



Washington State
Workforce Training
And Education
Coordinating Board

Workforce Training Results Report

December 2008

Workforce Investment Act (WIA) Title I-B Program for Youth

The WIA Youth program prepares youth for academic and employment success. In order to receive services, youth must be 14 through 21 years old, low income, and meet other criteria such as needing additional assistance to complete an educational program or to secure and hold employment. To be low income, one must be a welfare or food stamp recipient, homeless, a foster child, or have a family income below 70 percent of the lower living standard income level.

Eligible youth are assessed to determine academic, skill level, and support service needs. Strategies are developed for each person based on the assessment results. He or she may receive counseling, tutoring, job training, mentoring, or work experience. Other strategies include summer employment, study skills training, or instruction in obtaining a GED or equivalent. Youth may access information services through WorkSource, the state's one-stop career center system. Youth ages 18 through 21 may be co-enrolled in WIA Adult programs. At least 30 percent of the WIA Youth funds must be used to provide activities for eligible out-of-school youth.

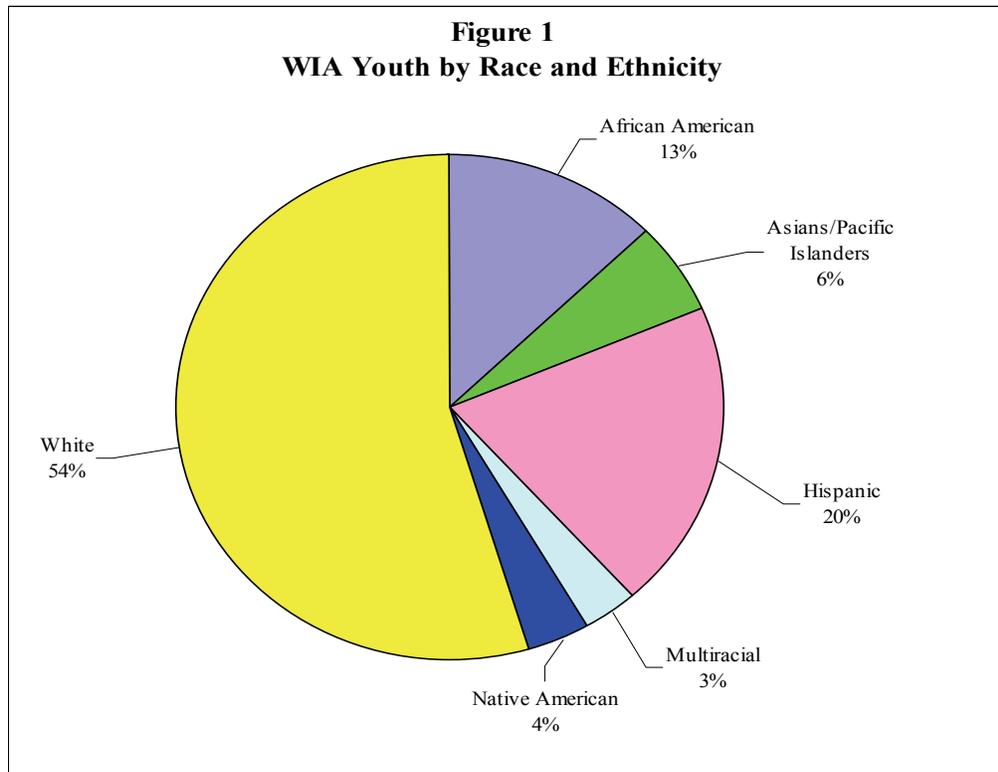
Employment Security Department (ESD) administers the program at the state level. Twelve local workforce development councils, in consultation with chief local elected officials, oversee WIA activities in local areas. Local youth councils assist with the WIA program.

For this study, participant records were obtained on 3,110 youth who left the program during the 2005-2006 programs year (July 1, 2005, through June 30, 2006). This study includes information from ESD wage files from Washington, Idaho, and Oregon, and federal employment records. In addition, 294 of the participants completed a telephone survey, providing further information on employment and satisfaction with the training.

The median length of time a participant was in the program was for 12 months. There was, however, considerable variation in the amount of time participants spent in the program. One quarter was enrolled for less than six months, while another quarter was enrolled for over nineteen months.

