
Job Training That Works

Initial Earnings and Employment Findings from P/PV's Sectoral Employment Impact Study

October 9, 2009

**Automotive Communities and Work Force Adjustment Conference
Federal Reserve Bank of Chicago – Detroit Branch**

The Study

- ❖ Three organizations selected from nominations from leaders in the workforce development field.
- ❖ Criteria: focused on a sector, sub sector or occupation; served over 100 people annually; had strong reputations; placed people above \$8 an hour.
- ❖ Organizations recruited double the participants who were randomly assigned to participate in the program or to the control group.
- ❖ Follow-up interview period began 24 months after baseline and could occur up to 30 months.

Three Organizations



1. *A **membership organization** that brings together business, organized labor and workers to identify and meet industry needs.*
2. *An **industry coordinator** leads a **committee of employers and union representatives** to identify needs among member businesses. Classes are run based on commitments among employers of hiring needs.*
3. *Sector Focus: **Healthcare, construction and manufacturing** sectors; added training in truck driving and hazardous-material handling.*
4. ***Short-term technical (40-160 hours) training**, including an “essential skills” component focused on operating within the work/industry culture.*
5. *Technical training offered through **a range of service providers**, including member company employees who worked as trainers, community college instructors and industry experts.*
6. *Student supports and remedial education offered through **a network of public and community-based agencies**.*
7. *A combination of public funding, such as **WIA training vouchers, welfare-to-work** and workforce attachment and advancement resources.*



1. *A **community based nonprofit** that offers pre-employment training, incumbent worker training, ESL, literacy programming and micro-enterprise development; and operates a local One-Stop.*
2. *Target industries are **involved through employer advisory committees** and by building individual relationships with local businesses. An employer account management system is in place to identify and address employer needs and to cultivate and strengthen ties with employers.*
3. *Sector Focus: Medical, accounting.*
4. *A **21- to 25-week training program** that includes **core classes** in computer software, **specialized training** in medical or basic office skills or accounting, a **four- to six-week internship**, and job readiness and soft skills training. Staff provide case management services to address attendance, behavioral issues or challenges at home.*
5. *Students access instruction in basic skills or ESL if needed. Legal matters, childcare needs and transportation difficulties are handled through partnerships with other agencies and organizations.*

1. *A **nonprofit social venture** that operates both a computer refurbishing business and a training program.*
2. *Corporations, businesses and individuals bring their old computers and **trainees refurbish the salvageable computers** while preparing “end-of-life” computers for environmentally safe disposal. The business side helps staff foster close relationships with employers.*
3. ***15-week, 500-hour computer technician training program**, with “hands on” instruction and problem-solving and opportunity to work as part-time interns. Participants eligible to take the A+ exam.*
4. *An array of support services such as **mentoring, counseling, employability workshops, assistance** with work attire and job placement services were also available to participants through external organizations.*
5. *Funding for training came from private foundations, training reimbursements from other nonprofits and training vouchers.*

Characteristics of participants at baseline

- ❖ Set out to serve disadvantaged, low income job seekers and workers
 - ❖ Worked an average of 6.8 months in the year prior and earned \$9,872
 - ❖ 32% working at time of baseline
 - ❖ 81% were either African American or Latino
 - ❖ 37% ever on welfare
 - ❖ 22% had been convicted of a crime
 - ❖ Age
 - 18 to 24 – 28%
 - 25 to 54 – 70%
 - 55 and over – 2%
 - ❖ Education
 - More than high school diploma – 18%
 - High school diploma – 53%
 - GED or high school equivalency – 22%
 - Less than high school – 7%

Sector Focus

- ❖ **Wisconsin Regional Training Partnership (WRTP)**
 - ❖ manufacturing, construction and healthcare
 - ❖ business/union membership organization; coordinators led industry specific committees that identified needs among member businesses; “ordered up” classes.
- ❖ **Jewish Vocational Services (JVS Boston)**
 - ❖ medical billing, accounting and office administration
 - ❖ employer advisory councils and account management approach; employers involved through interviewing, curriculum advise and internships.
- ❖ **Per Scholas**
 - ❖ information technology
 - ❖ role as recycling social venture creates strong connections to industry; direct employer relationships and A+ certification.

