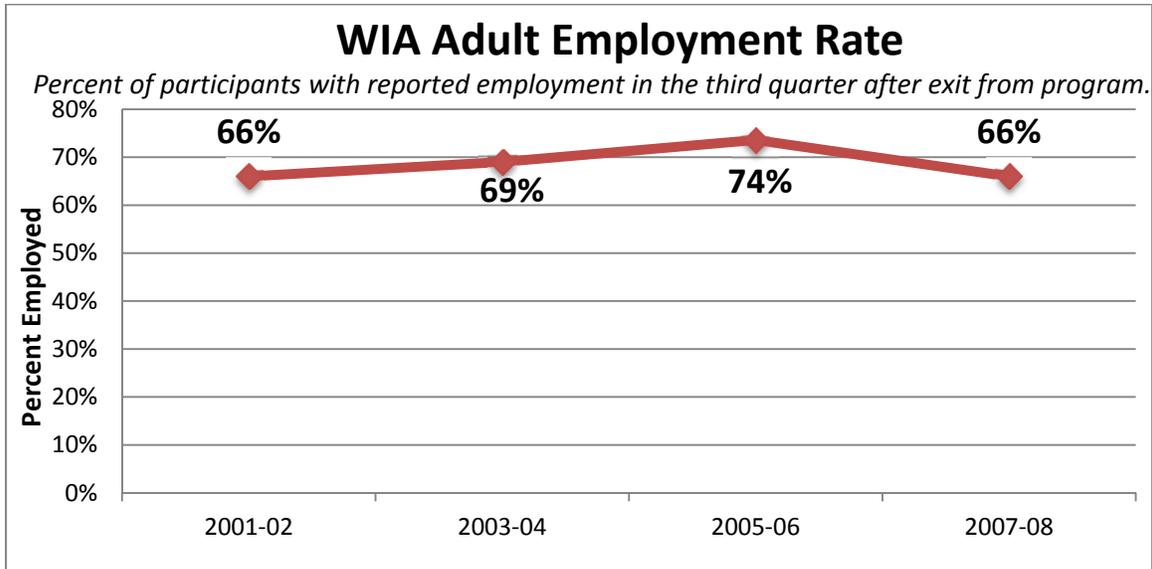
### Program Performance for WIA Adults – Previous Years

Performance Measure	2001-2002	2003-2004	2005-2006	2007-2008
Employment Rate*	66%	69%	74%	66%
Percentage Employed Full Time**	57%	58%	62%	59%
Median Annualized Earnings	\$19,517	\$20,316	\$21,194	\$21,284
Median Hourly Wage***	\$11.93	\$12.10	\$12.42	\$12.59
Median Hours Worked Quarterly	430	440	452	439

\* 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.

<sup>10</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.

Since 1998, participant cohorts have had increasingly higher levels of earnings. Employment rates, however, have been mixed, declining with the 2007-08 cohort after several years of improvement, likely due to the 2008 recession.



Source: Workforce Training Results 2001-2008.



Source: Workforce Training Results 2001-2008.

The majority of WIA Adult program participants who were reported to be employed, held jobs in three main areas:

- Services.
- Retail trade.
- Manufacturing industries.

Employment in retail trade and services was up from the previous study, but declined in manufacturing and construction.

