

WORKFORCE TRAINING RESULTS

2011 EXECUTIVE SUMMARY

The nationwide recession impacted the ability of workforce program participants to find jobs and become self-sufficient. Workforce participants observed by the Workforce Board in 2009-2010 confronted an economic downturn. The recession officially began in December of 2007 and ended in June of 2009, although its economic aftershocks are still being felt.

Introduction

How well is Washington doing in educating and training workers now and for the future?

How satisfied are Washington's employers with workforce participants they hire?

Is our state doing what needs to be done for our economy and residents to prosper?

These questions and others concerning our state's workforce development system are a driving force behind this publication and the efforts of the Workforce Training and Education Coordinating Board (Workforce Board).

Who We Are

The Workforce Board is a partnership of business, labor and government dedicated to helping Washington residents obtain and succeed in family-wage jobs, while meeting employers' needs for skilled workers. We are the state's performance accountability agent, working on behalf of Washington's citizens and employers.

To achieve these objectives, the Workforce Board tracks the results of 12 of the state's largest workforce programs. These programs account for about 95 percent of the federal and state dollars spent on our state's workforce training system- \$825 million per year.

Our workforce participants have a broad range of ages, abilities and backgrounds--from high school students who require relevant, applied learning to stay in school, to low-skilled working adults who need more education to earn a living wage, to the recently laid off retooling for new careers.

This publication summary provides a system-wide view plus a dashboard look at each of the state's 12 major workforce programs, including identifying progress and areas for improvement. To get more detailed results for each program, go www.wtb.wa.gov/WorkforceTrainingResults.asp

How We Track Results - Workforce Core Measures

In evaluating the results, the Workforce Board seeks answers to these five basic questions that most policymakers want to know:

- Did participants get the skills they needed?
- After leaving the program, were participants employed?
- How much did they earn?
- Were program participants and employers satisfied?
- Did the participant and public get a good return on investment?

These questions, and their answers, provide a simple and reliable way to analyze our system's progress. Collectively, these measures are known as Washington's Workforce Core Measures. Adopted in 1996 after extensive stakeholder work, core measures were created to provide a common framework to measure our workforce system's progress across a wide variety of programs. While each program typically has multiple performance measures, many of them mandated by the U.S. Department of Labor and the U.S. Department of Education, these state core measures give Washington policymakers, workforce professionals and the public a consistent look at the results of our workforce system. These performance measures have stood the test of time by being both balanced and revealing. The measures were the genesis for the National Governors Association recommendations to Congress for federal workforce development performance measures.

Did Program Participants Get the Skills They Needed?

Desired Outcome: Washington's workforce possesses the skills and abilities required in the workplace.

Participants in workforce development programs acquire a variety of skills and abilities by participating in these programs. In many programs, however, successful completion is the ultimate goal, resulting typically in certificates, degrees or specific levels of competency. The Skill Attainment Core Measure is the percentage or number of participants leaving the program who achieved the appropriate skill gains or were awarded the relevant educational or skill credential. The Workforce Board determines this measure through administrative records. It's important to note that Workforce Training Results measures the impacts for ALL participants, not just those who complete their program.

After Leaving the Program, Were Participants Employed?

Desired Outcome: Washington's workers are employed.

The Workforce Board evaluates the labor market outcomes of program participants by examining their employment and earnings during the third quarter after leaving a program. The Employment Core Measure for adults is the percentage of former program participants with employment seven to nine months after leaving the program, using records from state and federal employment records. The measure for programs serving youth uses the same data sources but also looks at school records to account for students pursuing further education.

How Much Do Program Participants Earn?

Desired Outcome: Washington's workers achieve a family-wage standard of living.

The Earnings Core Measure is the median earnings of employed program participants seven to nine months after leaving the program, excluding former participants who are enrolled in further education during that quarter. As with employment, data comes from the state's unemployment insurance system and other administrative records. The Workforce Board looks at the third quarter for employment and earnings because experience has shown that the third quarter provides the most reliable information for gauging, within a useful period of time, the program's lasting effect on participants.

Are Employers Satisfied?

Desired Outcome: Employers who hire workforce program participants are satisfied with the results.

The Workforce Board uses surveys to measure customer satisfaction with workforce programs and program completers. The Employer Satisfaction Core Measure is the percentage of employers who report in the Employer Survey that they are satisfied with new employees who had completed a workforce program. Because our sample size would be too small, we do not measure employer satisfaction for those smaller programs where too few employers have experience with the program.

Did the Participant and Public Get a Good Return on Investment?

Desired Outcome: Workforce development programs provide returns that exceed program costs.

Every four years, the Workforce Board conducts net impact and cost-benefit analyses of workforce development programs. The Taxpayer Return on Investment Measure is the net impact on all tax revenue and social welfare payments compared to the cost of the services. The Participant Return on Investment Measure is the net impact on participant earnings and employer provided benefits compared to the cost of the services.

This part of the study examined the experience of workforce participants observed between 2007 and 2010. It compared their earnings, employment and other factors with individuals who *did not* participate in a workforce program, but had similar characteristics and faced the same regional labor market at the same time.

Workforce Development System Overall Results

The 12 workforce programs measured by the Workforce Board serve a wide range of Washington residents with various skills, education, experience, abilities, and barriers.¹ Despite the differences among programs, it is helpful to look not only at their individual results but how they performed overall to better gauge how well Washington's workforce system is working.

¹ To view individual workforce programs the Workforce Board tracks in greater detail, turn to page 14.

