



Washington State  
Workforce Training  
And Education  
Coordinating Board

## Workforce Training Results Report

December 2008

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

Adult Basic Skills Education and English as a Second Language (ABE/ESL) programs are provided by community and technical colleges and, to a lesser extent, community-based organizations. Among the ABE/ESL students included in this report, 92 percent received their training at community and technical colleges and 8 percent received training at community-based organizations. This report is limited to adults who identified employment-related reasons for enrolling in basic skills courses and who proceeded to take only basic skills courses.<sup>1</sup> Those who took basic skills courses for non-employment-related reasons are not included.

ABE/ESL includes courses in the following skills:

- Remedial reading, writing, and mathematics for adults whose skills are at, or below, the eighth grade level; GED Test Preparation in basic academic skills beyond ABE for those students whose goal is to pass the high school equivalency examination; and High School Completion instruction for adults who want to earn an adult high school diploma.
- ESL provides basic skills instruction and non-transfer level instruction at competency levels ranging from beginning to advanced.

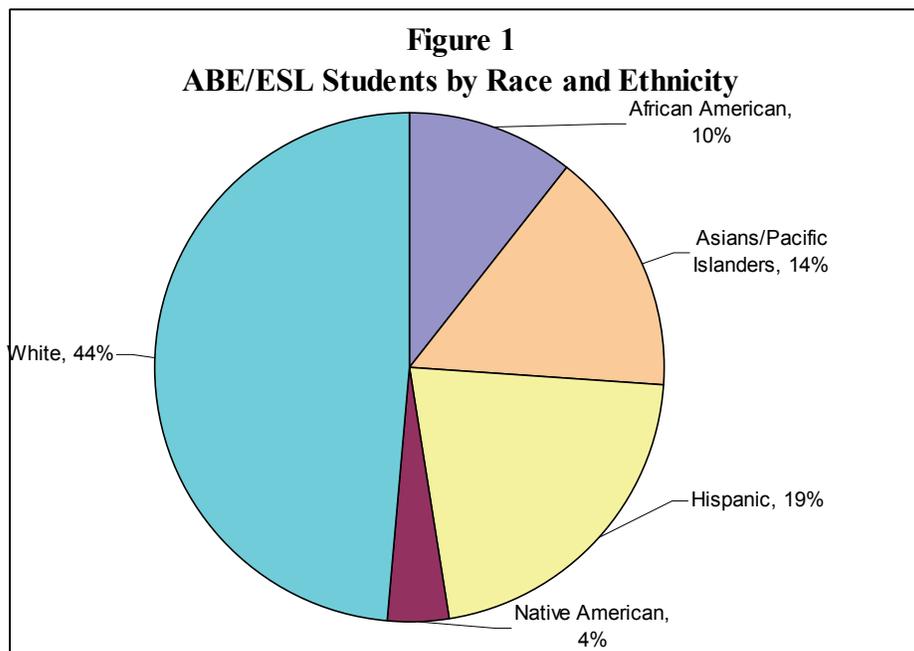
For this study, student records were obtained for 11,722 adults who left an ABE/ESL program during the 2005-2006 school year. The study also includes information from Employment Security Department (ESD) wage files from Washington, Idaho, and Oregon, and federal employment records. In addition, 329 students completed a telephone survey, providing additional data on employment and their satisfaction with the training. Survey responses from 291 firms that hired new employees who recently received ABE/ESL instruction provide information on employer satisfaction with the skills of these individuals.

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<sup>1</sup> Individuals who took vocational courses in addition to basic skills are included in the chapter on CTC Job Preparatory training. This chapter does, however, present net impact estimates for concurrent basic skills and job preparatory training.

### Participant Characteristics

ABE/ESL serves the most racially and ethnically diverse group of students of any of the workforce development programs included in this report. Non-whites comprised 56 percent of the students. This is somewhat lower than the 63 percent from two years earlier (Figure 1).<sup>2</sup> The percentage of participants who are of an ethnic/racial minority is much higher than in the state population (56 percent versus 20 percent).



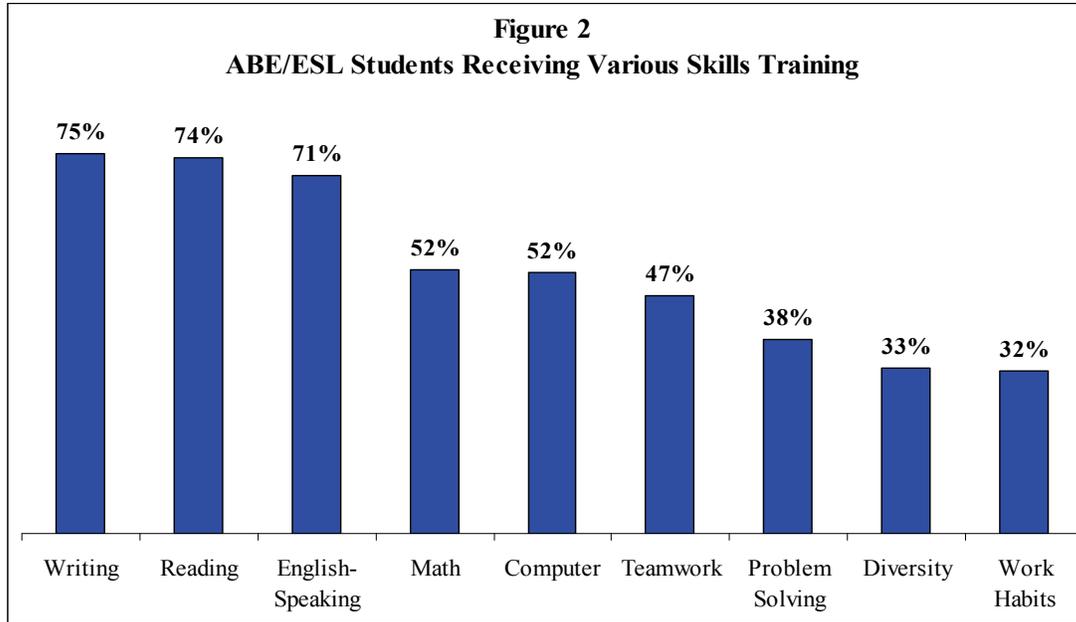
Source: Community and Technical Colleges Administrative Data 2005-2006