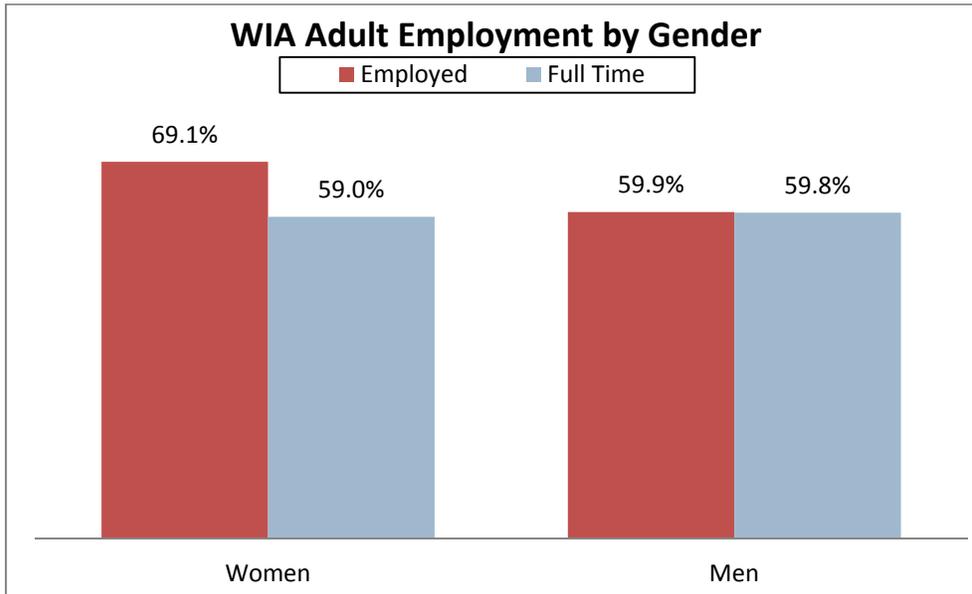
<b>WIA Adult Employment by Industry</b>	
<b>Industry Group</b>	<b>% Employment</b>
Services (See breakout below)	58.8%
Retail Trade	10.6%
Manufacturing	9.5%
Construction	4.6%
Transportation and Warehousing and Utilities	4.5%
Wholesale Trade	3.3%
Financial Activities	3.0%
Natural Resources and Mining	1.0%
Public Administration	4.0%
Information	0.7%
<b>Total</b>	<b>100.0%</b>
<b>Breakout of the Services Industry</b>	<b>% Employment</b>
Health Care	22.7%
Administrative and Support and Waste Management and Remediation Services	11.2%
Accommodation and Food Services	6.8%
Social Assistance	6.2%
All Other Services	4.9%
Education Services	3.4%
Professional, Scientific, and Technical Services	2.0%
Arts, Entertainment, and Recreation	1.5%
<b>Subtotal from Services Industry</b>	<b>58.8%</b>

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

*Source: Matching with Employment Security Department data 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 following chart shows the percentage of men and women WIA Adult participants who were reported to be employed. Also broken out is what percentage of those working held a full-time job.



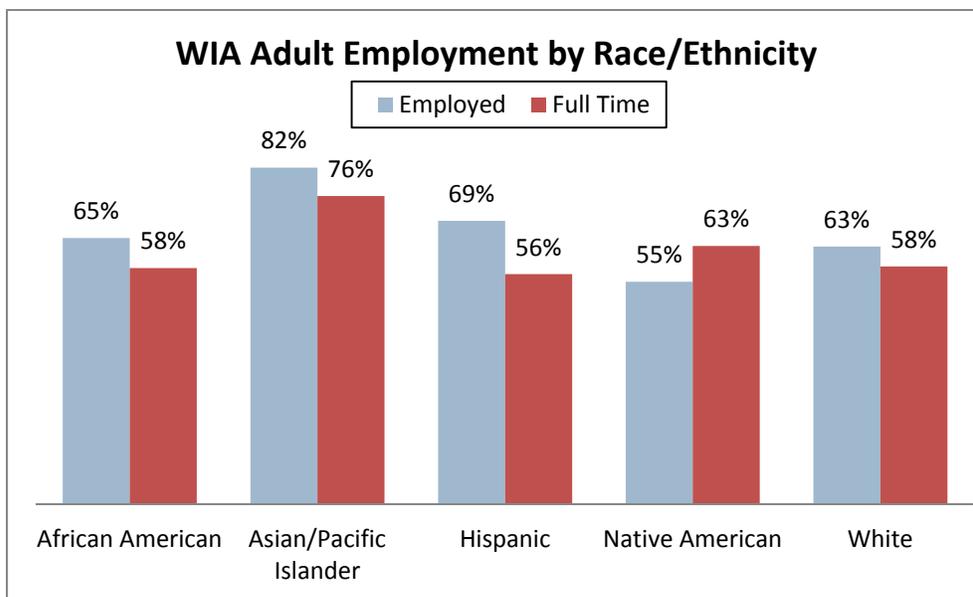
Source: Matches with Employment Security Department data and WIASRD.

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

During the third quarter after leaving the program, women participants were 15 percent more likely to be employed than men. Men and women were employed full time at about the same rate. Among those employed, the hourly wage rate for women was 93 percent of men down from 99 percent in 2005-2006. The median annual earnings of females was 95 percent of men--an improvement from the 86 percent reported in 2005-2006.