Workforce Programs Overview

Young People

- Secondary Career and Technical Education
- Workforce Investment Act Title I-B Youth

Adults

- Apprenticeship
- Community and Technical College Professional-Technical Training
- Private Career Schools
- Workforce Investment Act Title I-B Dislocated Workers
- Worker Retraining at Community and Technical Colleges

Adults with Barriers

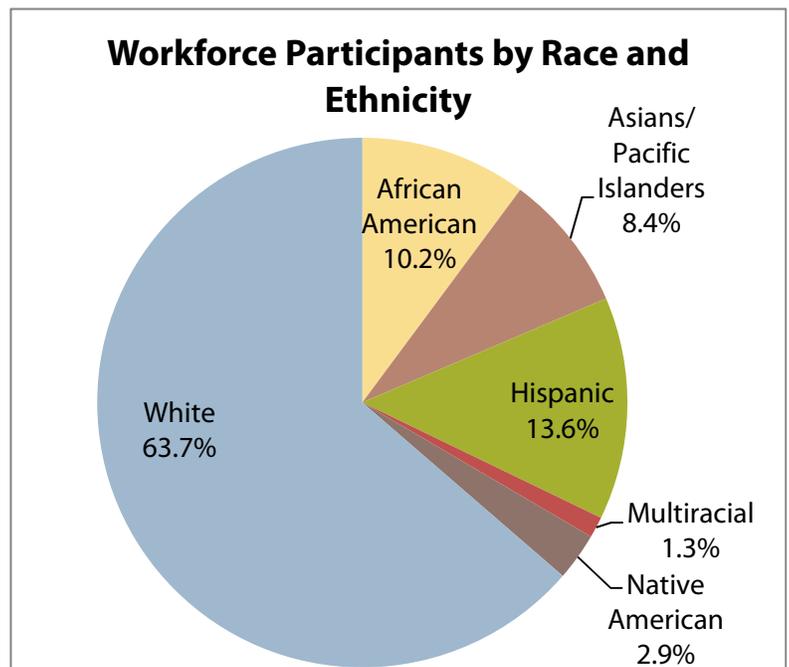
- Adult Basic Education/ English as a Second Language
- Workfirst (No net impact or Return on Investment information available)
- Workforce Investment Act Title I-B Adult
- Department of Services for the Blind
- Division of Vocational Rehabilitation

Participant Characteristics

The demographic characteristics of program participants are an important factor in evaluating program results.

Programs serving participants who have significant work experience and basic skills can be expected to have better labor market outcomes than those serving participants with little work experience, low levels of literacy, and other barriers to employment.

The racial and ethnic composition of participants in our workforce development programs is typically more diverse than similarly aged populations in our state.



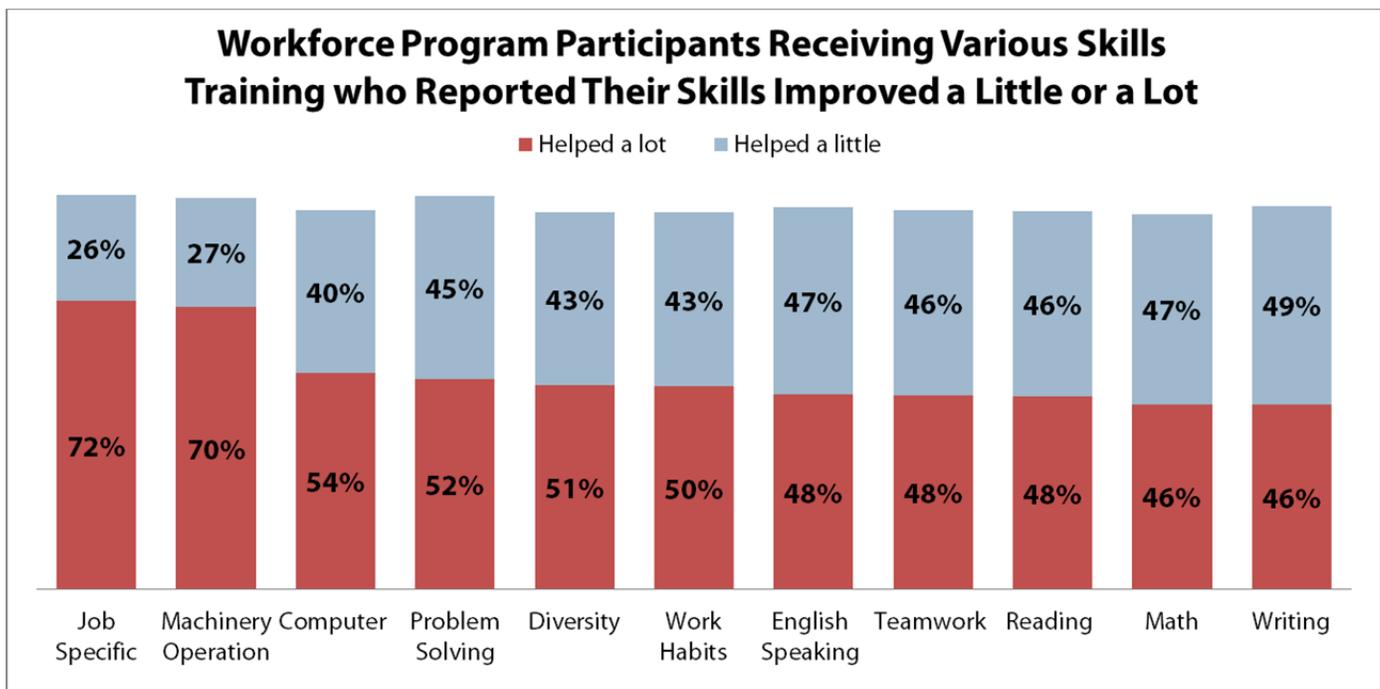
In 2009, a quarter of the state population (25.4 percent) was made up of minorities, while more than a third of workforce participants (36.3 percent) were ethnic and racial minorities.²

Skill Attainment

Desired Outcome: Washington’s workforce possesses the skills and abilities required in the workplace.