Sixty percent of students were female; up slightly from the 58 percent in 2003-2004. The median age, when leaving a program, was 29 years; 25 percent were over age 39.

### Competency Gains

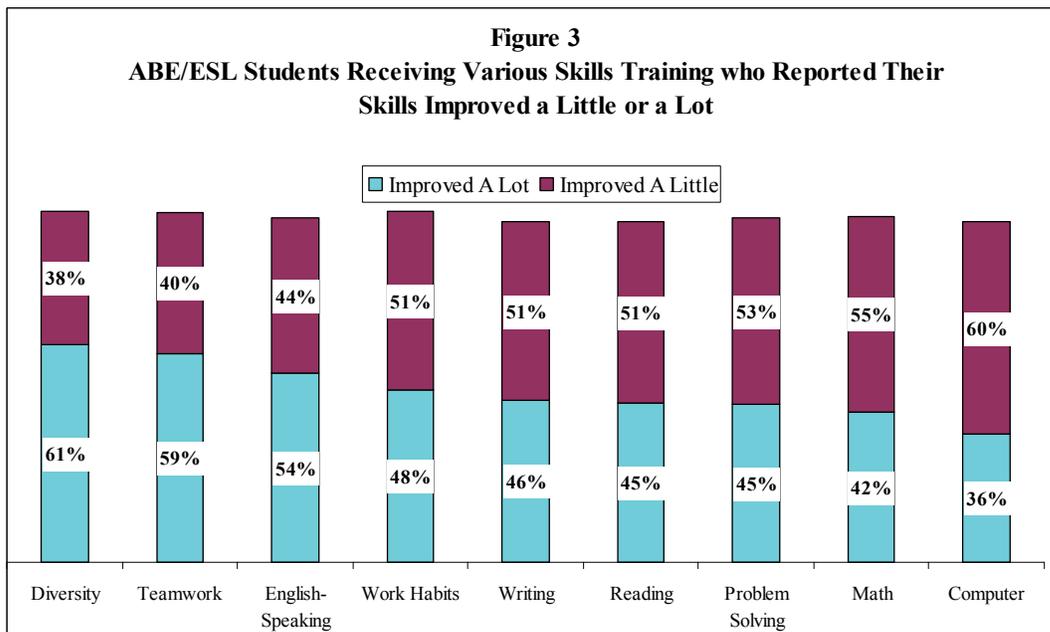
A large majority of students indicated they enrolled in their program for personal improvement or to acquire skills for a new job. More specifically, most students reported seeking to improve their reading skills (77 percent), math skills (61 percent), and/or English-speaking skills (80 percent); while 59 percent said that one of their reasons for enrolling was to get a GED. The majority of students reported receiving instruction in these areas (Figure 2). Students received training in other areas as well.

<sup>2</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.



Source: Participant Satisfaction Survey 2005-2006

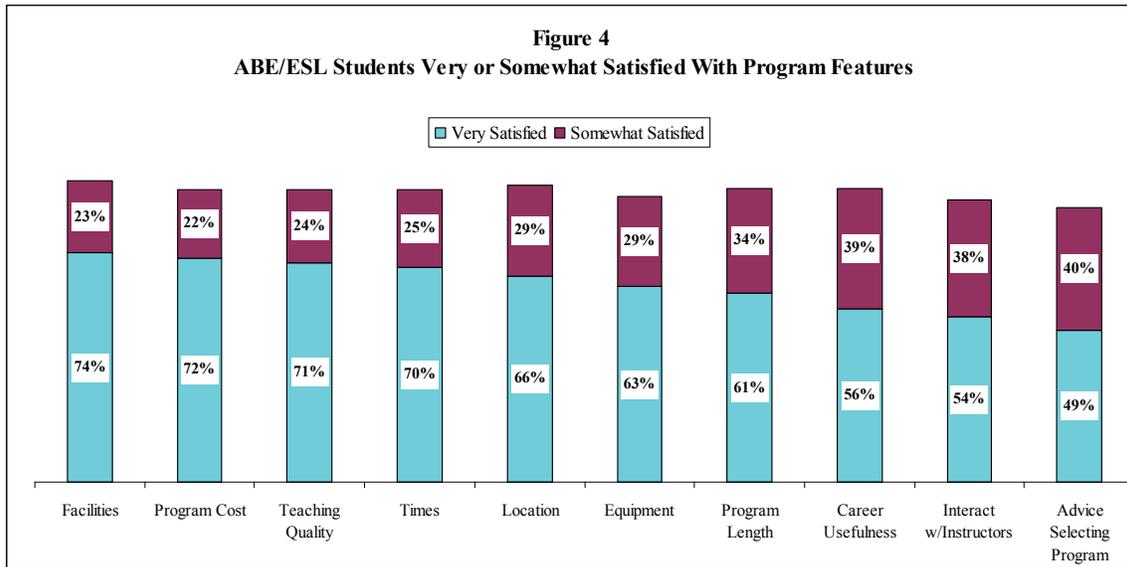
As in the previous study, most students reported their skills in these areas improved as a result of the training (Figure 3). The percentages who reported a lot of improvement in English-speaking increased from 49 percent to 54 percent. However, in all other areas the percent who reported their skills improving a lot remained the same or decreased compared to the prior study. Students tended to report higher levels of improvement with workplace skills, such as teamwork, diversity and work habits than with basic or computer skills.



