





Workforce Training Results

2008



Workforce Training and Education Coordinating Board

128 - 10th Avenue SW, PO Box 43105, Olympia, 98504-3105 360-753-5662, Fax 360-586-5862 www.wtb.wa.gov • E-mail: wtecb@wtb.wa.gov

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For more detailed study results, go to www.wtb.wa.gov/wtr2008.

WORKFORCE TRAINING RESULTS 2008

EXECUTIVE SUMMARY

When viewed as a system, the Workforce Training and Education Coordinating Board's research demonstrates strong results for workforce development in Washington. There are, however, areas for improvement in every program (program details follow). In addition, there are areas for improvement that are the same in almost every program.

- **Earnings parity.** While many programs show overall earning gains, there still remains serious inequity when viewed by target populations. After participating in a workforce development program, women earn an average of only 88 percent of what men make. Hispanics, African Americans and Native Americans make less than 90 percent of what whites earn. We need to do more to guide women and people of color into training programs for higher paying occupations.
- **Higher completion rates.** An average of 34 percent--or one out of three--participants do not complete their program. While some participants leave a program because they have acquired a desired job, we need to do more to ensure participants receive completion credentials that prepare them for longer term labor market success.
- **Better job information.** An average of 20 percent of program participants leave their programs with their need for information about job openings unfulfilled. While this number has declined over time, the number of participants who are not getting this need met remains high relative to other program services. As workforce development programs re-engineer to include more effective contact with customers, we need to consider how to better translate and align work experience and job information in a manner that creates more matches between jobseeker and employer.

Introduction

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

Is it doing what we need to do 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).

The Workforce Board is a partnership of labor, business 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 over 90 percent of the federal and state dollars spent on our state's workforce development system.

This publication summary provides a dashboard look at each of the 12 programs, including identifying progress and areas of improvements. To get more detailed results for each program, go to www.wtb.wa.gov/wtr2008. We finish this report with a system-wide results summary.

How We Track Results

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

- 1) Did participants get the skills needed?
- 2) Did they get a job?
- 3) How much do they earn?
- 4) Were program participants and employers satisfied?
- 5) Did we get a return on our investment?

These questions, and their answers, provide a simple and reliable way to analyze our system's progress as well as the progress of its major programs. Adopted in 1996 after extensive stakeholder work, these Washington Workforce Core Measures have been collected and distributed widely to workforce development professionals and policymakers. These performance measures have stood the test of time by being both balanced and revealing. The National Governor's Association recognized their value as performance measures when they served as the model for its recommendations to Congress for federal workforce development performance measures.

Did Program Participants Get the Skills Needed?

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

Participants in workforce development programs acquire skills and abilities by virtue of participating in these programs. In many programs, however, successful completion is the ultimate goal and typically results in certificates, degrees or specific levels of competency. The Skills Core Measure is the percentage or number of program 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.

Did Program Participants Get a Job?

Desired Outcome: Washington's workforce finds employment opportunities.

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 during the third quarter after leaving the program, using records from the unemployment insurance system. 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 workforce achieves a family-wage standard of living from earned income.

The Earnings Core Measure is the median earnings of program participants during the third quarter after leaving the program, excluding former participants who are enrolled in further education during that quarter. As with employment, data comes from unemployment insurance system and other administrative records. The Workforce Board looks at the third quarter for employment and earnings because experience has shown that provides the most reliable information regarding the program's effect on the participant.

Were Program Participants and Employers Satisfied?

Desired Outcome: Workforce development participants and their employers are satisfied with workforce development services and results.

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

Did the Participant and Public Get a Return on their 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 lifetime earnings and employer provided benefits compared to the cost of the services.

This report presents the findings of the net impact study conducted in 2006 which examined the experience of participants who left programs between 2001 and 2004.

Community and Technical College (CTC) Job Preparatory Training Training and education for a vocational associate of arts degree or a vocational certificate.¹

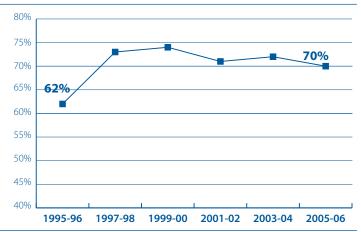
State Core Indicator Results for 2005-2006 program year*

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.**	All 70% Completers 74%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	All \$24,509 Completers \$26,126
Skills -Percentage of participants who obtained an appropriate credential.	59%
Participant Satisfaction - Percentage of former participants, including noncompleters, who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	91%
Employer Satisfaction - Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses.	97%

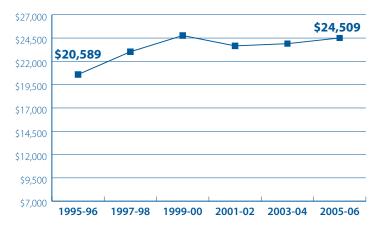
stThe data used for this CTC Job Preparatory program assessment excludes data from Running Start, (a program that allows high school students to earn college credits and is not a Workforce Training program) and CTC Worker Retraining, which is reported separately.

Employment & Earning Indicators Over Time

Percent of CTE Job Preparatory Students With Reported Employment in Third **Quarter After Exiting Program**



Inflation Adjusted Median Annualized Earnings of CTE Job Preparatory Students in Third Quarter After Exiting Program



This training does not include retraining of unemployed workers and classes taken by current workers to upgrade skills for their current job. Nor does it include the other two mission areas of the colleges—academic transfer education and basic skills instruction.