While previous surveys show most participants gain some skills from their program participation, successful completion of a credential is the ultimate goal and typically results in certificates, degrees, or specified levels of competency. Of the participants observed in 2009-10, 61 percent successfully completed their programs, down from 66 percent in 2008-09.³

In addition, to certificates, degrees and other credentials, workforce program participants also learned a variety of skills—from how to operate computers and other machinery, to reading, writing and math, to improved teamwork and work habits. To find out whether participants gained these and other skills, the Workforce Board surveyed participants in 2010 to get their feedback.



Source: Workforce Board Participant Survey conducted in 2011.

² In 2009, the US Census Bureau stated that Washington’s population was 74.6 percent white; 3.5 percent African American; 6.8 percent Asian/Pacific Islanders; 10.3 percent Hispanic; and 1.4 percent Native American.

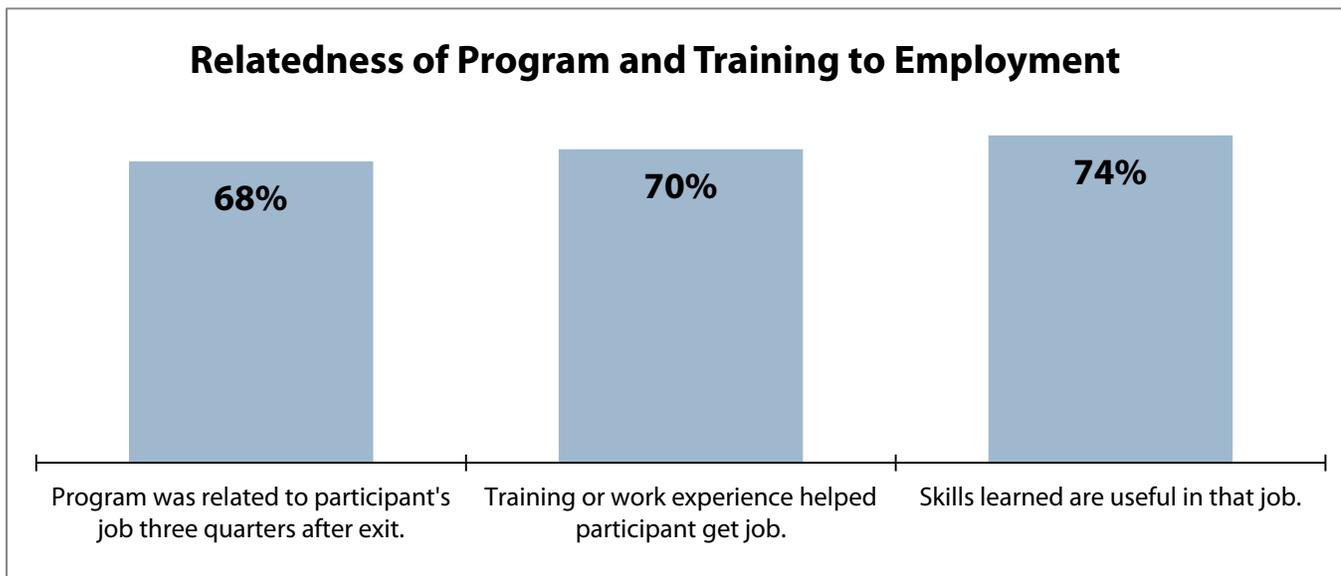
³ The programs measured are: Community and Technical College Professional-Technical Training, Worker Retraining, Apprenticeships and Private Career Schools.

Employment

Desired Outcome: Washington’s workers are employed.

We evaluate the labor market outcomes of program participants by examining their employment and earnings during the third quarter after leaving a program. Participants observed in 2009-10 encountered an economy that was the weakest since the Great Depression. The state’s unemployment rate was higher than that faced by participants in 2008-09.

Washington Employment Security Department records, along with records from neighboring states and the federal government, show that 50 percent of workforce program participants were employed the third quarter after they exited the program.⁴ This is a decline from the 57 percent employment rate recorded for participants in 2008-09.



Source: Workforce Board Participant Survey conducted in 2011.

The Workforce Board’s Participant Survey also asked participants if their program was related to the job they held three quarters after exit, if their training helped them get the job, and if the skills they learned were useful in that job. The majority of participants indicated that the program was related to the job, and that the training was useful in getting the job and being successful in it. Among training programs, apprentices most frequently reported that their training and employment were related; that their training or work experience helped them get their job; and that the skills they learned in the training program were useful in their job.

⁴ These records do not include self-employment or all out-of-state employment.