Source: Participant Satisfaction Survey 2005-2006

**Participant Satisfaction**

In general, students were satisfied with the training they received. Some 96 percent of students reported being satisfied with their basic skills instruction overall, up slightly from the previous 94 percent. Also the percentage who stated that they had met their educational objectives increased from 74 percent in 2003-2004 to 78 percent in 2005-2006. Large majorities of students indicated being satisfied with different aspects of their programs (Figure 4), however the percentage indicating being “very satisfied” declined in all program areas, most notably in location and program costs.<sup>3</sup>



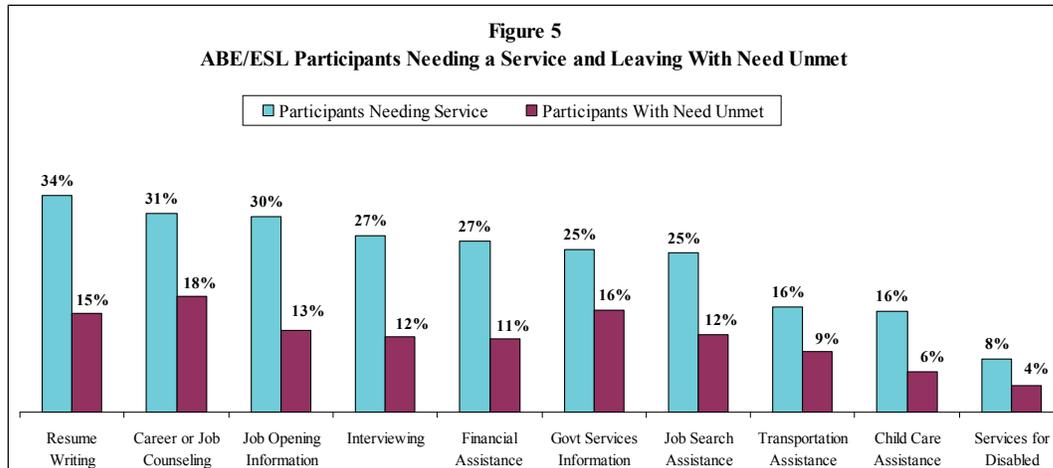
Source: Participant Satisfaction Survey 2005-2006

Similar to the previous survey, students reported information on resume writing and job openings as the support services most needed while enrolled (Figure 5). Students were more likely than not to receive the services they needed. However, relatively high percentages said they left the program with their need for counseling and guidance and information on resume writing, other government services, and job openings unmet.<sup>4</sup>

<sup>3</sup> ABE courses were offered free of charge until the 2004-2005 school year, when the Legislature imposed a nominal \$25-per-course tuition fee.

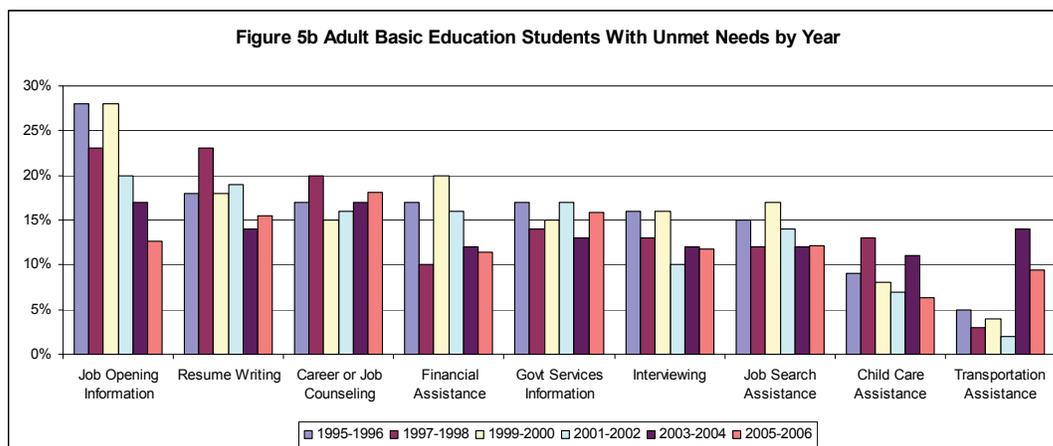
<sup>4</sup> Unmet need refers to cases where the student reports that either they did not receive the required service or what was provided did not meet their needs.