^{**} Includes some out-of-state employment data but not all of it and does not include data on self employment.

The large majority of students were satisfied with their college training program. Most students who completed the program obtained jobs that paid a decent wage and an increasing number received the support services they needed while enrolled.

About the same percentage of students earned degrees or certificates compared to two years ago. The completion rate increased by 1 percentage point to 59 percent. Since those who complete their programs are more likely to be employed and earn more, colleges should strive to increase the rates of successful completions. The State Board for Community and Technical Colleges started the Student Achievement Initiative to reward colleges for increasing student retention.

Although there has been some improvement (see website for detailed results), the colleges might do more to eliminate gender, and racial and ethnic differences in labor market outcomes. Women and minorities should continue to be guided into higher wage programs. To achieve this goal, colleges should provide participants with more help in selecting a training program. There should also be efforts to improve labor market outcomes for participants with disabilities.

The median age of CTC Job Preparatory students remains high at 29. Colleges should continue efforts to increase enrollments among young people.

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 Higher Education Coordinating Board.

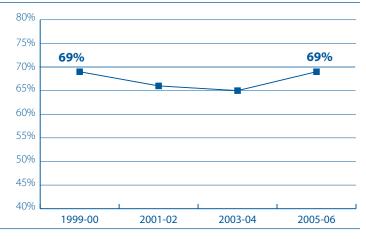
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	All 69% Completers 70%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.) *	All \$21,791 Completers \$23,009
Skills -Percentage of participants who obtained an appropriate credential.	79%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	83%
Employer Satisfaction - Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses.	93%

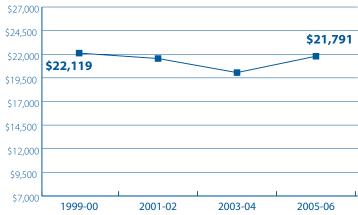
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time²

Percentage of Private Career School Students with Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Median Annualized Earnings of Private Career School Students in Third Quarter After Exiting Program



² The schools included in the biennial reports have changed over time as more schools have provided data.

Earnings and employments have bounced back from a previous drop. The majority of private career school students reported they were satisfied with their training, they were employed, their training was related to their jobs, and their job-specific skills increased significantly. Access to needed support services while enrolled was generally high and the number of students employed after exiting the programs increased, as did their earnings.

There are, however, areas for improvement. Although improved since the last survey, one out of five of students left the schools with an unmet need for information on job openings. The wages of students also differ by gender, and race and ethnicity. Like the general population, women who exit private career schools earn less than their male classmates, and students from racial and ethnic minority backgrounds earn less than whites. Although results are improving, continued efforts should be made to recruit women and minorities into higher wage programs.

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).

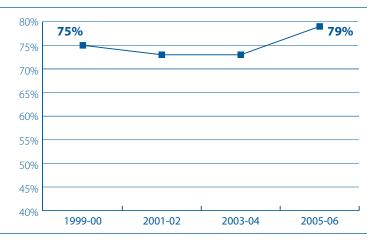
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program. *	All 79% Completers 93%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	All \$40,457 Completers \$58,446
Skills -Percentage of participants who completed their apprenticeship program.	42%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	86% Classroom Training 84% On-The-Job Training
Employer Satisfaction - Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses.	95%

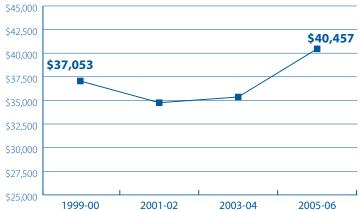
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percentage of Apprenticeship Participants with Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Median Annualized Earnings of Apprenticeship Participants in Third Quarter After Exiting Program



The results for apprenticeship training were quite positive. Median earnings and wages were relatively high, most participants were very satisfied with their training, most were employed, and most believed their training was related to their employment.

There are, however, areas for improvement. The typical age at which apprentices enter their programs remains high: the median age at registration is 27. The new "Running Start for the Trades" program is beginning to address this issue by establishing pre-apprenticeship programs in high schools. Also, greater efforts are needed in recruiting women into apprenticeships. Only 12 percent of participants completing an apprenticeship in 2005-2006 were women. Female apprentices typically earned less than men.

An important factor contributing to the overall gender gap in earnings is the heavy concentration of women in apprenticeship programs that provide training in relatively low-paying occupations, such as early childhood education, teaching/library assistant and cosmetology that pay, respectively, about \$17,000, \$18,800, and \$28,000 per year. That compares with wages in high-paying fields, such as construction, precision production, and machinists, which pay, respectively, \$38,200, \$45,800 and \$55,500 per year.

Apprenticeship programs also continue to experience high dropout rates. Although a significant number of apprenticeship participants exit early because of job opportunities, ultimately, they shortchange their earning potential. That's because those who complete their training earn as much as 45 percent more than those who exit early. In particular, attention needs to be paid to the higher dropout rates among minority participants, especially among African Americans, Native Americans, and Hispanics, who may be impacted by the length of time required to complete an apprenticeship program. The median time to complete an apprenticeship was 43 months. Those who left apprenticeships typically did so at the 17-month mark.

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.

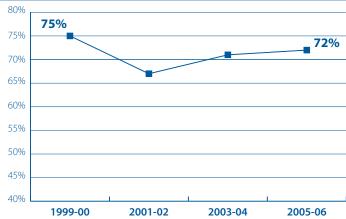
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	All 72% Completers 76%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	All \$27,211 Completers \$28,765
Skills -Percentage of participants who obtained an appropriate credential.	61%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	90%
Employer Satisfaction – (A survey was not conducted because sample size would be too small.)	