Participant Characteristics

WIA youth were more racially and ethnically diverse than the state population ages 14-21 (Figure 1).¹ Some 54 percent were female.



Source: SKIES administrative records 2005-2006.

Many WIA youth faced substantial barriers to success in school and the labor market. Some 37 percent were high school dropouts when they entered the program.² Also, 21 percent had records of arrest or conviction, 17 percent had a disability, and 30 percent lived in households that were receiving public assistance.³

Competency Gains

Based on survey results, most WIA youth entered the program for employment-related reasons: 79 percent enrolled to get work experience and 79 percent to learn skills for a new job.⁴ Some 84 percent also enrolled for personal improvement.

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 2006 U.S. Census Estimates of those 15-19 years old, 73 percent are whites; 4 percent are African Americans; 2 percent are Native Americans; 6 percent are Asians/Pacific Islanders; and 11 percent are Hispanics.

² These are defined as youth who had no high school diploma and who were not enrolled in school at registration.

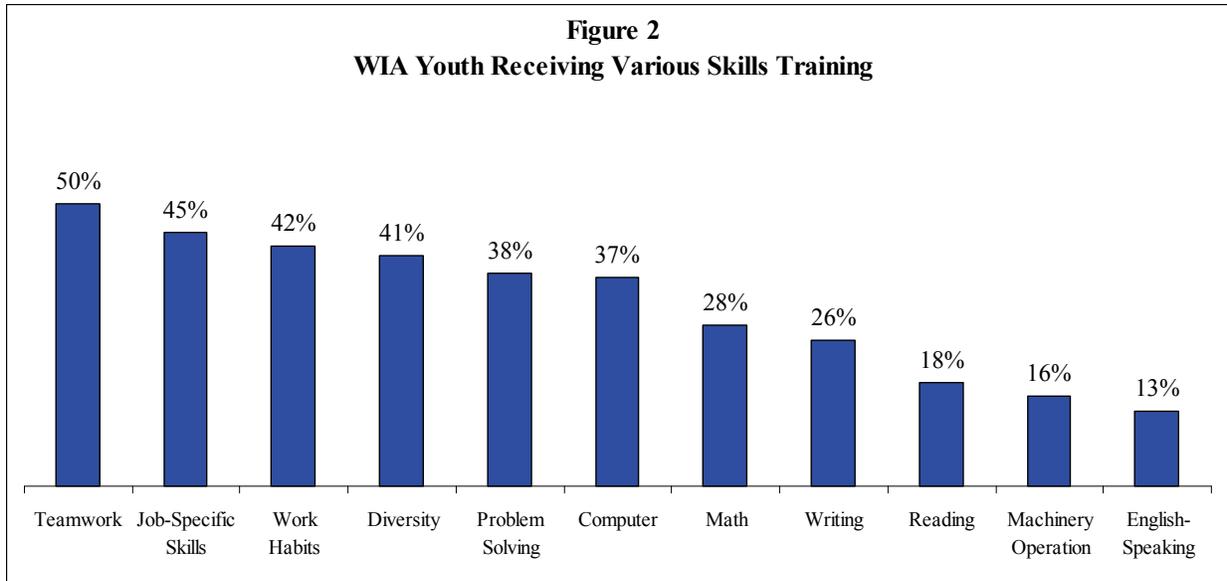
³ Those on public assistance includes 26 percent who received cash assistance from state or local General Assistance, Refugee Cash Assistance, or Supplemental Security Income; 9 percent who received Temporary Assistance to Needy Families (TANF); and 6 percent who received both.

⁴ Respondents could indicate more than one reason for enrolling in the program.