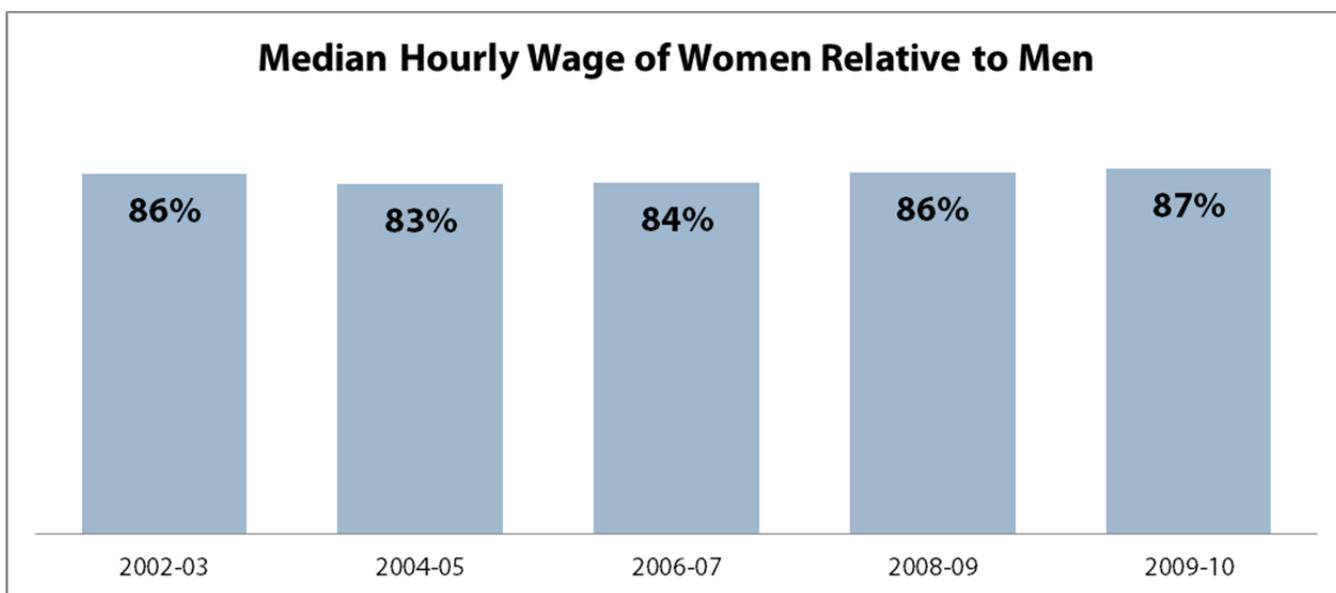
Earnings

Desired Outcome: Washington’s workers achieve a family-wage standard of living.

Research has shown that how much people earn after completing a workforce program is closely related to the program’s overall demographics. Young people earned the lowest earnings across all workforce programs. For example, youth completing high school career and technical education programs notched median annualized earnings of \$10,156, with WIA Youth participants earning \$10,365. Programs that served adults with significant barriers to employment also recorded low post-program participant earnings. Earnings ranged from \$12,428 for WorkFirst participants to \$21,025 for WIA Adults. Those with the highest earnings after completing a workforce program included Apprenticeship (\$38,235), WIA Dislocated Worker (\$28,882), Worker Retraining (\$26,255), CTC Professional-Technical (\$24,642) and Private Career Schools (\$20,596).

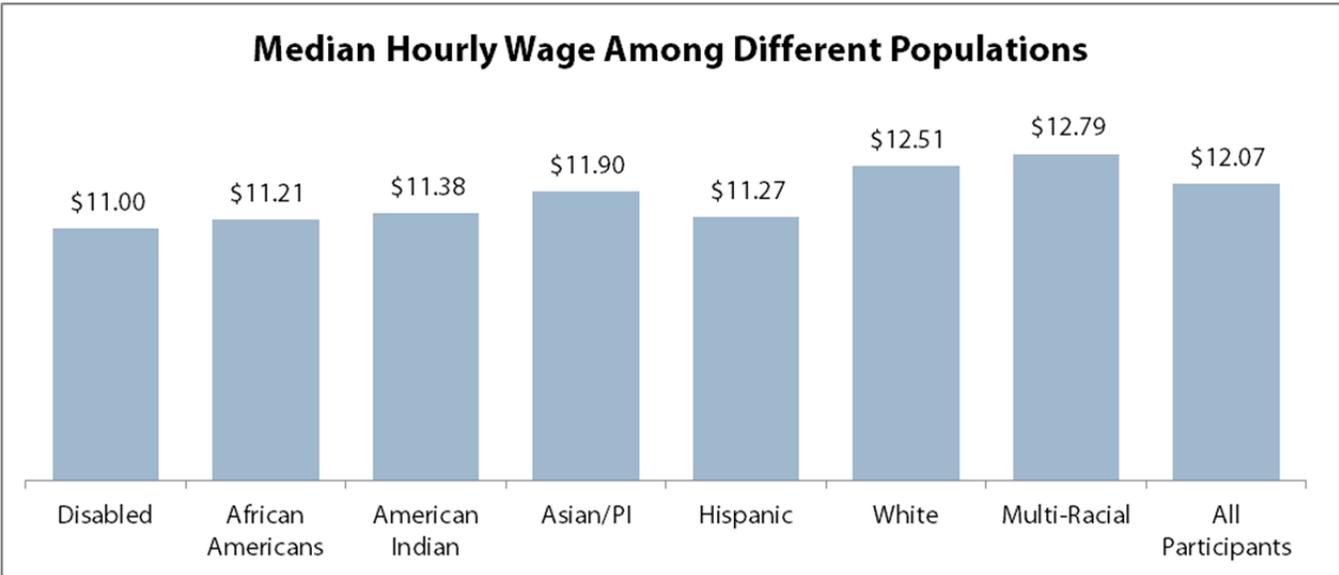
Women and men: Wage gap persists but is decreasing

In most instances, post-program earnings and hourly wages were lower for women than for men. However, the wage gap is decreasing. The combined programs' median hourly wage for women relative to men went from 86 percent in 2008-09 to 87 percent in 2009-10.