## Race/Ethnicity Plays Role

Participants from racial and ethnic minority backgrounds were more likely to be employed than white participants. The one exception was Native Americans, who were employed at 86 percent of whites. However, they were working full-time at a 9 percent higher rate than whites. Asians/Pacific Islanders were working full time at a 30 percent higher rate than whites, whereas Hispanics and African Americans were working full time at about the same rate as whites. The median hourly wage for African Americans was 95 percent of what whites were paid, and the median hourly wage for Hispanics was 90 percent that of whites. Native Americans' wages were 79 percent of whites, while Asian/Pacific Islanders wages were 90 percent. The annualized earnings for Asians/Pacific Islanders and Native Americans were higher than for whites. African Americans and Hispanics earned close to the same annually as whites.



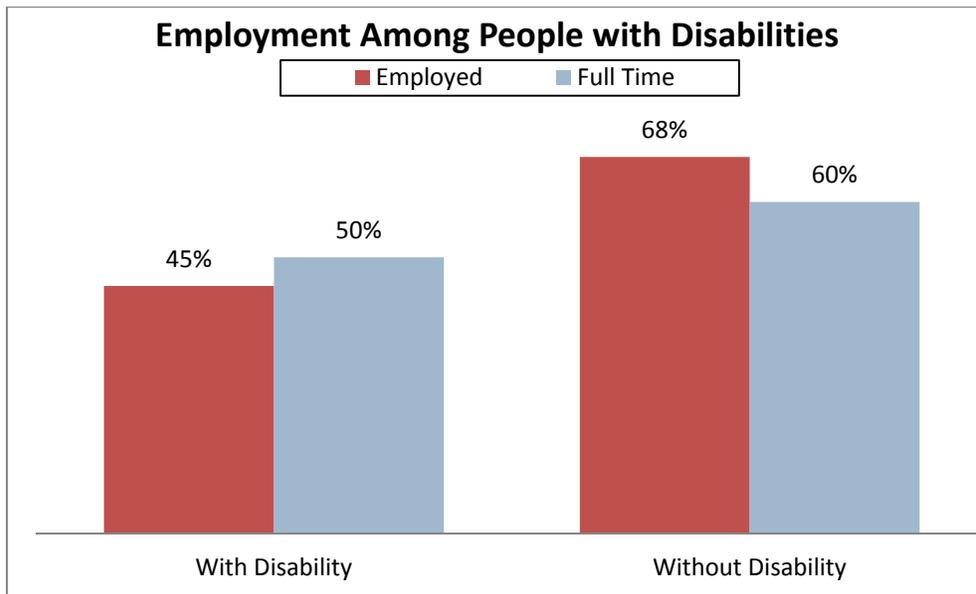
Source: Matches with Employment Security Department data and WIASRD.

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

## Disability Impacts Employment, Earnings

Administrative records suggest 11 percent of the WIA adults included in this study reported having a disability.<sup>11</sup> These participants were less likely to have employment reported to a state’s employment agency (45 percent vs. 68 percent for those without a disability).

Also, only half of the employed people who were disabled were employed in full-time jobs versus 60 percent among those without a disability. The median wage of participants who had a disability was 86 percent of those without a disability and their median annual earnings were 81 percent of those without a disability.



Source: Matches with Employment Security Department data and WIASRD.