Workforce Training Results

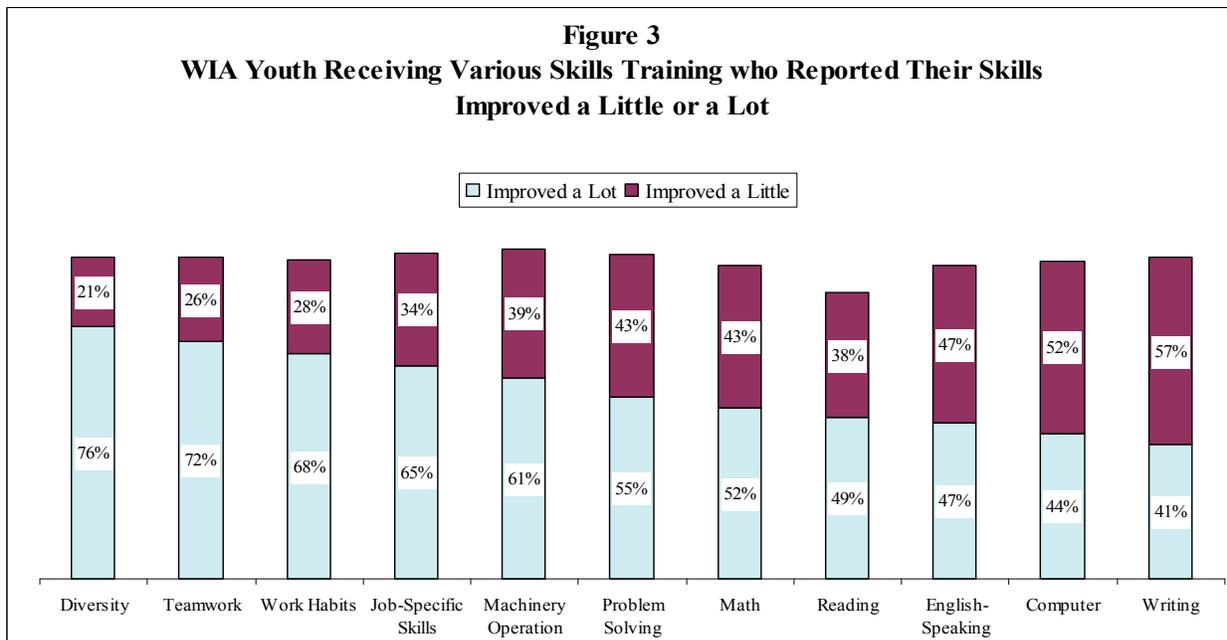
WIA Youth

The majority of WIA youth (67 percent) reported they did receive some type of training. As in the previous study, among the WIA youth leaving in 2005-2006, the most common type of training received was in job-specific skills and general workplace skills (Figure 2).



Source: Participant Satisfaction Survey 2005-2006

As in the past, nearly all WIA youth who received training reported that their skills improved (Figure 3). Higher percentages reported “a lot” of improvement in general workplace and technical skills than did so in basic skills. Some 63 percent of employed WIA youth indicated that their training was related to their employment during the third quarter after leaving their program, up from 57 percent so indicating two years previously.



Source: Participant Satisfaction Survey 2005-2006

Promoting academic success is also an objective of the program. Administrative records provide information on school enrollment and high school completion for WIA youth.⁵ Among younger participants,⁶ data indicate substantially fewer youth were still enrolled in high school and more had left school without a diploma or GED compared to two years before (Figure 4).

Figure 4			
Educational Status of WIA Younger Youth Upon Leaving the Program			
	2001-2002	2003-2004	2005-2006
Obtained a High School Diploma	23%	38%	31%
Obtained a GED	13%	4%	10%
Still Enrolled in High School at Exit	25%	33%	24%
Not in School, no Diploma or GED	39%	26%	35%
Note: the "Not in School, no Diploma, or GED" data was missing for 2005-2006. The percent that was missing was equivalent to the dropout percent obtained from another data element and was assumed to be valid for this category.			