**These figures apply to those with employment reported to ESD six to nine months after leaving program for all CTC Professional-Technical participants, and is not limited to those who completed a program. Earnings/wages expressed in first quarter 2009 dollars in order to account for inflation.*

Earnings were also lower for workforce program participants with disabilities when compared to those without disabilities. Earnings were generally lower for ethnic/racial minority workforce participants than for whites. These differences in post-program wages and earnings by gender, disability status, and race/ethnicity generally reflect differences observed in the overall labor market.

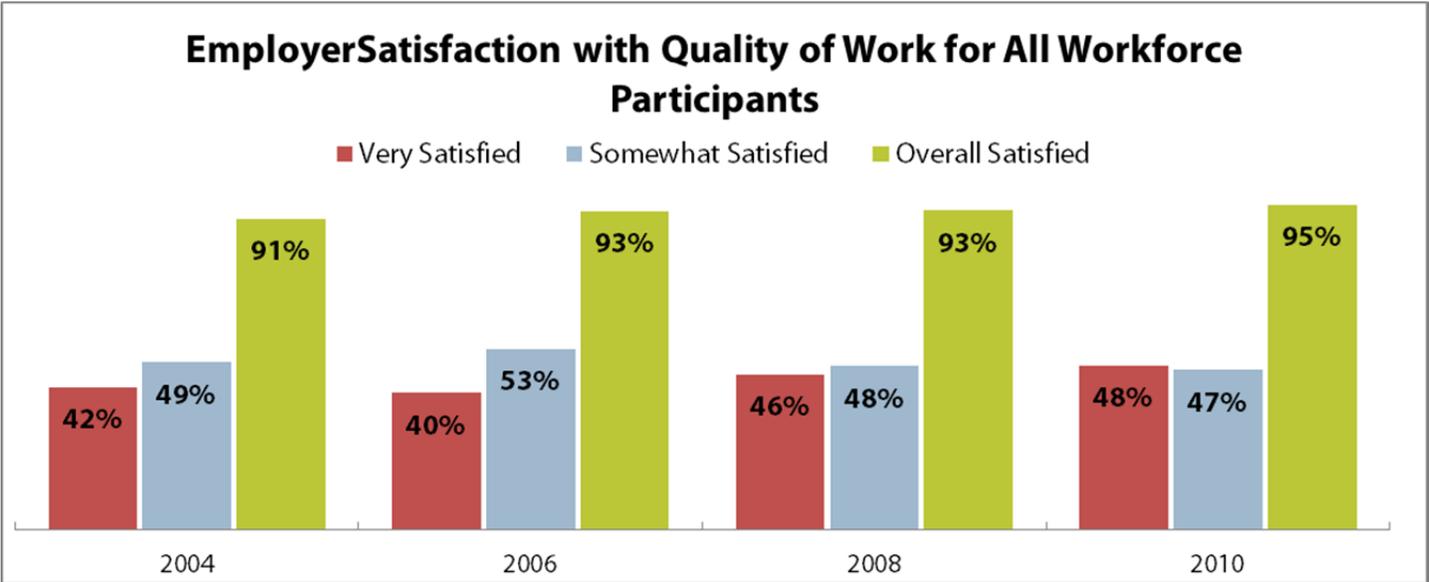


**These figures apply to those with employment reported to ESD six to nine months after leaving program for all CTC Professional-Technical participants, and is not limited to those who completed a program. Earnings/wages expressed in first quarter 2009 dollars in order to account for inflation.*

Employer Satisfaction

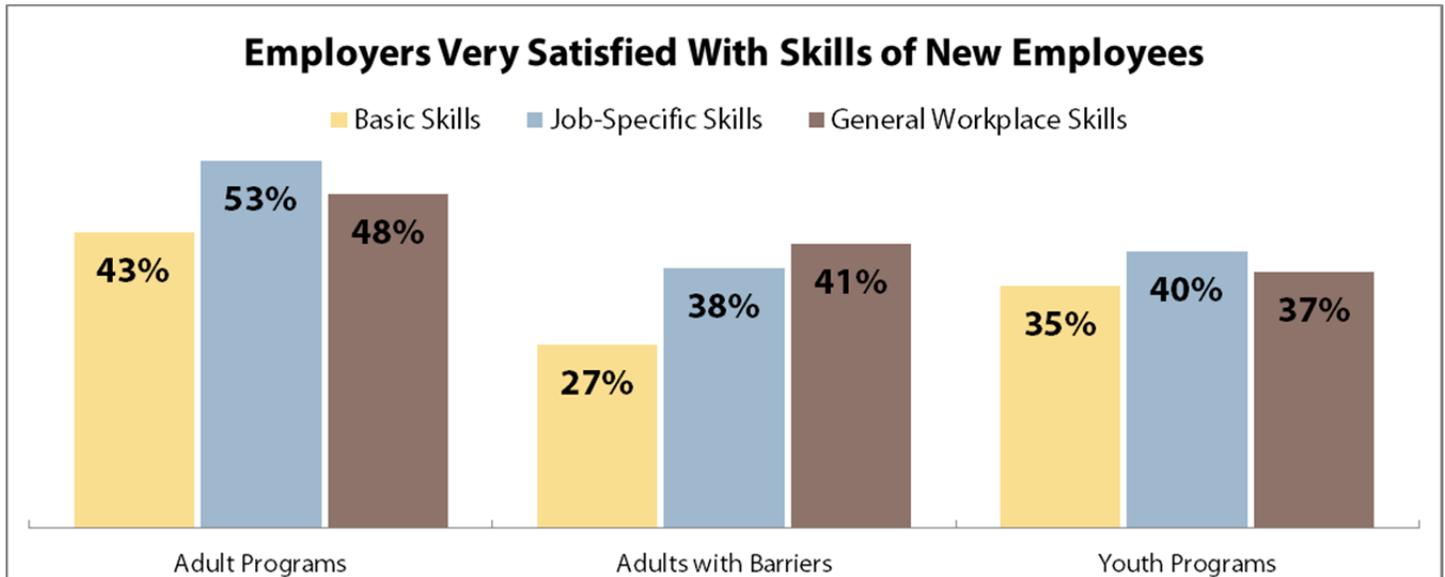
Desired Outcome: Employers of workforce program participants are satisfied with the results.