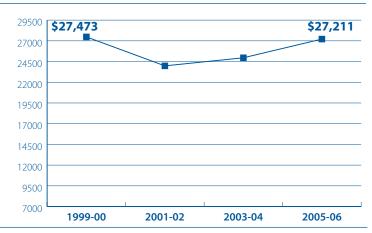
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percent of CTC Worker Retraining Participants With Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Median Annualized Earnings in Third Quarter After Exiting Program



Overall satisfaction with the CTC Worker Retraining program was high among students, although the satisfaction level declined slightly from 2003-2004. Satisfaction levels with the location and program costs were at or above 95 percent. However, satisfaction levels with quality of teaching and interaction with instructors declined from the previous study. Over three-fourths of students reported substantial skill improvement in job-specific and machinery operation skills as a result of the training. The percentage reporting their math skills improved "a lot" fell from two years before.

Most students received the support services needed. According to survey results, however, there were substantial unmet needs for information about job openings. Many participants were unsatisfied with the advice they were given when selecting a program.

Wage and earnings gaps among different groups reflect those in the labor force at large: females earn less than males, racial and ethnic minorities earn less than whites and students with disabilities earn less than those without disabilities. (For details on specific differences in earnings, see www.wtb.wa.gov/wtr2008).

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.

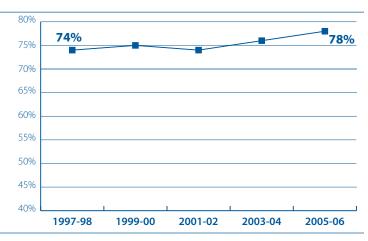
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	78%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	\$29,937
Skills -Percentage of participants who obtained an appropriate credential.	73%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	89%
Employer Satisfaction – (A survey was not conducted because sample size would be too small.)	-

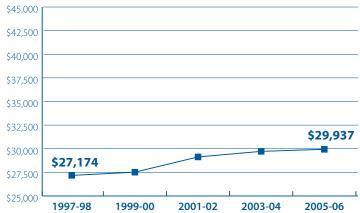
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percent of Dislocated Worker Participants
With Reported Employment in Third
Quarter After Exiting Program



Median Annualized Earnings of Dislocated Worker Participants in the Third Quarter After Exiting Program



WIA dislocated workers were generally satisfied with the program and most said their educational objectives for enrolling in the program had been met. Although the percentage of WIA Dislocated Worker program participants who self-reported employment after exiting the program was lower than in 2003-2004, the percent with employment reported by the state's Employment Security Department was higher than in the prior study.

Since studies began with the 1997 program participants, employments and earnings have improved substantially. Also, surveys indicate some improvement in support services and employer satisfaction with WIA participants' skills.

However, many participants are unsatisfied with the advice they are given when selecting a program. Also, many report that they receive insufficient information about job openings. Though the percent reporting this issue has been declining, it remains a persistent concern in our evaluations.

As with the general population, the wages of participants vary by gender, race and ethnicity and by disability status. Women earn less than men, and Hispanics and African Americans earn less than whites. People with disabilities are less likely to be employed and have lower earnings. The program should strive to eliminate differences associated with gender, race and ethnicity, and disability status in the labor market outcomes.

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 job preparatory 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).

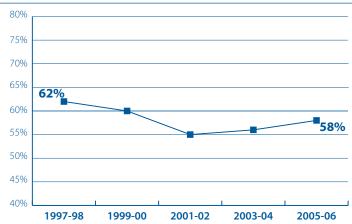
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	58%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	\$16,925
Participant Satisfaction - Percentage of former participants, including noncompleters, who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	96%
Employer Satisfaction - Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses.	92%

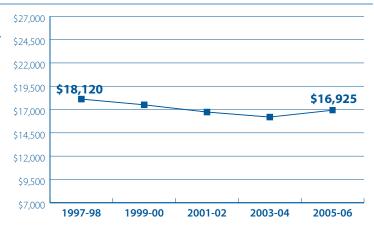
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percent of ABE/ESL Students With Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Median Annualized Earnings in Third Quarter After Exiting Program



ABE/ESL students must overcome substantial barriers to succeed in the labor market. Some lack basic skills, some lack a high school diploma, and some lack proficiency in English. Many lack all three. The majority of these students are from racial/ethnic minorities and many are poor and face a wide range of health and social barriers. These factors should be taken into account when considering how well program participants fared and in designing program changes. For instance, the State Board for Community and Technical Colleges' Student Achievement Initiative helps students, from the least prepared to the most college ready, build and maintain movement towards high levels of academic achievement.

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, and 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 were 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. It's worth noting 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 of adult education did not include the promising I-BEST training that integrates basic skills/ESL and college-level instruction. (Adult education students who also enrolled in workforce education are included in those sections of the report.) Community and technical colleges' efforts to integrate work skills training and 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 both groups.

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 training 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 and vocational training.

The state's Employment Security Department administers the program. Twelve regional Workforce Development Councils, in consultation with chief local elected officials, oversee WIA activities in local areas.