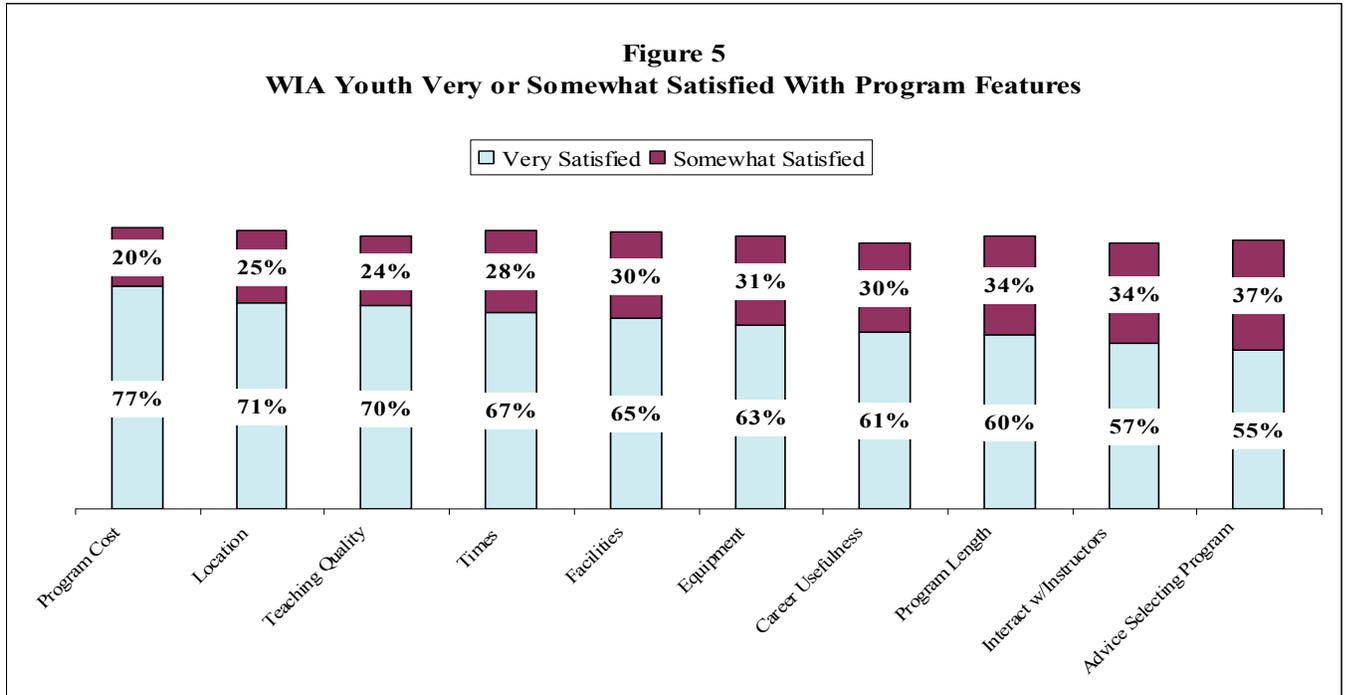
Source: Workforce Investment Act Standardized Record Data (WIASRD) 2005-2006

Participant Satisfaction

Survey results revealed participants were quite satisfied with the training and support services they received as part of their WIA Youth program. Some 90 percent of the participants surveyed said they had met their educational objectives in the program, two percentage points lower than two years prior. Overall satisfaction with the program was also lower than reported in 2003-04 (93 percent versus 96 percent). The highest percentage were "very satisfied" with program cost, location, and teaching quality (Figure 5).

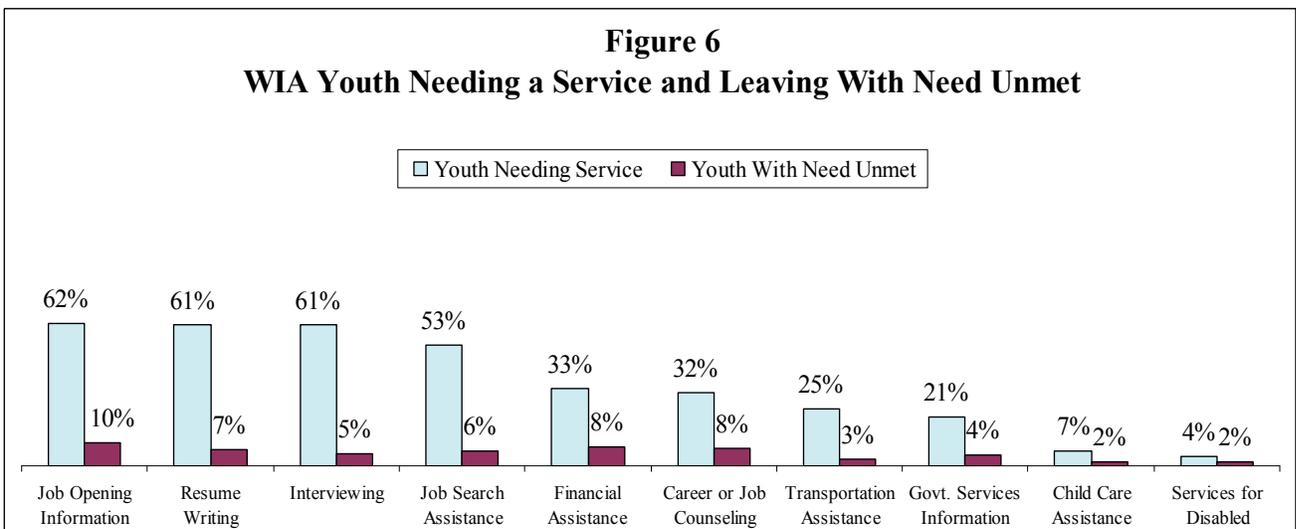
⁵ These records are collected through the Service, Knowledge, and Information Exchange System (SKIES) maintained by ESD.