The Analysis

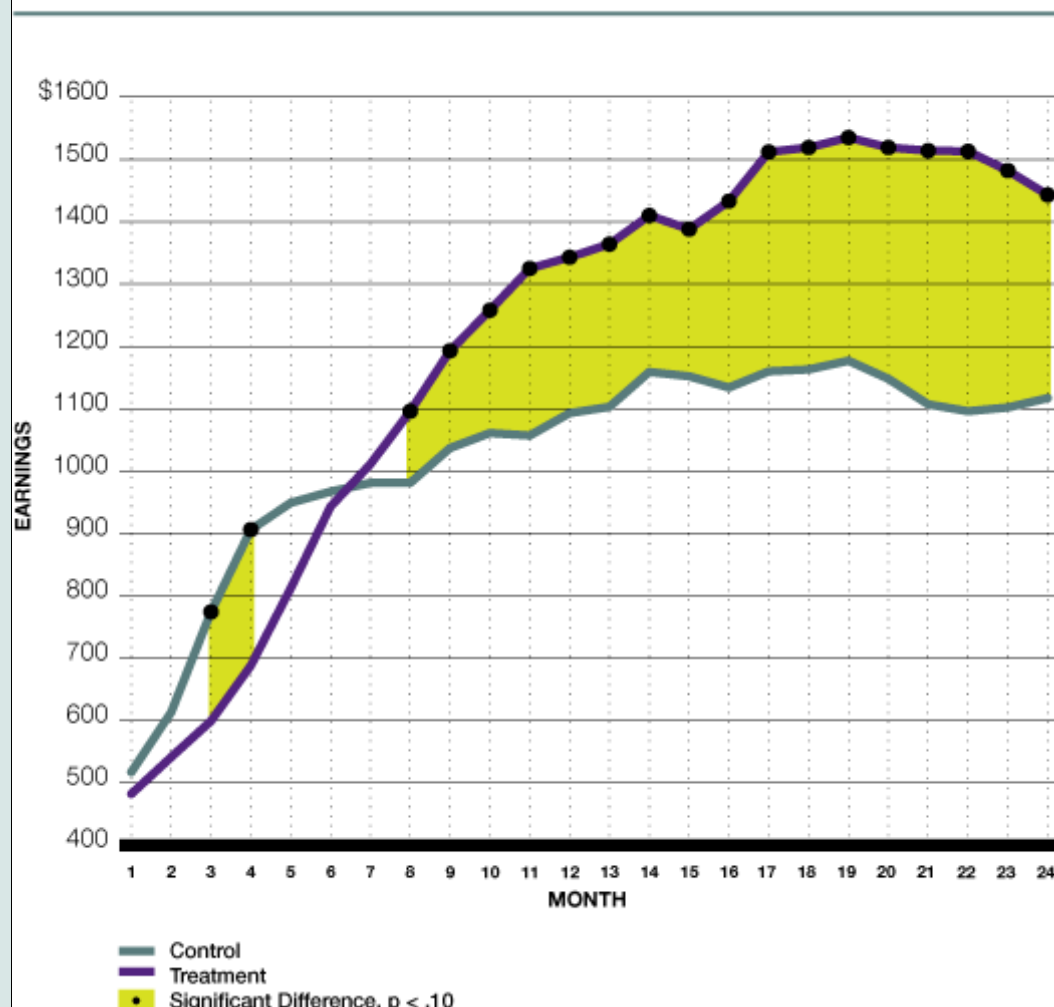
- ❖ 1,014 respondents in the follow-up sample
- ❖ 79% response rate
- ❖ Regression analysis was performed on all outcomes controlling for baseline characteristics
- ❖ All outcomes analyzed over the entire 24 month follow-up period, in the second year of follow-up and in each of the 24 months

Earnings

- ❖ Program participants saw significant earnings gains, about \$4,500, when compared with controls over the entire follow-up period.
- ❖ Earnings gains were particularly strong during the second year, about \$4,000.
- ❖ Impacts began around the eighth month and continued throughout the follow-up period.