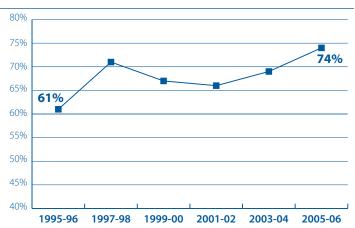
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	74%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	\$20,373
Skills -Percentage of participants who obtained an appropriate credential.	57%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	85%
Employer Satisfaction – (A survey was not conducted because sample size would be too small.)	

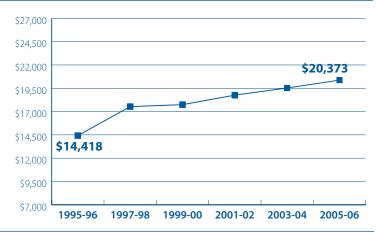
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percent of WIA Adult Participants With Reported Employment in Third Quarter After Exiting Program



Median Annualized Earnings of Participants in the Third Quarter After Exiting Program



WIA Adult program participants were generally satisfied with the program. Labor market outcomes for adults leaving WIA during 2005-2006 compared favorably to those leaving in 2003-2004. Post-program employment rates and earnings were higher, continuing a general trend of improvement since the first study 10 years ago.

There are areas for improvement. While most participants were satisfied with the services they received, many were dissatisfied with job openings information. This unmet need is consistently expressed by participants leaving programs in past years.

Also, only slightly more than one-third of WIA adults received job-specific skills training. This seems low given the participants' lack of previous education or training after high school.

Given participants' low education levels prior to entering the program, more should receive basic skills instruction in reading, writing, and math. Among the adults leaving WIA during 2005-2006, fewer than one in five said they received training in writing or math skills, and only 11 percent were trained in reading skills. Furthermore, only about half of these participants reported their reading and writing skills in these areas improved substantially; 61 percent reported their math skills improved "a lot."

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.

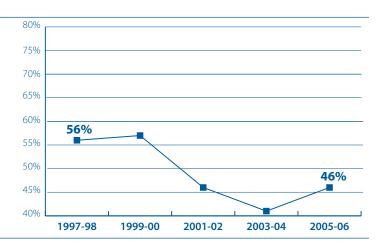
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	All 46% Completers 74%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	All \$10,616 Completers \$11,678
Skills -Percentage of participants who were rehabilitated.	47%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	63%
Employer Satisfaction – (A survey was not conducted because sample size would be too small.)	

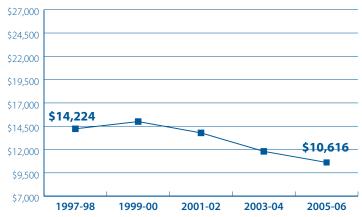
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percent of DVR Participants With Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Median Annualized Earnings of DVR Participants in the Third Quarter After Exiting Program



When considering labor market outcomes, remember every DVR client faces substantial impediments to employment. Moreover, the severity of these impediments increased after the adoption of an order-of-selection policy toward the end of 2000. Due to limited funding, the order of selection limited services to the most severely disabled only.³

Looking at the results, over 50 percent reported their skills improved "a lot" in all skill areas. The one exception was adapting previous job skills to disability, which was reported at 40 percent. As is the case in several other programs, DVR clients reported a substantial unmet need for job counseling services and information about job openings. The percentage of clients who reported unmet needs has gradually increased over past reporting periods. The earnings and hourly wages of the participants continued to decline, although the employment rate increased from two years ago. Although challenging, given the participants' severity of disabilities, DVR might be able to increase participants' wages and earnings by training more individuals for higher paying industries. DVR has been working hard to strengthen its relationship with the providers of training services. DVR should continue working with the training community, but with a greater emphasis on higher employer demand occupations.

³ In February 2008, DVR eliminated the waiting list for services and is now able to initiate services upon eligibility determination.

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.

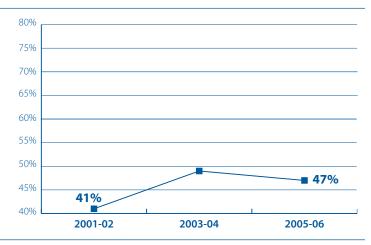
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	All 47% Completers 71%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	All \$17,134 Completers \$18,220
Skills -Percentage of participants who were rehabilitated.	55%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	89%
Employer Satisfaction – (A survey was not conducted because sample size would be too small.)	

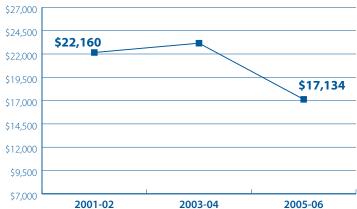
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

Percent of DSB Participants With Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Median Annualized Earnings of DSB Participants in the Third Quarter After Exiting Program



When considering their labor market outcomes, remember DSB clients face substantial impediments to employment. Only 47 percent of clients had employment reported in state Employment Security Department wage files during the third quarter after leaving the program.

Clients expressed high levels of satisfaction with various aspects of the program. While they tend to receive the support services they need while participating, clients report substantial unmet need for information about job openings. A relatively high percentage of clients also report an unmet need for computer training.

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.

State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	53%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	\$12,488
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	91%
Employer Satisfaction – There was not an employer satisfaction survey conducted for the WorkFirst program.	

^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators Over Time

This is only the second time WorkFirst has been included in this study. Employment and earnings are substantially higher than in the previous study. Two years ago, 49 percent were employed in the third quarter after leaving the program and the inflation adjusted median annualized income was \$11,631.4

This report does not include a chart for WorkFirst because data has not been collected for a sufficient number of years.