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Source: Participant Satisfaction Survey 2005-2006

The percentage of students who reported needing additional information about job openings declined in 2005-2006 when compared with 2003-2004 (13 percent versus 17 percent). However, slightly more students said they needed more assistance with resume writing and career or job counseling (Figure 5b).

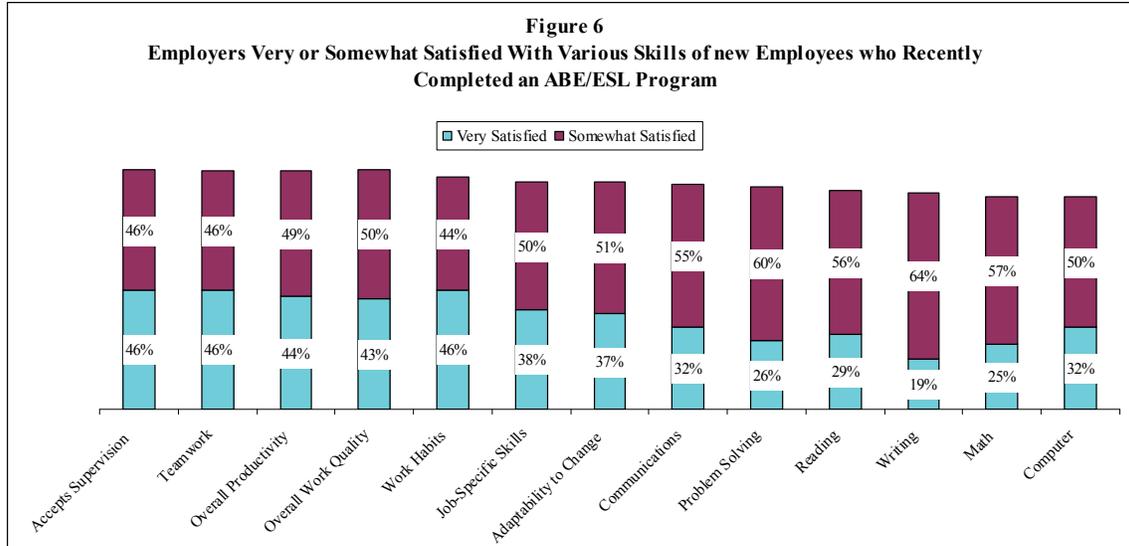


Source: Participant Satisfaction Survey 1995/96 through 2005/06

### Employer Satisfaction

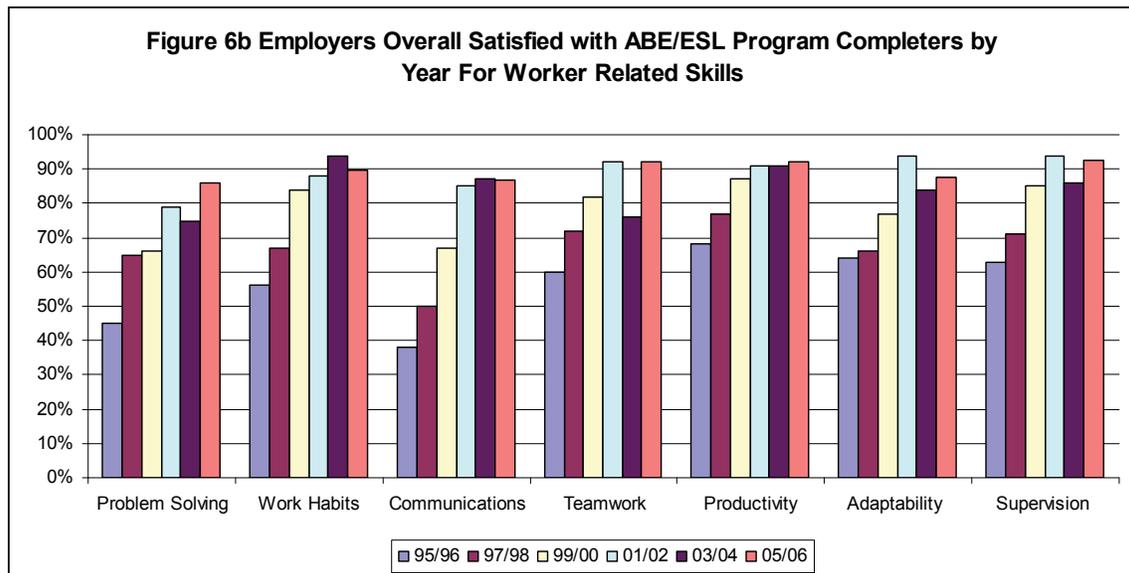
The employer satisfaction survey, which was administered during 2007, asked firms to evaluate new employees who had recently completed an ABE/ESL program. Some 92 percent of employers stated they were satisfied with the overall work quality of these new employees—with 43 percent indicating they were “very satisfied” (Figure 6). Employers’ levels of satisfaction with various skills of new employees differed somewhat from the previous survey. Much higher percentages were “very satisfied” in all areas, especially with willingness to accept supervision, teamwork, overall work quality and productivity. The lowest percentages of “very satisfied” responses concerned computer, math, writing and reading skills.