Employers were generally satisfied with the overall work quality of new employees who recently completed one of these programs and the percentage of satisfied employers has increased over the last three program years.



Source: Workforce Board Employer Survey conducted in 2010.

In terms of being “very satisfied,” employers of adult and youth program participants tended to rate the job-specific skills of new employees higher than their workplace skills or basic skills. Employers of participants in programs for Adults with Barriers (ABE, Workfirst, and WIA Adult) rated their employees higher in general workplace skills, than basic or job-specific skills.⁵

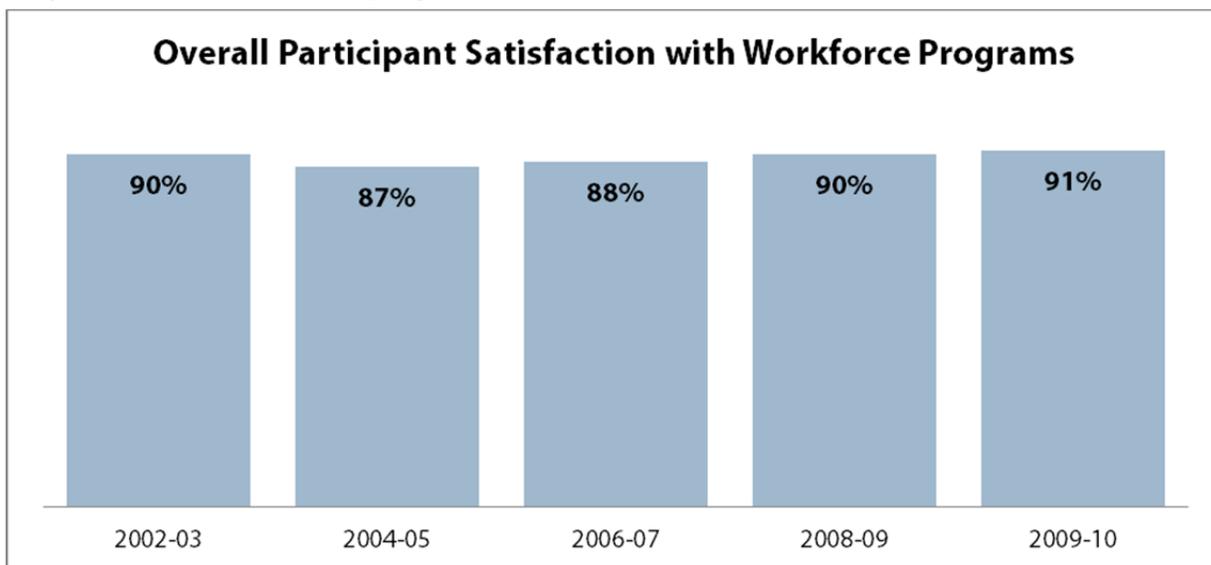


Source: Workforce Board Employer Survey conducted in 2010.

Are Participants Satisfied?

Desired Outcome: Participants of workforce programs are satisfied with it.

The Workforce Board uses surveys to measure participant satisfaction with workforce programs. The Participant Satisfaction measure is the percentage of participants who report in the Participant Survey that they are satisfied with their program overall.



Source: 2011 Workforce Board Participant Survey. Responses reflect average satisfaction across multiple workforce programs.

⁵ For basic skills the percentage of “very satisfied” was an average across reading, writing, math, communication and computer skills. General workplace skills are an average across teamwork, problem solving, work habits, adaptability, and supervision skills.

When asked about specific program traits, participants tended to be most satisfied with locations and facilities; and most dissatisfied with advice provided to them in selecting a training program (results varied by program). Participants were also asked if they needed certain services. Most participants reported receiving the support services they needed while participating. However, many participants reported unmet needs for job opening information, financial assistance, resume writing, career counseling, and interviewing. This is similar to earlier evaluations.⁶

Return on Investment

Desired Outcome: Workforce development programs provide returns that exceed program costs.

Every four years the Workforce Board conducts net impact and cost-benefit analyses of workforce development programs. This year's study examined the experience of participants observed between 2007 and 2010.⁷ The net impact part of this study attempts to measure whether a program made a difference in a participant's success. Washington is the only state to periodically conduct rigorous net impact evaluations of its workforce programs. The Workforce Board contracted with the W.E. Upjohn Institute for Employment Research (Upjohn) to conduct the net impact and cost-benefit evaluations.

Individuals who participated in these workforce development programs were compared to similar individuals who did not. For most of the programs, the comparison group was selected from registrants with WorkSource who did not receive any other workforce services, Washington's one-stop career center system. Different sources of data were used for the comparison groups for Secondary Career and Technical Education (CTE), and Division of Vocational Rehabilitation (DVR).⁸

For the cost-benefit analyses, Upjohn calculated the value of the net impacts on:

- Participant earnings.
- Employee benefits.
- Unemployment insurance (UI) benefits.
- Certain taxes.⁹

Benefits and costs were estimated for both the observed post-program period of two-and-a-half years, and out to age 65.¹⁰

⁶ Unmet need refers to cases where participants report that either they did not receive the required service or what was provided did not meet their needs.

⁷The net impact and cost-benefit analyses did not include the WorkFirst or DSB programs.