⁴ That is about \$1,200 more than the federal poverty guidelines of \$10,400 per year.

WorkFirst clients face substantial barriers to employment. The WorkFirst population includes parents who face barriers such as deficient basic skills, domestic violence, mental and physical health issues, chemical dependency, and long-term disabilities. These factors should be taken into account when considering the results.

Only 53 percent of clients had employment reported in Employment Security Department wage files during the third quarter after leaving the program, and only one in five were working 30 hours per week or more. The median earnings of those working (\$12,775), was not sufficient for a two-person family to live above the poverty level.

The WorkFirst program may be better able to fulfill its goals by placing a greater share of clients in employment pathways as they address barriers, and encouraging training for higher-wage occupations for clients most likely to successfully complete and benefit from such training. As with the general population, the wages of participants vary by gender, race and ethnicity, and disability status. Given that 73 percent of the participants were women and that the hourly wages of women were 91 percent that of men, it would be especially beneficial to encourage women to pursue pathways to higher-wage occupations.

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.

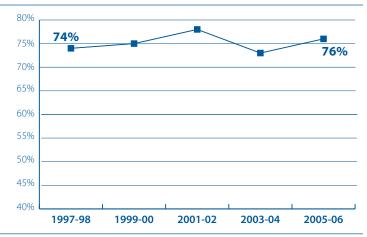
State Core Indicator Results for 2005-2006 program year

Employment or Higher Education -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program or enrolled in higher education.*	76%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.)	All \$9,594 Not in School \$11,767
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	96%
Employer Satisfaction - Percentage of employers who reported satisfaction with new employees who were program completers as evidenced by survey responses.	Productivity 93% Quality 99%

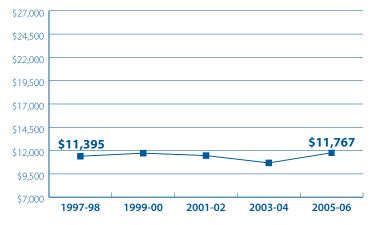
^{*} Includes some out-of-state employment data but not all of it and does not include data on self employment.

Employment & Earning Indicators over Time

Percent of Secondary CTE Students With Reported Employment or Enrolled in Higher Education in Third Quarter After Exiting Program



Inflation Adjusted Annualized Earnings of Secondary CTE Students Not in Higher Education in Third Quarter After Exiting Program



The majority of completers were satisfied with the quality of their CTE program. Under 60 percent were employed, or enrolled in a two- or four-year college, during the third quarter after leaving their program.

Although the evaluation results are generally positive, there are areas that could be stronger. Only 23 percent of students reported receiving math instruction as part of CTE. Just 21 percent received reading instruction through CTE. Efforts to expand the integration of basic academic instruction with CTE should continue. While most students reported they were satisfied with CTE, only 36 percent were very satisfied with advice on selecting a program. Guidance in this area needs to be improved.

The completers included in this evaluation are young, entry-level workers. It is not surprising, therefore, that their median hourly wage is relatively low. One potential way of improving wages is to support students in obtaining employment in sectors of the economy other than retail trade, and accommodation and food services, where wages tend to be low. Over half (54 percent) were employed in these two sectors. For more on youth employment and the success indicators, review Reconnecting Young Adults, 18 -24 available at: www.wtb.wa.gov/documents/reconnectingyoungadults.

As was found in previous evaluations, the post-program wage rates of female CTE completers were lower than those for males. Secondary CTE should continue to encourage women to enter career pathways that lead to higher paying occupations.

Workforce Investment Act Title I-B Youth Program

Preparation for 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 additional assistance to complete an educational program or to secure and hold employment. The state Employment Security Department administers the program at the state level. Twelve regional Workforce Development Councils, in consultation with chief local elected officials, oversee WIA activities in local areas. Local youth councils assist with the program.

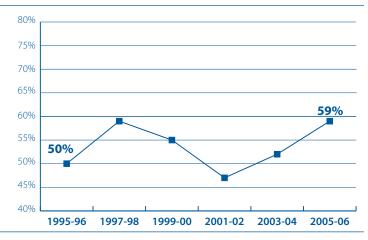
State Core Indicator Results for 2005-2006 program year

Employment -Percentage of former participants who were in employment reported to Employment Security during the third quarter after leaving the program.*	59%
Earnings -Median annualized earnings of former participants during the third quarter after leaving the program. (Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. To derive annualized earnings, quarterly earnings are multiplied by four.) *	\$9,274
Skills -Percentage of participants who obtained an appropriate credential or were still enrolled in school at completion of program.	65%
Participant Satisfaction - Percentage of former participants who reported satisfaction with the program as evidenced by survey responses six to nine months after leaving the program.	93%

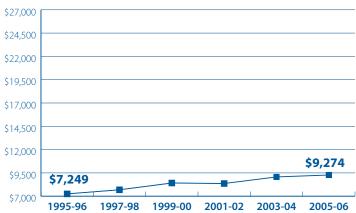
^{*} Includes participants who may or may not be in school but does not include data on self employment or all out of state employment.

Employment & Earning Indicators Over Time

Percent of WIA Youth With Reported Employment in Third Quarter After Exiting Program



Inflation Adjusted Annualized Earnings of WIA Youth Participants in Third Quarter After Exiting Program



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.