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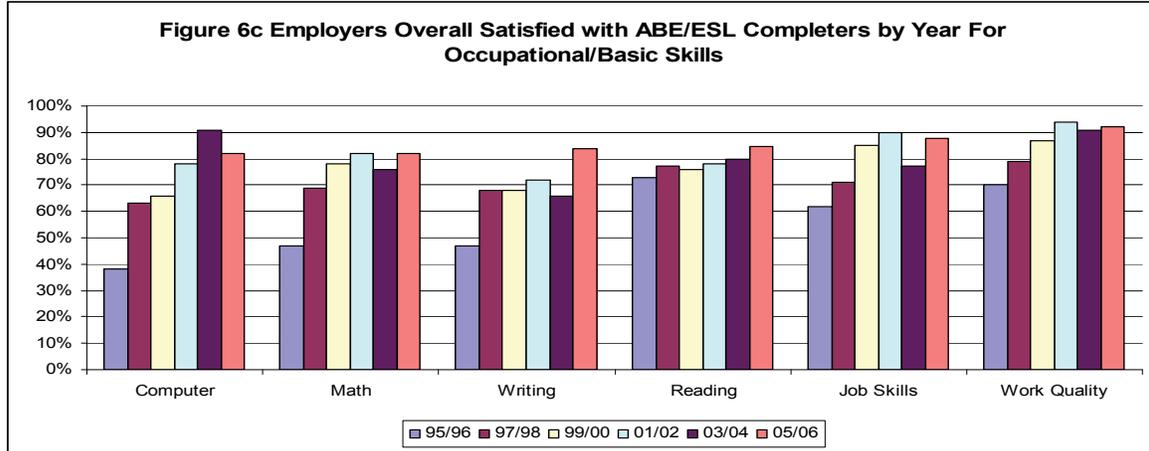


Source: Employer Satisfaction Survey 2005-2006

Over the past 10 years, employers' overall satisfaction with skills has varied depending on the type of skill. Figures 6b and 6c show the overall satisfaction of employers with work-related skills and basic skills of new employees who recently completed an ABE/ESL program. Employer satisfaction has generally improved during the past 10 years.



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Source: Employer Satisfaction Survey 1995/96 through 2005/06

**Employment and Earnings**

According to the survey responses, 66 percent of the 2005-2006 ABE/ESL students were employed during the period seven to nine months after leaving their program (Figure 7). To find out more about where students worked and what they earned after participating in a program, we matched student records with Employment Security Department wage files from Washington and neighboring states.<sup>5</sup>

**Figure 7. Employment and Earnings of ABE/ESL Students in the Third Quarter After Leaving Program**

	1997-1998	1999-2000	2001-2002	2003-2004	2005-2006
Percentage self-reporting employment during third quarter after leaving program	82	62	64	64	69
Percentage with employment reported by employers to ESD the third quarter after leaving program	62	60	55	56	58
Median quarterly hours worked of those working	452	433	419	412	420
Percentage employed full-time of those working (averaging 30 or more hours/week)	57	57	54	54	54
Median annualized earnings of those working	\$18,120	\$17,506	\$16,730	\$16,191	\$16,925
Size of household in which median earnings would support at poverty level	3.3	3.1	2.9	2.7	2.9
Size of household in which median earnings would support at twice poverty level	0.9	0.9	0.8	0.8	0.8
Median hourly wage of those working	\$10.19	\$10.57	\$10.19	\$10.28	\$10.33
Percentage self-reporting receipt of medical benefits from employer	63	45	53	44	44
Percentage self-reporting receipt of pension benefits from employer	35	29	32	23	28

Notes: Earnings and wages are expressed in first quarter 2007 dollars. Poverty levels are based on federal poverty guidelines identified by the Department of Health and Human Services for 2007.

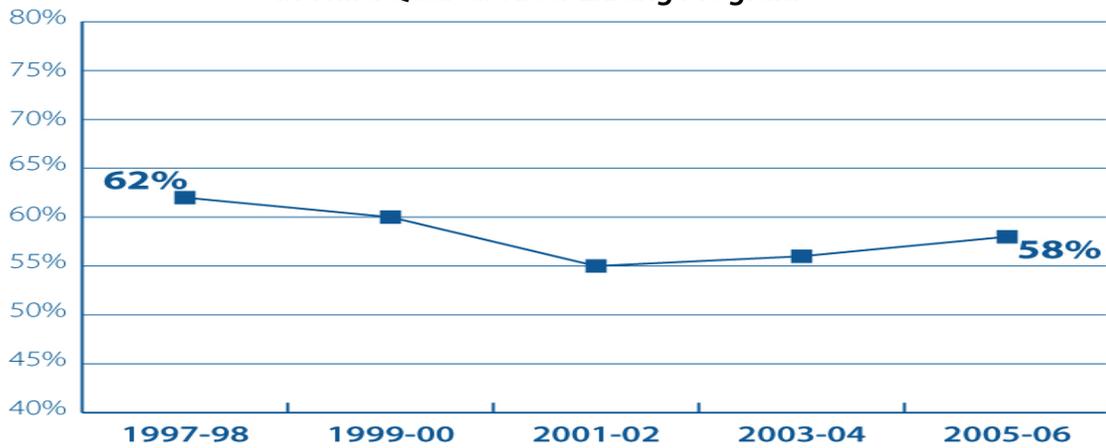
Source: Participant Satisfaction Survey and Employment & Higher Education data matches 1997-2006.

<sup>5</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 military duty, and those working for religious nonprofit organizations being the major groups of employers not included).