⁶ These youth were ages 14 to 18 when registering in WIA.



Source: Participant Satisfaction Survey 2005-2006

Based on the survey results, most of the participants who needed various support services while participating received them (Figure 6). Similar to two years prior, the services most frequently needed by youth were information on job openings, assistance with resume writing, interviewing, and job search assistance. Most youth had their needs met in these areas. The greatest unmet need remains for job opening information (10 percent of 2005-2006 youth and 12 percent of 2003-2004 youth).



Source: Participant Satisfaction Survey 2005-2006

Employment and Earnings⁷

According to survey responses, 66 percent of the 2005-2006 WIA youth were employed during the period seven to nine months following the program (Figure 7).⁸ To find out more about where students worked and what they earned after participating in a program, we matched participants' records with Employment Security Department wage files from Washington and neighboring states⁹.

Record matches found 52 percent of the participants had employment reported to ESD during the third quarter after they left the program. About 24 percent of the WIA Youth participants were still enrolled in high school upon exiting the program. Among those who were not still in high school, 56 percent had reported employment.

	1995-96*	1997-98*	1999-00*	2001-02		2003-04		2005-06	
	All	All	All	All	Not in	All	Not in	All	Not in
	Participants	Participants	Participants	Participants	High School	Participants	High School	Participants	High School
Percentage self-reporting employment during third quarter after leaving program	66	76	74	66	na	67	na	66	na
Percentage with employment reported by employers to ESD the third quarter after leaving program	50	59	55	47	52	52	56	59	62
Median quarterly hours worked of those working	258	250	247	234	253	250	281	252	281
Percentage employed full-time of those working (averaging 30 or more hours/week)	32	27	28	27	29	29	32	31	35
Median annualized earnings of those working (not in higher education)	\$7,249	\$7,688	\$8,416	\$8,362	\$9,097	\$9,068	\$10,402	\$9,274	\$10,510
Size of household in which median earnings would support at poverty level	0.7	0.8	0.8	0.8	0.9	0.9	1.1	0.9	1.0
Size of household in which median earnings would support at twice poverty level	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5
Median hourly wage of those working (not in higher education)	\$7.41	\$7.79	\$8.74	\$8.75	\$8.83	\$8.78	\$8.95	\$8.90	\$9.06
Percentage self-reporting receipt of medical benefits from employer	36	35	40	38	na	33	na	40	na
Percentage self-reporting receipt of pension benefits from employer	20	18	18	17	na	15	na	19	na

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.

Among those not enrolled in high school or higher education, the median hourly wage¹⁰ was \$9.06, and median annualized earnings were \$10,510 (Figures 7b and 7c).¹¹ These earnings levels are low. However, remember these participants were young, entry-level workers, and

⁷ Several factors need to be considered when comparing outcomes for program participants over time. WIA replaced Job Training Partnership Act (JTPA) on July 1, 2000; the results through 2000 in Figure 6 are for JTPA Title II-C. Youth leaving programs during 2001-2002 entered a much weaker labor market than did those leaving during 1999-2000. The characteristics of these youth also changed. Especially important is the greater enrollment of younger youth under WIA than was the case during the last year of JTPA; the percentage of participants aged 16 or younger at registration increased from 24 percent to 40 percent. Younger youth are less likely to be employed than older youth.

⁸ In the survey, youth were asked whether they were employed or self-employed. Therefore, in most cases, the percentage who reported being employed will be higher than the percentage of those whose employment was found in ESD wage records.

⁹ 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).

¹⁰ All wages and earnings are stated in 2007 Q1 dollars.