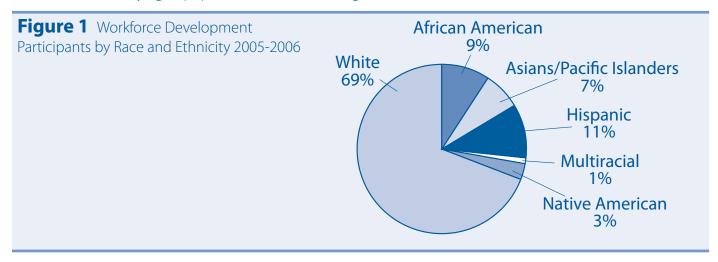
Workforce Development System Overall Results

This section presents the data for all the workforce development programs combined.

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 higher 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 (Figure 1).⁵



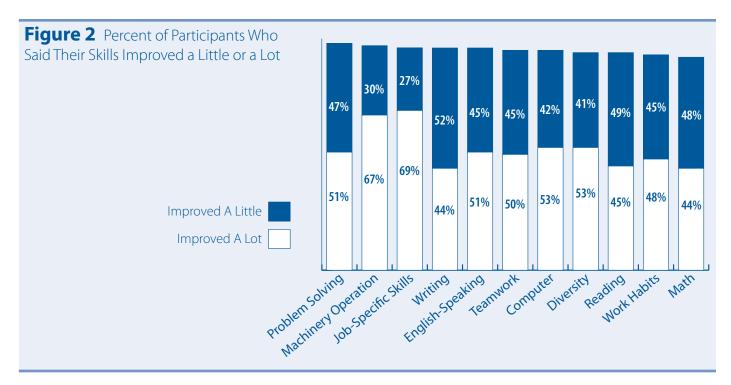
Competency Gains

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

Many workforce development program participants attain competencies by virtue of participating in these programs (Figure 2). In many programs, however, successful completion of a credential is the ultimate goal and typically results in certificates, degrees, or specified levels of competency. In the 2005-2006 program year, 66 percent of all the workforce participants successfully completed their programs.⁶

The 2006 Washington State Population Survey was the source of data for the racial and ethnic background of the state's population, which was comprised of 78 percent white; 3 percent African American; 7 percent Asian/Pacific Islanders; 8 percent Hispanic; 2 percent multiracial; and 1 percent Native American.

⁶ Completion data is included for Job Preparatory, Division of Vocational Rehabilitation, Department of Services for the Blind, Worker Retraining, Apprenticeships and Private Career Schools.

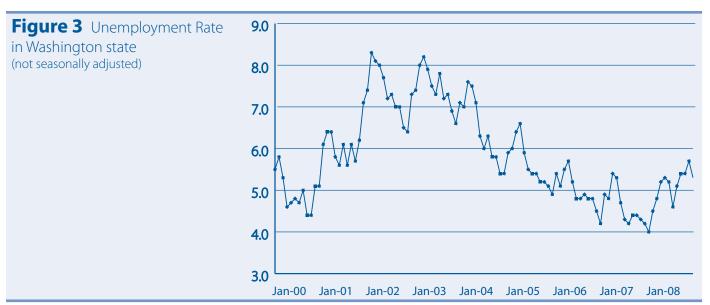


Another measure of whether training provided participants with the right skills is whether the participants believed their training was related to their post-program employment. Overall, a majority of program participants indicated their training was related to the job they held during the third quarter after leaving the program. In program year 2005-2006, 27 percent said their training was somewhat related to their job and 36 percent said it was very related.

Employment

Desired Outcome: Washington's workforce finds employment opportunities.

We evaluate the labor market outcomes of program participants by examining their employment and earnings during the third quarter after leaving a program. Participants leaving programs in 2005-2006 encountered an economy that was robust. The state's unemployment rate was still on the decline from the 2003-2004 program year. (Figure 3).



29

Most program participants reported having a job during the third quarter (seven to nine months) after they left their program. Although employment rates vary across programs, overall 77 percent of the participants reported being employed which is virtually the same as reported in 2003-2004. Records from the state Employment Security Department indicate employment at 59 percent in the third quarter after program participation. (These records do not include self-employment or all out-of-state employment.) This is a 9 percent improvement over the rate recorded for participants from the 2003-2004 program year.

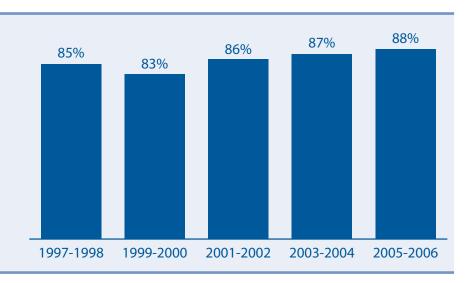
Earnings

Desired Outcome: Washington's workforce achieves a family-wage standard of living from earned income.

Research has shown that post-program earnings are very much affected by the characteristics of the participants who entered the program. Youth had the lowest post-program median hourly wages (\$9.01) and median annualized quarterly earnings (\$9,520), and adults had the highest hourly wages (\$14.26) and earnings (\$24,970). Adults with barriers, such as those served by the Division of Vocational Rehabilitation, the Department of Services for the Blind, Adult Basic Education, WorkFirst and Workforce Investment Act-Adult had a median hourly wage of \$9.72 and median annualized earnings of \$13,922. In 2008, the federal poverty guidelines stood at \$10,400 per year for a household of one and \$14,000 for a family of two.