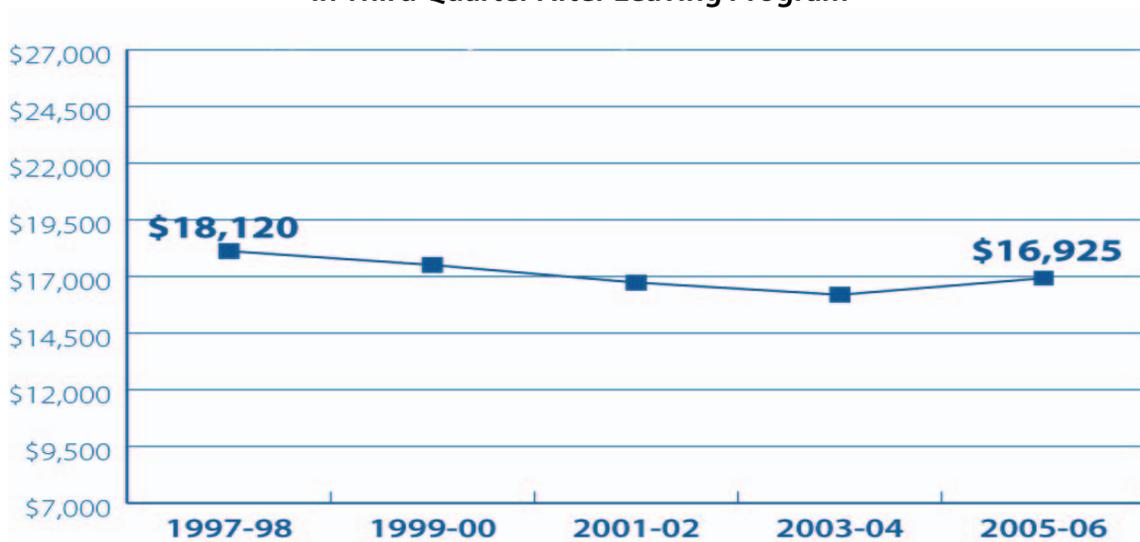
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According to record matches, 66 percent of ABE/ESL students reported employment during the third quarter after they left the program--10 percentage points higher than reported in the previous study. Their median hourly wage<sup>6</sup> was slightly higher than two years ago as was the median post-program annualized earnings.<sup>7</sup> Since 1997, however, the findings indicate employment rates and earnings have not improved, and have even declined.

**Figure 7b: Percent ABE/ESL Students with Reported Employment in Third Quarter After Exiting Program**



**Figure 7c: Inflation Adjusted, Median Annualized Earnings in Third Quarter After Leaving Program**



Source: Employment Security Department data matches 1997-2006.

<sup>6</sup> All wages and earnings are stated in 2007 Q1 dollars.

<sup>7</sup> To derive annualized earnings, third quarter earnings are multiplied by four. Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter.

Employment among ABE/ESL students is heavily concentrated in services, retail trade, and manufacturing industries (Figure 8). The percentage of 2005-2006 participants employed in those industries is almost the same as in 2003-2004.

**Figure 8.**  
**Industry of Employment of ABE/ESL Students in the Third Quarter After Leaving Program 2005-2006**

<b>Industry Group</b>	<b>%Employment</b>
<b>Natural Resources and Mining</b>	<b>3.8%</b>
<b>Construction</b>	<b>6.5%</b>
<b>Manufacturing</b>	<b>13.4%</b>
Food and Beverage	4.9%
Wood and Paper Products	1.1%
Fabricated Metal Products	1.0%
Transportation Equipment	1.3%
All Other Manufacturing	5.0%
<b>Transportation and Warehouse and Utilities</b>	<b>2.4%</b>
<b>Wholesale Trade</b>	<b>2.7%</b>
<b>Retail Trade</b>	<b>14.1%</b>
<b>Information</b>	<b>0.5%</b>
<b>Financial Activities</b>	<b>2.8%</b>
<b>Services</b>	<b>52.5%</b>
Professional, Scientific, and Technical	1.2%
Administration and Support and Waste Management and Remediation Services	12.3%
Education Services	1.9%
Health Care	4.5%
Social Assistance	8.6%
Arts, Entertainment, and Recreation	2.2%
Accommodation and Food Services	15.8%
All Other Services	6.0%
<b>Public Administration</b>	<b>1.4%</b>
<b>Total</b>	<b>100%</b>

Note: Industry groups are based on North American Industry Classification System codes. Major and subgroup percentages do not always sum due to rounding.

Source: Employment Security Department data matches 2005-2006.

### ***Gender Differences in Employment and Pay***

Among students employed during the third quarter after exit, there is a substantial gap in labor market outcomes between men and women. Employment rates, hours worked, earnings, and wages are significantly lower for women (Figure 9).

Figure 9			
Gender Differences in Labor Market Outcomes Among ABE/ESL Students in the Third Quarter After Leaving Program			
	Women	Men	Ratio
Employment Reported to ESD	55%	62%	89%
Median Quarterly Hours Worked	386	462	84%
Median Annual Earnings	\$14,696	\$21,010	70%
Median Hourly Wage	\$9.76	\$11.59	84%

Source: Employment Security Department data matches 2005-2006.

### ***Minorities Notch Improvements in Employment and Pay***

Hispanics, Asian/Pacific Islanders and African Americans had a higher employment rate than Whites; (58 percent for Whites, 63 percent for Hispanics and 60 percent Asians/Pacific Islanders and African Americans). Native Americans had an employment rate of 50 percent. Higher percentages of Hispanics (64 percent), Asians/Pacific Islanders (64 percent) and African Americans (51 percent) worked full time compared to Whites (46 percent). Some 42 percent of Native Americans worked full time. Median wages for Asians/Pacific Islanders and Hispanics were slightly higher than for Whites. Wages for African Americans and Native Americans were similar to Whites.