¹¹ 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.

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faced substantial barriers to success in the labor market. Despite the low wage and earnings, WIA Youth (and their JTPA predecessors) have experienced increases in both since 1995-96.

Figure 7b: Percent of WIA Youth Participants with Reported Employment in Third Quarter After Exiting Program

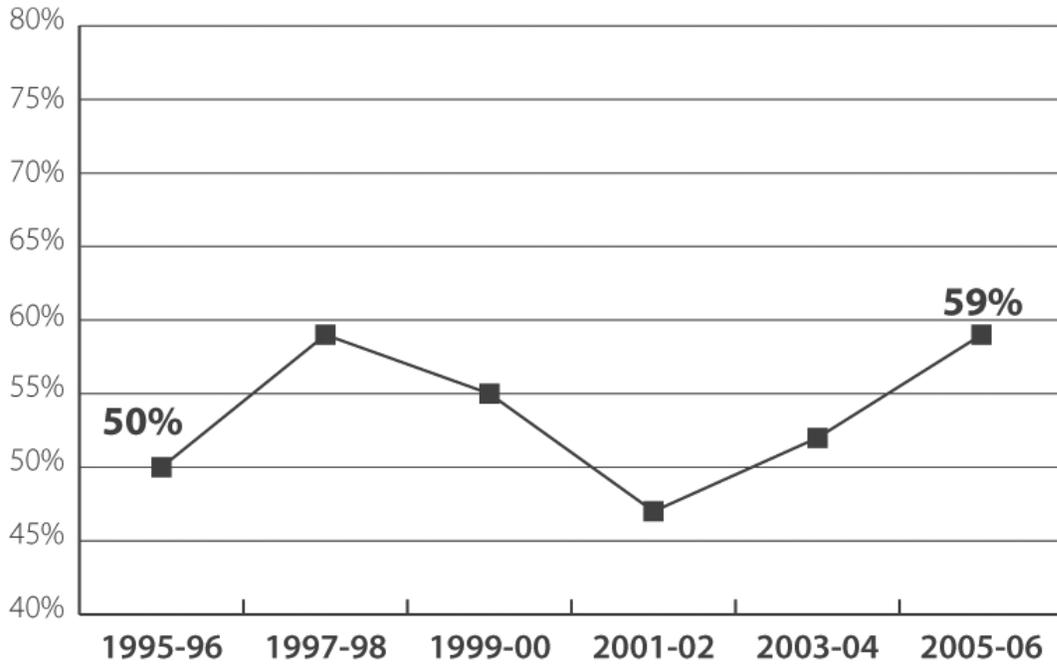
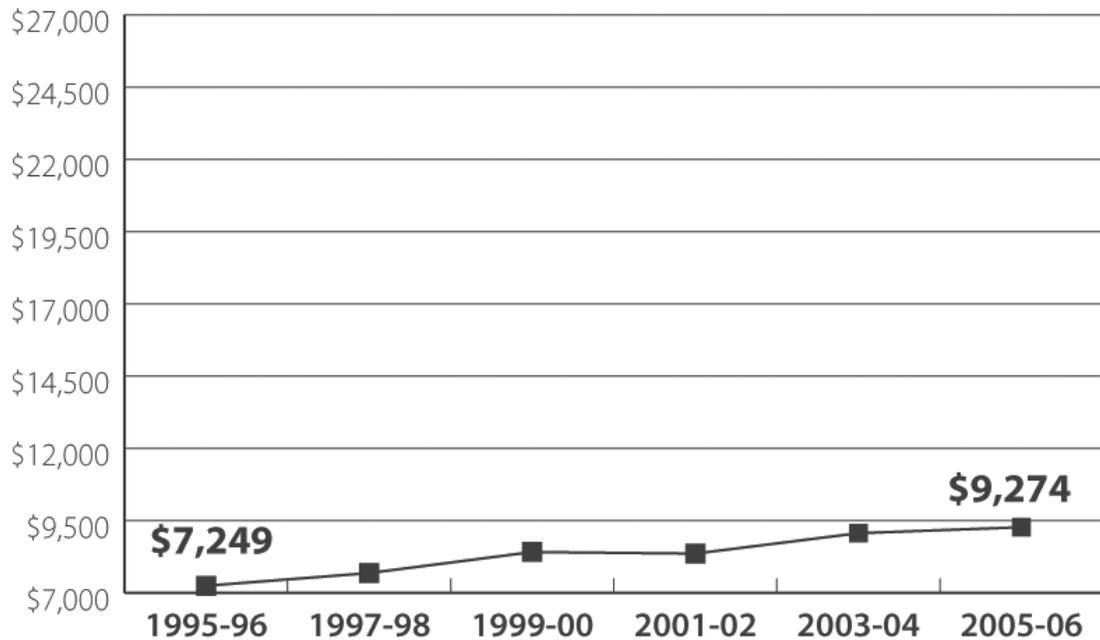