⁸ A follow-up study was used to identify both students completing a CTE sequence, as well as comparable students who had not. For DVR the comparison group was selected from eligible applicants who left the program before starting a service plan. An empirical approach, called statistical matching, was used to find the employment service registrant, secondary student, DVR client who most closely matched each program participant in terms of a long list of characteristics. These include demographics (such as race and ethnicity, gender, disability status, prior education, age, region of the state), pre-program earnings and employment history, UI benefit receipt history, and pre-program receipt of public assistance.

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

¹⁰ 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.

In general, the findings show workforce development programs have net benefits that exceed program costs. The one clear exception is Adult Basic Education for individuals who did not also participate in vocational training (such as students in Integrated Basic Education and Skills Training—I-BEST). The study did not find positive net benefits from participating in Adult Basic Education alone. This does not mean that no one benefited, but on average, participants did not benefit economically.

Long-Term Net Increases Per Participant*

	Increased Employment	Increased Annualized Earnings
ADULTS		
CTC Professional/Technical	10.1 percentage points	\$8,679
Private Career Schools	3.4 percentage points	\$2,064
Apprenticeship	9.8 percentage points	\$17,653
Worker Retraining	7.5 percentage points	\$2,754
WIA Dislocated Worker	4.7 percentage points	\$3,321
ADULTS WITH BARRIERS		
ABE/ESL	No Significant Positive Impact	\$830
WIA Adult	10.6 percentage points	\$4,182
DVR	12.4 percentage points	\$1,340
YOUTH		
Secondary CTE	8.4 percentage points	\$1,977
WIA Youth	4.3 percentage points	\$1,884

Note: Long-term refers to impacts observed 9 to 12 quarters after leaving the program. Earnings are expressed in 2009 Q1 dollars.

*This is the increase in earnings (above that of the comparison group of non-participants) projected to age 65 and discounted at 3 percent. Includes effects from increased employment and increased earnings among those employed.

The following figure compares lifetime participant benefits and public benefits to public costs. For example, during the course of working life to age 65, the average Community Technical College (CTC) Professional-Technical participant will gain about \$132,000 in net earnings (earnings minus foregone earnings while in training) and around \$34,000 in employee benefits. These are net gains compared to the earnings of similar individuals who did not receive training (discounted at 3 percent and expressed in 2009 Q1 dollars). For CTC Professional-Technical participants, the ratio of net participant benefits and costs to program costs is \$131,923 to \$10,222, or about 13 to 1.

Lifetime participant benefits far exceed public costs for most programs, with the exception of Adult Basic Education (when participants do not also receive vocational training). Tax revenues are also affected by the change in participant earnings. For example, the public gains an estimated \$27,288 in net tax revenues for each CTC Professional-Technical participant (taxes minus forgone taxes while participant is in training). Public Benefits (estimated increases in tax receipts and UI) outweigh public costs for six of the 10 programs in the study. Also, many programs are shown to reduce social welfare (TANF, food stamps, and medical benefits).

Per Participant Benefits, Increase in Tax Receipts, and Public Costs to Age 65

	Net Participant Benefit	Public Benefits	Public Program Costs*
ADULTS			
CTC Professional/Technical	\$131,923	\$28,766	\$10,222
Private Career Schools	\$2,718	\$3,309	-
Apprenticeship	\$304,766	\$77,769	\$3,343
Worker Retraining	\$62,711	\$14,114	\$6,791
WIA Dislocated Worker	\$37,529	\$11,366	\$5,751
ADULTS WITH BARRIERS			
ABE/ESL	No Significant Positive Impact	No Significant Positive Impact	\$2,636
WIA Adult	\$41,061	\$6,370	\$5,292
DVR	\$19,877	\$2,960	\$7,001
YOUTH			
Secondary CTE	\$73,190	\$7,950	\$845
WIA Youth	\$39,458	\$3,086	\$6,560

Notes: Compensation, receipts, costs are expressed in 2009 Q1 dollars.

*Includes state and federal program costs per participant, with the exception of student financial aid programs.

Total Net Returns to Participants and Taxpayers

	Number of Participants	Present Value of Net Working Life Benefit to Participants	Present Value of Net Returns to Taxpayers	Present Value of Combined Net Participant and Taxpayer Returns
ADULTS				
CTC Professional/Technical	30,042	\$3,608,860,000	\$490,470,000	\$4,099,320,000
Private Career Schools	15,581	\$38,560,000	\$42,270,000	\$80,830,000
Apprenticeship	3,319	\$921,070,000	\$242,360,000	\$1,163,430,000
Worker Retraining	6,234	\$355,980,000	\$28,410,000	\$384,390,000
WIA Dislocated Worker	4,472	\$152,820,000	\$15,460,000	\$168,280,000
ADULTS WITH BARRIERS				
ABE/ESL	11,737	<i>No Significant Positive Impact</i>		
WIA Adult	4,038	\$150,980,000	\$2,650,000	\$153,630,000
DVR	4,286	\$77,580,000	<i>No Significant Positive Impact</i>	\$62,220,000
YOUTH				
Secondary CTE	16,439	\$1,095,580,000	\$105,110,000	\$1,200,690,000
WIA Youth	3,110	\$111,740,000	<i>No Significant Positive Impact</i>	\$101,510,000

Note: Compensation, receipts, costs are expressed in 2009 Q1 dollars.