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

## Were Employers Satisfied with the Preparation Workers Received?

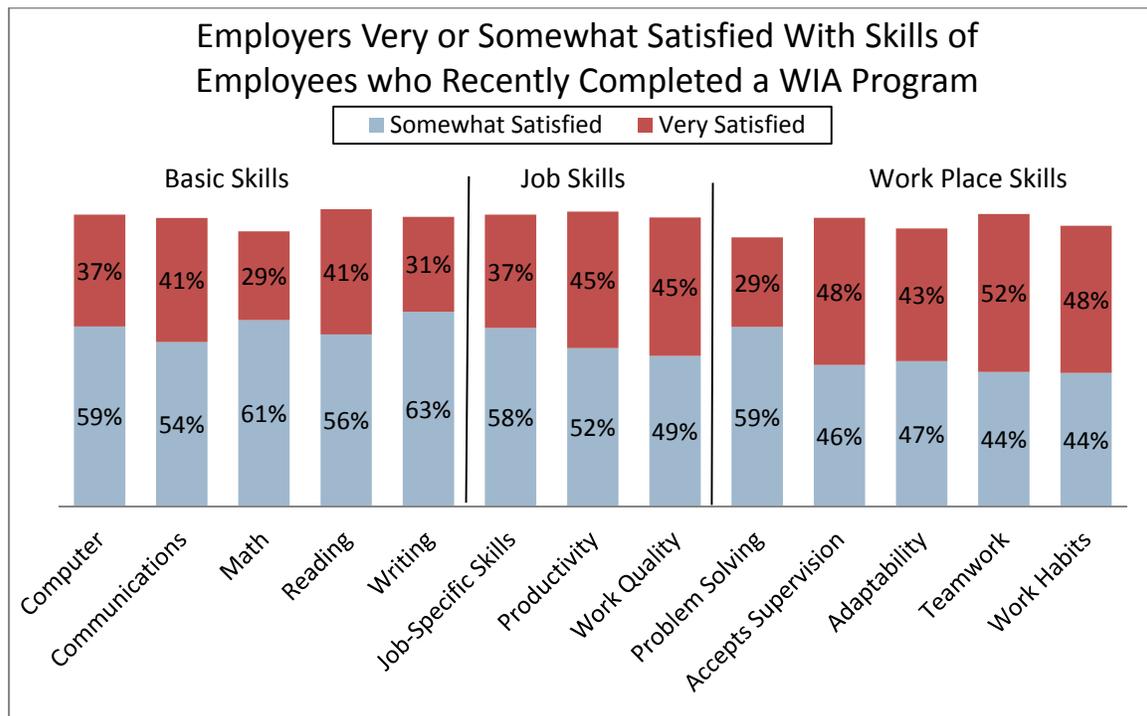
The Workforce Board’s Employer Survey, administered during 2010, asked firms to evaluate new employees who had recently completed a WIA program.<sup>12</sup> All three WIA Title I programs (Adult, Dislocated Worker, and Youth) were grouped together because there are relatively few participants in each category and employers would find it difficult to distinguish one from another. This section presents findings on employer satisfaction with new employees who completed *any type* of WIA program.

<sup>11</sup> In accordance with the Americans with Disabilities Act of 1990 a disability is defined as “a physical or mental impairment that substantially limits one or more of the person’s major life activities.”

<sup>12</sup> Every two years the Workforce Board conducts a statewide employer survey to get feedback on the state’s workforce system. It’s the only comprehensive statewide survey of its kind and shines a light on common workforce issues across a wide range of industries.



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.

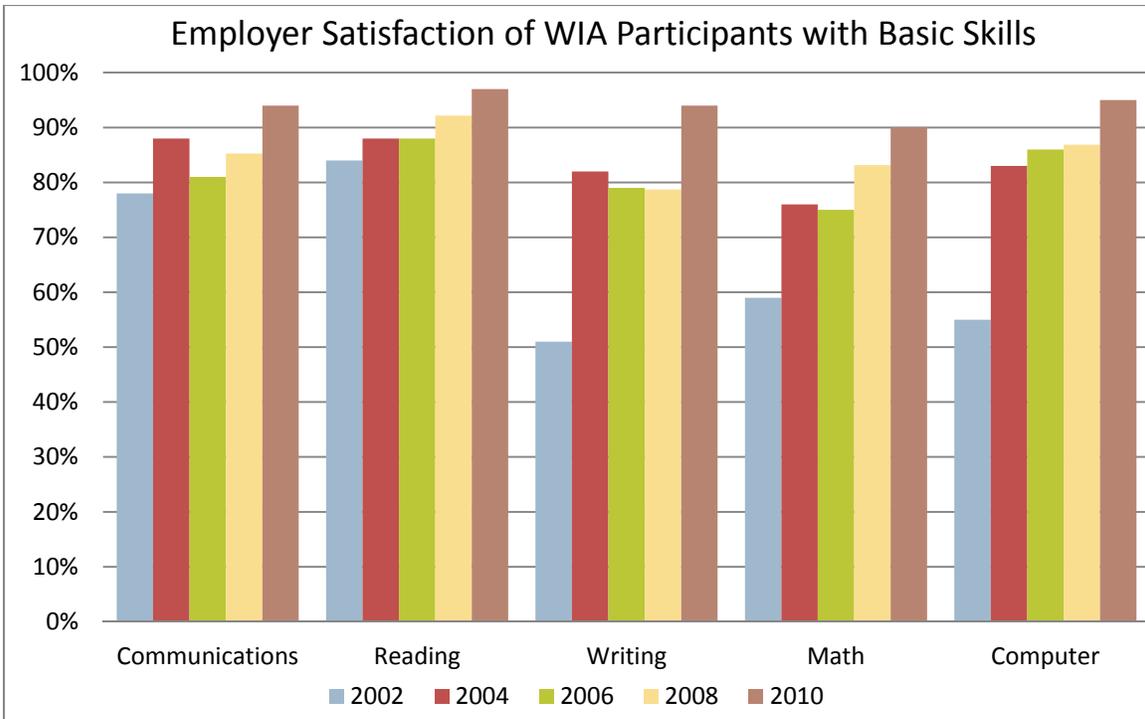
Fewer employers were very satisfied with math, writing and problem-solving skills.