Figure 7c: Median Annualized Earnings of WIA Youth Participants in the Third Quarter after Leaving Program



Source: Employment Security Department data matches 1995-2006.

Wages rates among participants, as one might expect, exhibited less variation than was observed in programs serving adults (Figure 8). The distribution of wages received by WIA

Youth not enrolled in high school or higher education was:

Quartile	Hourly Wage
Highest	Above \$10.82
Third	\$9.04 – \$10.81
Second	\$8.23 - \$9.03
Lowest	Below \$8.23

Source: Employment Security Department data matches 2005-2006.

Post-program employment among WIA Youth continues to be heavily concentrated in retail trade and services, with 23 percent in eating and drinking establishments (Figure 9).

Industry Group	All Youth	Youth not in High School
Natural Resources and Mining	3.3%	2.6%
Construction	4.8%	5.2%
Manufacturing	6.6%	7.5%
Wholesale Trade	1.6%	1.9%
Retail Trade	20.3%	19.9%
Food & Beverage Stores	4.8%	4.3%
Department Stores	4.8%	5.2%
All Other Retail Trade	10.8%	10.3%
Transportation and Warehousing and Utilities	1.8%	2.0%
Information	0.8%	0.6%
Financial Activities	2.8%	2.8%
Services	56.1%	55.2%
Administrative and Support and Waste Management and Remediation Services	10.2%	10.8%
Health Care	8.8%	9.2%
Social Assistance	3.8%	3.9%
Accommodation and Food Services	23.2%	21.3%
All Other Services	10.1%	9.9%
Public Administration	2.1%	2.2%
Total	100%	100%

Source: Employment Security Department data matches 2005-2006.

Differences in Employment and Pay

Employment and earnings outcomes between females and males, youth with disabilities and youth without disabilities, and racial and ethnic minority groups and whites were less likely to be significant than in other programs.¹² Female youth had median earnings that were 101 percent of males; however, their median wage was 97 percent of males, an increase from 2003-2004 (86 percent earnings; 95 percent wages). Youth with disabilities had median earnings that were 73 percent of youth without disabilities; their median wage was 95 percent of youth without disabilities. Compared to whites, Native Americans and African Americans were less likely to be employed (89 percent and 79 percent of whites respectively), and even less likely to be employed full time (63 percent and 77 percent respectively) while Hispanics were more likely to be employed. Although African Americans had median hourly wages on par with whites, their median annualized earnings were 71 percent of whites reflecting the higher percent working part time. Native Americans had median hourly wages at 93 percent of whites and median annualized earnings that were 58 percent of whites. Asians/Pacific Islanders and Hispanics had median wages and annualized earnings that were higher than whites.

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 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.

To estimate these impacts, the study compares individuals who participated in the WIA Youth program to individuals who had similar characteristics, but who did not participate in any of the programs included in the study. 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.

The WIA Youth program has positive longer term net impacts on employment, wages, hour worked, and earnings. Participation increases lifetime earning.

¹² These employment and earnings group comparisons were based on data from youth who were not in high school at exit.

Figure 10 shows the short-term and longer term net impacts of the program. During the third quarter after the 2003-2004 youth left the program, participation is associated with negative net impacts on hours worked per quarter, -13.0 hours, and on quarterly earnings, -\$258. Furthermore, participation is associated with increases in the percentages receiving public assistance— Temporary Assistance to Needy Families (TANF), food stamps, and medical benefits.

The longer-term net impacts are observed 9 to 12 quarters after participants left the program during the 2001-2002 program year. In the longer term, there are positive net impacts on employment, hourly wages, hours worked, and quarterly earnings. Participation, however, is associated with increases in the percentages receiving food stamps and medical benefits.