### ***Disparity Persists for Students with Disabilities***

According to administrative records, only 2 percent of the ABE/ESL students leaving college during 2005-2006 had a disability (less than the percentage of the general population with a disability which is 16 percent<sup>8</sup>). Students with disabilities did less well in the labor market than their fellow participants. They were less likely to have employment reported to the Employment Security Department (39 percent versus 58 percent), they were less likely to work full time (41 percent versus 55 percent), and their median hourly wage was 94 percent of students without a disability. However, this disparity has improved over the 2003-2004 study.

### ***Net Impacts***

Every four years the Workforce Training and Education Coordinating Board conducts net impact and cost-benefit analyses of workforce development programs. The most recent net impact study was conducted in 2006 and examined the experience of participants who left programs during the 2003-2004 and 2001-2002 program years. The next net impact study is planned for 2010.

<sup>8</sup> U.S. Census Bureau, The American Community Survey, 2007

The net impact analysis, conducted by the W.E. Upjohn Institute for Employment Research (Upjohn), attempts to estimate what happens to program participants as compared to what would have happened if they had not participated in a program. The objective is to determine the short-term and longer-term impacts of program participation on employment, hourly wages, hours worked, quarterly earnings, and receipt of UI benefits and public assistance.

In order to estimate these impacts, individuals who received employment-related ABE/ESL education were compared to individuals who had similar characteristics, but who did not participate in any of the programs included in the study.<sup>9</sup> Additional estimates were made for a cohort of ABE/ESL students who also participated in CTC Job Preparatory training. The comparison group members were selected from registrants to the state's employment service. *Short-term* net impacts were derived by examining outcomes for individuals who exited the programs (or from the employment service) in fiscal year 2003-2004 and *longer-term* impacts for individuals who exited in fiscal year 2001-2002.

*ABE/ESL instruction is associated with minimal positive short-term net impacts on hourly wage, hours worked, and quarterly earnings. While ABE/ESL education is associated with positive longer-term net impacts on employment and hours worked, net impacts on hourly wage and quarterly earnings are insignificant. ABE/ESL students who also participated in CTC Job Preparatory training have better short-term and longer-term net impacts on employment, hourly wage, hours worked, and earnings.*

Figure 10 shows the short-term impacts of the program. During the third quarter after the 2003-2004 participants left their program, ABE/ESL instruction is associated with small, but positive, net impacts on hourly wage, (\$0.62 per hour);<sup>10</sup> hours worked per quarter (11.8 hours); and quarterly earnings, (\$200). ABE/ESL instruction is associated with increases in the percentages receiving public assistance, but a minor decrease in the percentage receiving UI benefits.<sup>11</sup>

The longer-term impacts on employment and hours worked are positive. However, the net impacts on hourly wage and earnings are insignificant (also in Figure 10). As in the short-term, in the longer-term, ABE/ESL instruction was associated with increases in the percentages receiving public benefits and a decline in the percentage receiving UI benefits.

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<sup>9</sup> That is, individuals who enrolled in ABE/ESL programs for personal enhancement or non-employment-related purposes are not included in the ABE/ESL cohort.

<sup>10</sup> All dollar amounts in this report are expressed in 2005 Q1 dollars.

<sup>11</sup> Given the increases in public assistance, the decrease in the percentage receiving UI benefits may be the result of not qualifying for such benefits rather than obtaining a job.

<b>Figure 10</b>		
<b>Short-Term and Longer-Term Net Impact Results for ABE/ESL Students Compared to Non-Participants</b>		
	<b>Short-Term Impacts Exited 2003-2004</b>	<b>Longer-Term Impacts Exited 2001-2002</b>
Employment: percentage in reported employment due to program participation	-1.3*	5.9
Difference in Mean Hourly Wage	\$0.62	-\$0.02*
Difference in Mean Hours Worked Per Quarter	11.8	18.5
Difference in Mean Quarterly Earnings	\$200	-\$26*
TANF:** percentage receiving aid	2.6	2.5
Food Stamps: percentage receiving	4.3	6.4
Medical Benefits: percentage receiving	5.3	6.0
UI: percentage receiving	-0.8	-1.3
Notes: Short-term refers to impacts observed in the third quarter after leaving the program during the 2003-2004 school year. Longer-term refers to impacts observed 9 to 12 quarters after leaving the program during the 2001-2002 school year. Earnings and wages are in 2005 Q1 dollars.		
* Not statistically significant at the 0.05 level.		
** Temporary Assistance to Needy Families		

The data permitted an examination of the outcomes for ABE/ESL students who also received job preparatory training at a community or technical college.<sup>12</sup>

For those who had ABE/ESL education and pursued CTC Job Preparatory training, the labor market outcomes were much stronger (Figure 11). ABE/ESL with CTC Job Preparatory training was associated with a short-term increase of 6.6 percentage points in employment as reported to the Employment Security Department, and a longer-term increase of 12.0 percentage points. There were substantial positive impacts on the number of hours worked and quarterly earnings.