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

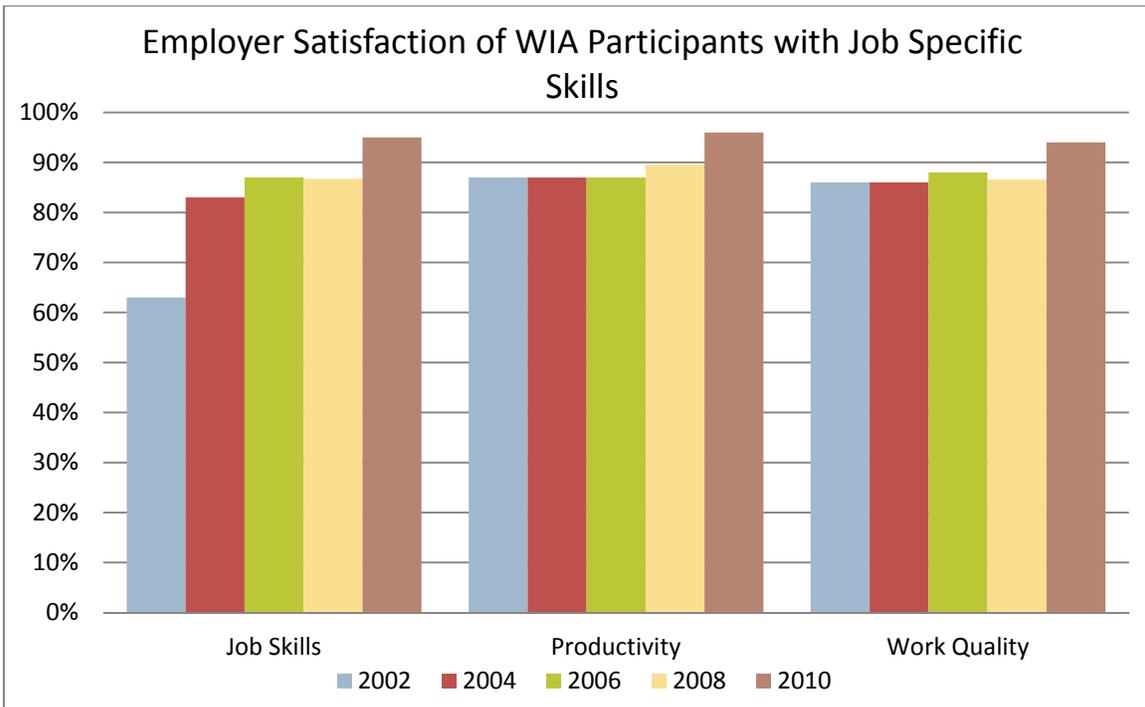
- Teamwork (52 percent).
- Accepts Supervision (48 percent).
- Work Habits (48 percent).