Figure 10		
Short-term and Longer-Term Net Impact Results for WIA Youth Compared to Non-Participants		
	Short-Term 2003-2004 Exitters	Longer-Term 2001-2002 Exitters
Employment: percentage of additional reported employment due to program participation	-0.4*	10.3
Difference in Mean Hourly Wage	-\$0.29*	\$0.75
Difference in Mean Hours Worked Per Quarter	-13.0	31.1
Difference in Mean Quarterly Earnings	-\$258	\$317
TANF: percentage receiving aid	2.2	-0.1*
Food Stamps: percentage receiving	8.3	9.0
Medical Benefits: percentage receiving	14.0	6.5
UI: percentage receiving	-0.1*	1.0
Notes: Short-term refers to impacts observed in the third quarter after leaving the program. Longer-term refers to impacts observed 9 to 12 quarters after leaving the program. Earnings and wages are in 2005 Q1 dollars. Results are for participants in PY 2001-2002 and PY 2003-2004.		
* 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.¹³ Program costs include both direct costs and support payments borne by the state and the foregone earnings borne by program participants. Benefits and costs are calculated for both the observed period of time and based upon a statistical model that estimated the benefits and costs out to age 65. 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 youth participants leaving programs in 2001-2002, because a longer-term follow-up is required for this analysis.

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

For each WIA Youth, the public (taxpayer) program cost is about \$6,300 over the length of enrollment (Figure 11). During the first two and one-half years after leaving the program, participation increases the average youth participant’s earnings by \$1,719. During the course of working life to age 65, the average youth participant will gain about \$27,780 in net earnings (earnings minus foregone earnings) and about \$5,560 in employee benefits. These are net gains compared to the earnings of similar individuals who did not participate in a program.

*Projected participant benefits to age 65 outweigh public costs for the WIA Youth program by a ratio of 5.3 to 1, or \$33,336 to \$6,314.*¹⁴

From the time of leaving the program to age 65, the public is expected to gain about \$4,800 per youth participant in additional Social Security, Medicare, federal income, and state sales taxes and to save about \$2,800 per youth participant in total social welfare costs, and UI benefits—greater than the direct cost of the program.

Figure 11 Benefits and Costs of the WIA Youth				
	First 2.5 Years After Program		Forecast to Age 65	
	Participant	Public	Participant	Public
Benefit Difference				
Earnings	\$1,719		\$27,780	
Employee Benefits	\$344		\$5,556	
Taxes	-\$297	\$297	-\$4,792	\$4,792
Transfers*	\$1,395	-\$1,395	-\$2,775	\$2,775
Cost Difference				
Foregone Earnings	\$0		\$0	
Program Costs	\$0	-\$6,314	\$0	-\$6,314
TOTAL	\$3,162	-\$7,412	\$25,769	\$1,253
Notes: Benefits and costs are expressed in 2005 Q1 dollars. *Transfers include UI, TANF, food stamps, and medical benefits. TANF benefits reflect the value of cash grants, childcare, and other client support services.				

¹⁴ This ratio does not include the impacts on taxes, UI benefits, and public assistance, which are direct transfers between participant and the public (taxpayers).

Progress and Areas for Improvement

When reviewing the results of this evaluation, remember WIA Youth serves participants who are disadvantaged. The participants included in this study faced substantial barriers to success in school and the labor market.

Most participants were very satisfied with the program, and support services remain a strong area for the WIA Youth program. Based on the survey results, most of the participants who needed support services received them. The greatest unmet need was for job opening information.

Program administrators should consider placing even greater resources into promoting high school completion. Among youth who exited WIA during 2005-2006, many did obtain a high school diploma, and many were still enrolled in high school upon leaving the program. Too many, however, were not in school and had not obtained a diploma.

Perhaps more attention should be given to basic skills instruction. According to survey results, among the WIA Youth who received basic skills training, relatively few reported substantial gains in math, writing, and reading skills.

Earnings among participants, as is typical of young entry-level workers, were relatively low. One problem is employment among WIA Youth is heavily concentrated in retail trade and lower-wage services. More should be encouraged to receive the job-specific skills training required for higher wage jobs.

For more study results on other workforce programs, go to www.wtb.wa.gov/wtr2008.asp