In the spring of 2004, the state's 34 community and technical colleges began implementing Integrated Basic Education and Skills Training (I-BEST) that combines basic skills/ESL with college level instruction. This development is too recent to be included in this net impact study. I-BEST results will likely mirror the positive impacts found here for students who participated in both basic skills/ESL and job preparatory training. This expectation will be evaluated in the 2010 edition of *Workforce Training Results*.

<sup>12</sup> The study examined short-term outcomes of CTC Job Preparatory participants who exited in 2003-2004 and who had participated in ABE/ESL at a community and technical college sometime during 2000-2001 through 2003-2004 and longer-term outcomes of CTC Job Preparatory participants who exited in 2001-2002 and who had participated in ABE/ESL at a community and technical college sometime during 1998-99 through 2001-2002.

**Figure 11**  
**Short- and Longer-Term Net Impact Results for ABE/ESL Students who Also Participated in and Left CTC Job Preparatory Training Compared to Non-Participants**

	<b>Short-Term Impacts Exiters 2003-2004</b>	<b>Longer-Term Impacts Exiters 2001-2002</b>
Employment: percentage of additional reported employment due to program participation	6.6	12
Difference in Mean Hourly Wage	\$1.74	\$1.87
Difference in Mean Hours Worked Per Quarter	55.2	60
Difference in Mean Quarterly Earnings	\$727	\$890
TANF: percentage receiving aid	4.0	2.4
Food Stamps: percentage receiving	8.4	7.4
Medical Benefits: percentage receiving	14.0	9.6
UI: percentage receiving	-0.5*	-1.5*
Notes: Short-term refers to impacts observed in the third quarter after leaving the program during the 2003-2004 school year. Longer-term refers to impacts observed 9 to 12 quarters after leaving the program during the 2001-2002 school year. Earnings and wages are in 2005 Q1 dollars * Not statistically significant at the 0.05 level.		

**Benefits and Costs**

The cost-benefit analysis estimates the value of the net impact on earnings, employee benefits (estimated at 20 percent of earnings), social welfare benefits, UI benefits, and certain taxes.<sup>13</sup> Program costs include both direct program costs and support payments borne by the state and the earnings students gave up while participating in the program. 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 the age of 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 2005 Q1 dollars. The benefits and costs presented here are based on impacts estimated for students leaving programs in 2001-2002, because a longer-term follow-up is required for this analysis. The results are for those students who took only basic skills courses in the colleges.

For each student in ABE/ESL only, the public (taxpayer) cost is about \$2,500 over the length of their enrollment, and the student cost is \$140 in foregone earnings while in school (Figure 12). The average ABE/ESL student makes no net gains in earnings in either the first two and one-half years after leaving college or during the course of working life to age 65 compared to similar individuals who did not participate in any of the workforce development programs.

<sup>13</sup> Upjohn estimated the impact of the net change in earnings on Social Security, Medicare, federal income, and state sales taxes.

<b>Figure 12 Benefits and Costs of ABE/ESL Education</b>				
	<b>First 2.5 Years After Program</b>		<b>Forecast to Age 65</b>	
	<b>Participant</b>	<b>Public</b>	<b>Participant</b>	<b>Public</b>
Benefit Difference				
Earnings	\$0*		\$0*	
Employee Benefits	\$0*		\$0*	
Taxes	\$0*	\$0*	\$0*	\$0*
Transfers**	\$735	-\$735	\$5,303	-\$5,303
Cost Difference				
Foregone Earnings	-\$140		-\$140	
Program Costs***	\$0	-\$2,453	\$0	-\$2453
<b>TOTAL</b>	<b>\$596</b>	<b>-\$3,188</b>	<b>\$5,164</b>	<b>-\$7,756</b>
Notes: Benefits and costs are expressed in 2005 Q1 dollars. *Refers to essentially but not exactly \$0. **Transfers include UI, TANF, food stamps, and medical benefits. TANF benefits reflect the value of cash grants, childcare, and other client support services. ***In 2001-2002 ABE/ESL students in CTC programs were not required to pay tuition.				

***Progress and Areas for Improvement***

ABE/ESL students have to overcome substantial barriers in order to succeed in the labor market. Some lack basic skills, some lack a high school diploma, and some lack proficiency in English. The majority of these students are from racial/ethnic minorities and many are poor. These factors should be taken into account when considering the results.

Overall, the survey responses suggest most students were satisfied with the program. Most said they met their educational objectives. Also, most reported that their basic skills (reading, writing, math) and English speaking skills improved—however, only half or less reported that these skills improved “a lot.”

Student survey responses suggest a need for wider access to some support services. Many left the program with unmet needs for career or job counseling and information on job openings.

Employment rates and earnings are typically low for ABE/ESL students and have declined since the first study. In addition to having limited basic skills, many of these individuals lack job-specific skills. Remember that most of this evaluation was restricted to only those ABE/ESL students who enrolled for a work-related reason, but who did not also participate in vocational training. This study did not include the promising I-BEST training that integrates basic skills/ESL and college level instruction.

## **Workforce Training and Education Coordinating Board**

Community and technical colleges' efforts to integrate work skills training with ABE/ESL instruction should continue.

Post-program wages and earnings were substantially lower for women than for men. They were also lower for people with disabilities. The program should do more to improve labor market outcomes for women and people with disabilities.

For more Workforce Training Results, see: [www.wtb.wa.gov/wtr2008.asp](http://www.wtb.wa.gov/wtr2008.asp)