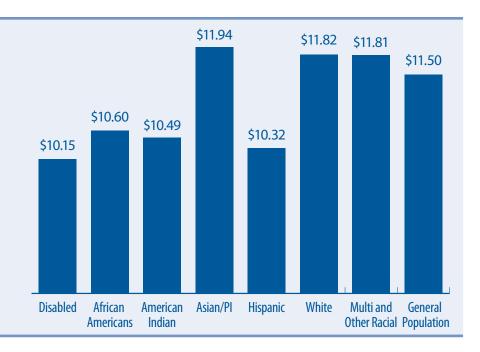
In most instances, post-program earnings and hourly wages were lower for women than for men. However, the wage gap is decreasing. In most programs, the median hourly wage of women relative to men went from 83 percent in 1999-2000 to 88 percent in 2005-2006 (Figure 4).





Earnings were also lower for people with disabilities. Earnings were generally lower for people of ethnic/racial minorities than for whites with the exception of Asians and Pacific Islanders (Figure 5). These differences in post-program wages and earnings by gender, disability status, and race/ethnicity generally reflect differences observed in the overall labor market.

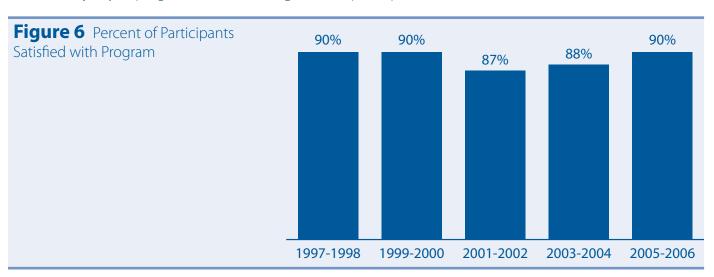
Figure 5 Median Hourly Wage by Targeted Populations Where Employed During Third Quarter After Training



Participant Satisfaction

Desired Outcome: Workforce development participants and their employers are satisfied with workforce development services and results.

The vast majority of programs had increasing levels of participant satisfaction since 2001.



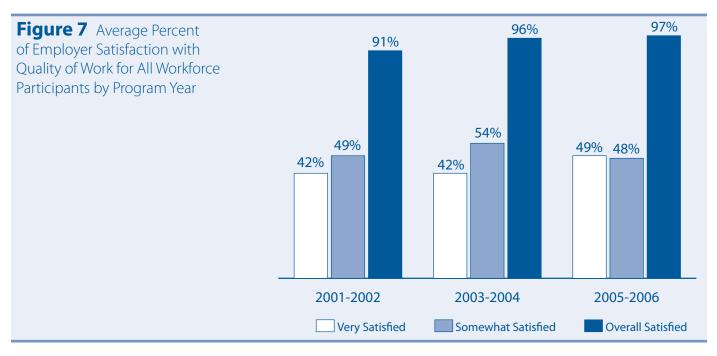
Although results vary by program, participants tended to be most dissatisfied with the advice provided to them in selecting a training program. Most participants reported receiving the support services they needed while participating in their program. Many participants in several programs, however, reported an unmet need for information about job openings. This is similar to earlier evaluations.⁷

⁷ 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.

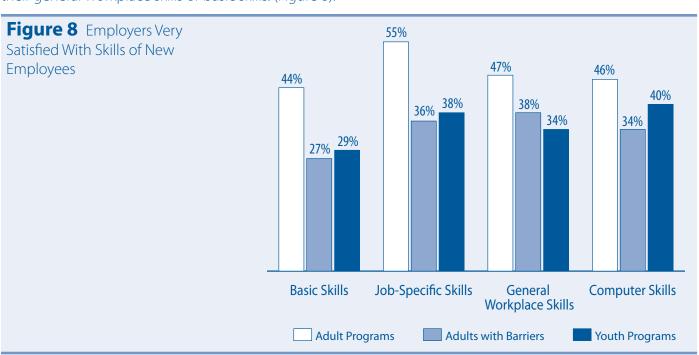
Employer Satisfaction

Desired Outcome: Workforce development participants and their employers are satisfied with workforce development services and 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 (Figure 7).



In terms of being "very satisfied," employers tended to rate the job-specific skills of new employees higher than their general workplace skills or basic skills. (Figure 8).8



⁸ For basic skills and general workplace skills, the percentage of "very satisfied" was an average across the types of basic and general workplace skills.

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 last net impact study, conducted in 2006, examined the experience of participants who left programs during the 2003-2004 and 2001-2002 program years. Study results were presented in the last edition of Workforce Training Results, and the results are reproduced here for informational purposes. (The next such study will occur in 2010 and will examine the experience of participants leaving programs in 2005-2006 and 2007-2008.)

These evaluations attempt to estimate what happens to program participants as compared to what would have happened if they had not participated in a workforce development program. The objective is to determine the difference the program made for the participant. 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 the state's employment service. Different sources of data were used for the comparison groups for Secondary Career and Technical Education (CTE), division of Vocational Rehabilitation (DVR) and Department of Services for the Blind (DSB) clients.

This Graduate Follow-Up Study was used to identify both students completing a CTE sequence, as well as comparable students who had not. For both DVR and DSB 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, or DSB client who most closely matched each program participant in terms of a long list of characteristics.¹⁰

For the cost-benefit analyses, Upjohn calculated the value of the net impacts on participant earnings, employee benefits, social welfare benefits, unemployment insurance (UI) benefits, and taxes.¹¹ Benefits and costs were estimated for both the observed post-program period and out to the age of 65.¹²

Upjohn found that during the third year after program participation, the payoffs to education and training are strong and pervasive (Figure 9). The employment impacts for all programs are positive. Most programs, with the exception of Adult Basic Education, increased the average lifetime earnings of participants. The combined effects on average earnings and employment rates result in sizable impacts on total lifetime earnings.