Data Sources

Findings are based on the following data sources:

- Program records on over 137,005 individuals who left one of these programs during the 2008-09 program year, observed in 2009-10. These records include information for most participants leaving these programs.
- Telephone survey responses gathered in 2010 from 1,368 firms that hired new employees who had recently completed one of the programs.
- Telephone survey responses gathered in 2012 from approximately 3,039 participants who had recently left one of these programs.
- Computer matches with Washington state Employment Security Department employment records and those of two other states (Idaho and Oregon) as well as federal employment records. These matches provide valuable information on employment and earnings outcomes. However, it's worth noting that employment rates among workforce program participants is likely higher than the numbers show, as some forms of employment are not fully accounted for. Self-employment, for example, is not reported. Also, employment figures in states outside the Pacific Northwest are not included in this analysis.
- Computer matches are made using enrollment data from the state's 34 community and technical colleges and Washington's public four-year institutions, along with private career schools licensed by the Workforce Board, and apprenticeships overseen by the state Department of Labor & Industries. These data underestimate post-program enrollment rates to some extent as private four-year colleges and out-of-state schools are not included in the record matches.

With the exception of Secondary Career and Technical Education, the results presented in this report are for *all* participants, not just those who completed their program. Participants are defined as individuals who entered a program and demonstrated the intent to complete a sequence of program activities. The number of participants who leave their program before completion affects program results.

Workforce Program Details

Adult Basic Education/English as a Second Language (ABE/ESL)

Literacy and math instruction for adults whose skills are at or below the eighth grade level, GED Test Preparation, high school completion for adults who want to earn an adult high school diploma and ESL instruction. Students receiving both basic skills instruction and job training are included in the evaluation of the professional-technical training or worker retraining programs and not in the evaluation of basic skills instruction. Students receive basic skills instruction at community and technical colleges (92 percent) and other organizations such as libraries and community-based organizations (8 percent).

Apprenticeship

Training that combines classroom instruction with paid, on-the-job training under the supervision of a journey-level craft person or trade professional. Apprenticeships are governed by the Washington State Apprenticeship and Training Council and administered by the Department of Labor and Industries (L&I).

Community and Technical College (CTC) Professional-Technical Education

Training and education for a vocational associate of arts degree or a vocational certificate.

Worker Retraining at Community and Technical Colleges

The Worker Retraining program provides dislocated workers and the long-term unemployed with access to job retraining for a new career. Program enrollments vary from year to year in response to layoffs. During recessions the need increases. The industries from which students are laid off also vary over time. About 5 percent of worker retraining students receive their training at private career schools. This evaluation, however, is limited to training at the state's 34 community and technical colleges. The colleges provide training in occupational skills and basic skills and literacy. Qualifying students may receive financial assistance to help with their tuition.

Division of Vocational Rehabilitation (DVR)

Services to help eligible individuals with disabilities become employed. Eligibility requires that the individual have a physical, mental, or sensory impairment that constitutes or results in a substantial impediment to employment and that they need DVR services to enter or retain employment.

Department of Services for the Blind (DSB)

Vocational rehabilitation services, counseling, training, and assistive technology to help participants achieve successful employment outcomes. To receive services, an individual must be legally blind or have a visual disability that causes an impediment to employment, and vocational rehabilitation services are required for the individual to prepare for, enter, engage in, or retain employment.

Private Career Schools

Training provided by private colleges and schools for students intending to complete vocational certificates or degrees. The schools are licensed by the Workforce Board or, if they grant a degree, by the Washington Student Achievement Council.

Secondary Career and Technical Education (CTE)

Career and technical education helps prepare students for successful roles in families, careers, and communities. Programs are designed to develop the skills, understanding, and attitudes needed by workers in their occupations. Instructional programs organized within career pathways include agriculture, family and consumer sciences, trade and industry, marketing education, business education, diversified occupations, technology education, cosmetology, health education, and others.

Workforce Investment Act Title I-B Adult Program

The WIA Adult program prepares individuals 18 years and older for participation in the labor force by providing core services and access to job training and other services. Core services, which are available to all adults, include skill assessment, labor market information, consumer reports on training programs, and job search and placement assistance. Intensive services are available for eligible adults unable to obtain jobs through core services alone. Priority is given to welfare and low-income clients. Services may include more intensive assessments, individual counseling, employment planning, and prevocational training. WIA Title I may also pay for vocational training if a participant requires training for employment and other resources are not available to cover the cost of the training. The state's Employment Security Department administers the program. The 12 regional Workforce Development Councils oversee WIA activities in local areas.

Workforce Investment Act Title I-B Program for Dislocated Workers

The Workforce Investment Act (WIA) Dislocated Worker program provides employment and training services to meet dislocated workers' needs; establishes early intervention for workers and firms facing substantial layoffs; and fosters labor, management, and community partnerships with government to address worker dislocation. In general, dislocated workers are people who lost jobs due to plant closures, company downsizing, or some other significant change in market conditions. In most cases, participants must be unlikely to return to their occupation, and must be eligible for (or have exhausted) unemployment compensation.

Workforce Investment Act Title I-B Youth Program

The Workforce Investment Act (WIA) Youth Program prepares youth for academic and employment success. To receive services, youth must be 14 through 21 years old, low income, and meet other criteria such as needing assistance to complete an educational program or secure and hold employment. The state Employment Security Department administers the program at the state level. Twelve regional Workforce Development Councils oversee WIA activities in local areas. Local youth councils assist with the program.

WorkFirst

Washington's welfare-to-work program is based on the 1996 federal Temporary Assistance to Needy Families (TANF) welfare reform legislation. The aim of WorkFirst is to help low-income families become self-sufficient by providing training and support services necessary for parents to get a job, keep a job, and move up a career ladder. This study is limited to WorkFirst participants who enrolled in an employment or training component.

For more detailed study results, go to www.wtb.wa.gov/WorkforceTrainingResults.asp.