Earnings

Figure 1: Total Earnings by Month

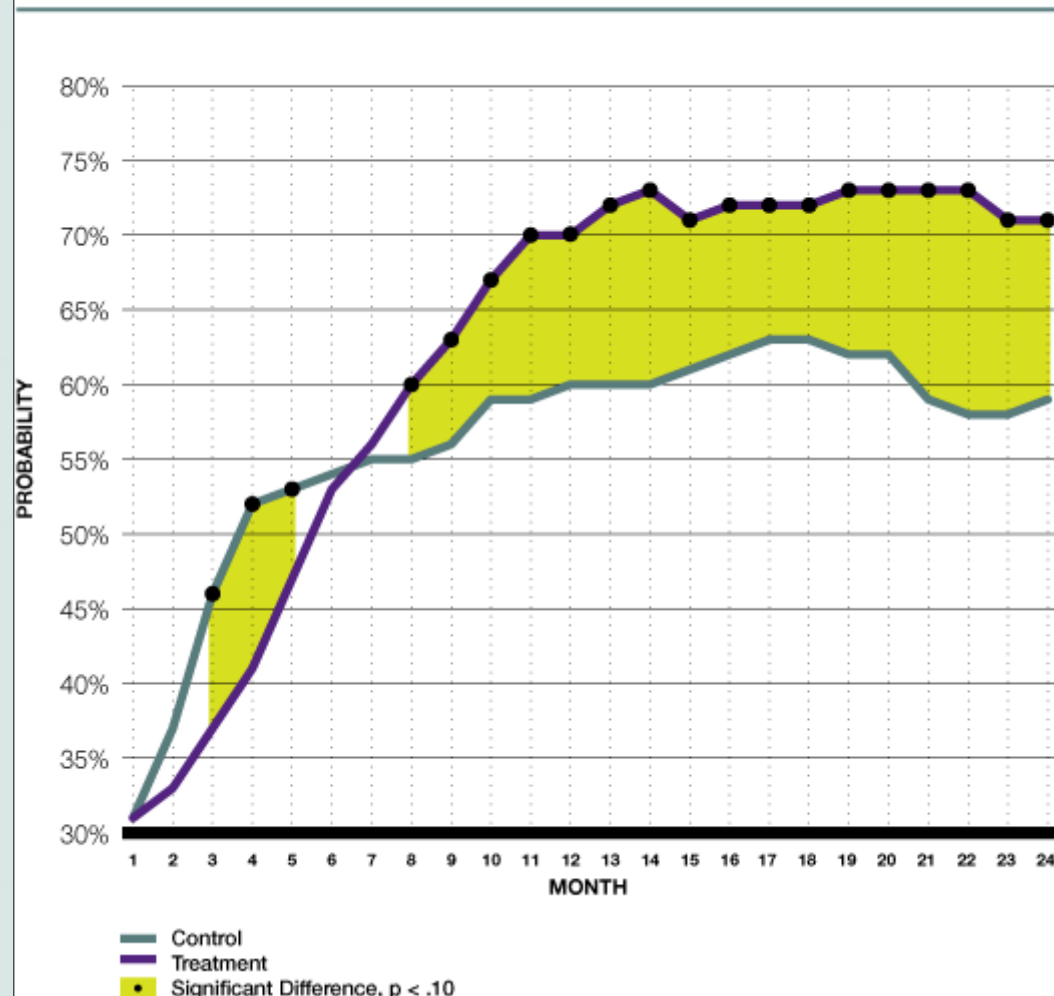


Employment

- ❖ Program participants were more likely to work and worked more consistently than controls.
- ❖ Over the 24-month follow-up period, program participants worked about 1.5 months more than controls.
- ❖ By Year Two, employment rates for program participants averaged about 70%, versus 60% for controls.