⁹ The net impact and cost-benefit analyses did not include the WorkFirst program.

¹⁰ These include demographics (such as race and ethnicity, gender, disability status, prior education, age, region of the state), preprogram earnings and employment history, UI benefit receipt history, and preprogram receipt of public assistance.

¹¹ Upjohn estimated the impact of the net change in earnings on Social Security, Medicare, federal income, and state sales taxes.

¹² 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.

Figure 9 Longer-Term Participant Net Increases (Difference compared to Non-Participants)

	Increased Employment	Increased Quarterly Earnings	Increased Lifetime Earnings**
CTC Job Preparatory	6.7%	\$1,008	\$90,455
Private Career School	4.3%	\$343	\$29,719
Apprenticeship	6.8%	\$2,281	\$205,825
CTC Worker Retraining	4.6%	\$298	\$21,128
WIA Dislocated Workers	6.4%	\$752	\$45,544
ABE	5.9%	*	\$0
WIA Adults	6.6%	\$443	\$29,945
DVR	11.0%	\$688	\$45,850
DSB	20.3%	\$1,492	\$78,429
Secondary CTE	5.4%	\$416	\$38,041
WIA Youth	10.3%	\$317	\$27,780

Note: Longer-term refers to impacts observed 9 to 12 quarters after leaving the program. Earnings are expressed in 2005 Q1 dollars.

Figure 10 compares lifetime participant benefits to public costs. For example, during the course of working life to age 65, the average Community Technical College (CTC) Job Preparatory participant will gain about \$106,000 in net earnings (earnings minus foregone earnings while in training) and 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 2005 Q1 dollars). For CTC Job Preparatory participants, the ratio of participant benefits to program costs, not considering impacts on social welfare benefits or taxes, is \$106,237 to \$7,560, or about 14 to 1. Lifetime participant benefits far exceed public costs for each of the programs, with the exception of Adult Basic Education (when participants do not also receive vocational training).

Tax revenues are affected by the change in participant earnings (Figure 10). For example, during the entire post training period to age 65, the public gains an estimated \$15,603 in tax revenues for each CTC Job Preparatory participant. Estimated increases in tax receipts alone outweigh public costs for six of the 11 programs in the study. Moreover, many of the programs were found to reduce reliance on social welfare (specifically TANF, food stamps, and medical benefits).

^{*} Not statistically significant at the 0.05 level.

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

Figure 10 Participant Benefits, Increases in Tax Receipts, and Public Costs to Age 65			
	Increased Participant Compensation*	Increased Tax Receipts**	Public Costs***
CTC Job Preparatory	\$106,237	\$15,603	\$7,560
Apprenticeship	\$270,988	\$53,515	\$2,546
Private Career School	\$35,369	\$5,126	\$0
CTC Worker Retraining	\$19,459	\$5,494	\$5,172
WIA Dislocated Workers	\$44,399	\$11,841	\$6,757
ABE	\$0	\$0	\$2,453
WIA Adults	\$34,874	\$5,166	\$5,481
DVR	\$55,633	\$7,909	\$8,114
DSB	\$83,472	\$13,529	\$23,243
Secondary CTE	\$45,680	\$6,562	\$924
WIA Youth	\$33,336	\$4,792	\$6,314

Notes: Compensation, receipts, costs are expressed in 2005 Q1 dollars.

Data Sources

Findings are based on the following data sources:

- Program records on over 135,364 individuals who left one of these programs during the 2005-2006 program year. These records include information for most participants leaving these programs.
- Telephone survey responses from 1,042 firms that hired new employees who had recently completed one of the programs.
- Telephone survey responses from approximately 2,994 participants who left one of these programs during 2005-2006.
- 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. The data are incomplete, however, and employment rates among participants are underestimated. Self-employment, for example, is not reported. Also, employment figures in states outside the Pacific Northwest are not included in this analysis.
- Computer matches with enrollment data from the state's 34 community and technical colleges and all public four-year institutions in the state, 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; private four-year colleges and out-of-state schools are not included in the record matches.

^{*} Present value of the additional lifetime earnings and employee benefits less foregone earnings during program participation.

^{**} Present value of additional Social Security, Medicare, federal income, and state sales taxes generated by increased participant earnings to age 65.

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

Except for 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.

For more detailed study results, go to www.wtb.wa.gov/wtr2008.

WORKFORCE TRAINING AND EDUCATION COORDINATING BOARD

Our Vision

Washington's Workforce Training and Education Coordinating Board is an active and effective partnership of labor, business, and government leaders guiding the best workforce development system in the world.

Our Mission

The Workforce Training and Education Coordinating Board's mission is to bring business, labor, and the public sector together to shape strategies to best meet the state and local workforce and employer needs of Washington in order to create and sustain a high-skill, high-wage economy.

To fulfill this Mission, Board members, with the support of staff, work together to:

- ▶ Advise the Governor and Legislature on workforce development policy.
- ▶ Promote a system of workforce development that responds to the lifelong learning needs of the current and future workforce.
- Advocate for the nonbaccalaureate training and education needs of workers and employers.
- ► Facilitate innovations in workforce development policy and practices.
- ► Ensure system quality and accountability by evaluating results and supporting high standards and continuous improvement.

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