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

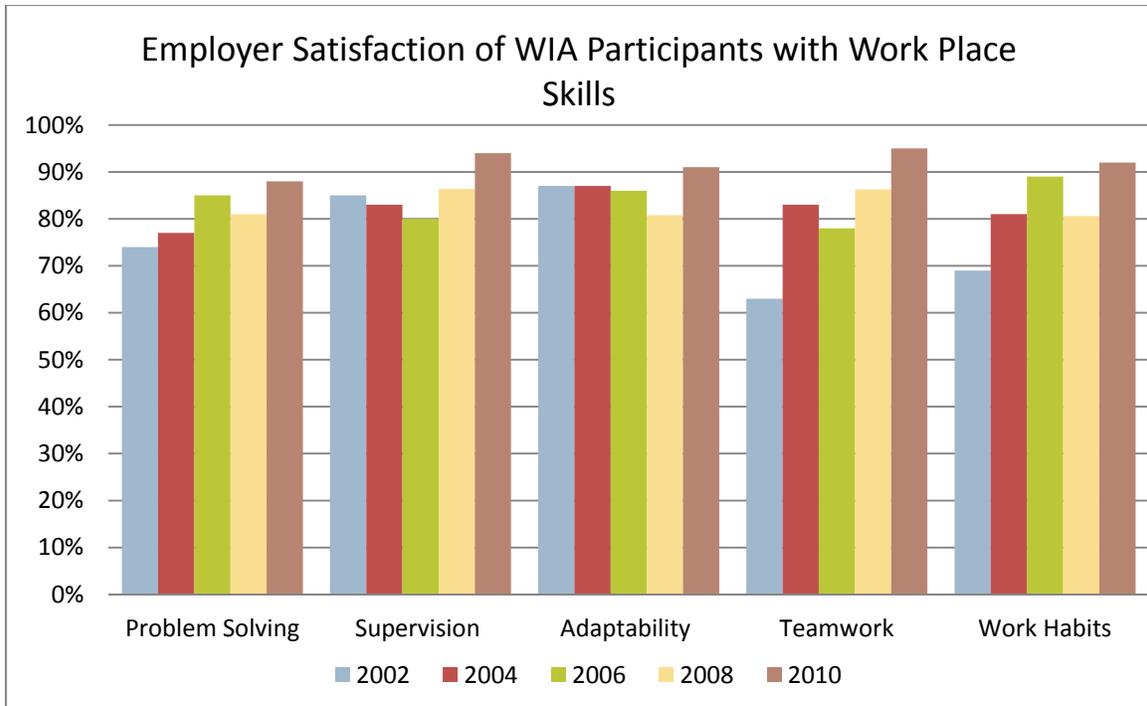
The overall satisfaction of employers in *all* skill areas was higher in 2007-2008 than any of the past 10 years of surveys. The following three charts show the overall satisfaction of employers within the skills categories of new employees who recently completed a WIA program.



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



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### 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 WIA Adult 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 WIA Title I-B Adult program has positive net impacts on employment, wages, hours worked, and earnings. Participation increases lifetime earnings.*

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

Workforce Training Results  
Workforce Investment Act—Adult Title I-B

**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

The analysis also separates out WIA Adult participants who received job training, in addition to other WIA services. Roughly 45 percent of WIA adult participants receive some type of formal training or education while the rest receive only core or intensive services. (See program details at beginning of chapter for explanation of the range of services.)

In the table below, the WIA Adult participant employment rate in the short-term was 12.8 percentage points higher than the rate of those in the comparison group. WIA participants who received training achieved an employment rate that was 15.4 percentage points higher than their comparison group.

Similarly, the average annualized earnings of WIA participants who found jobs is higher (by the amounts listed below) than those non-participants who were employed.

WIA Adult	All WIA Adult Participants		Received Training	
	Short-term	Long-term	Short-term	Long-term
Net Employment Impact	12.8 percentage points	10.8 percentage points	15.4 percentage points	13.2 percentage points
Net Hourly Wage Impact	\$1.65	\$1.60	\$2.82	\$2.91
Net Hours Employed per Quarter Impact	73.6	43.6	91.2	56.6
Net Annualized Earnings Impact	\$6,848	\$4,182	\$9,940	\$6,980

Percentages listed are employment percentage points above those of the control group of non-participants. Dollars listed are the average annual earnings difference between WIA 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, WIA Adult program participants experienced gains in employment, hourly wages, hours worked per quarter and net annualized earnings, when compared to the control group. Gains tended to be somewhat more pronounced in the short-term than the long-term but were evident several years after completing the program.