Employment

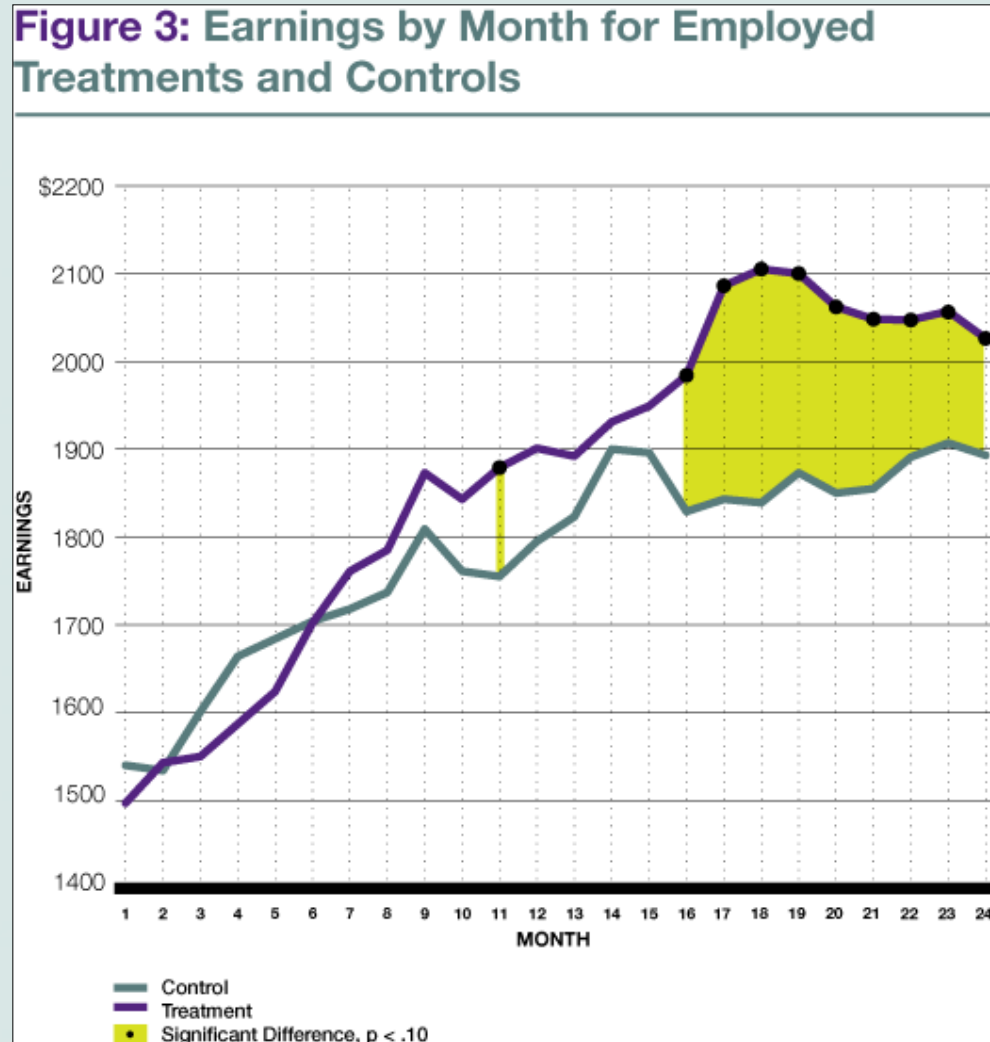
Figure 2: Probability of Employment by Month



Earnings for Those Employed

- ❖ Employment alone does not explain the difference in earnings between treatments and controls.
- ❖ Employed program participants earned about \$3,300 more than employed controls.
- ❖ All of these earnings gains occurred in Year Two.

Earnings for Those Employed

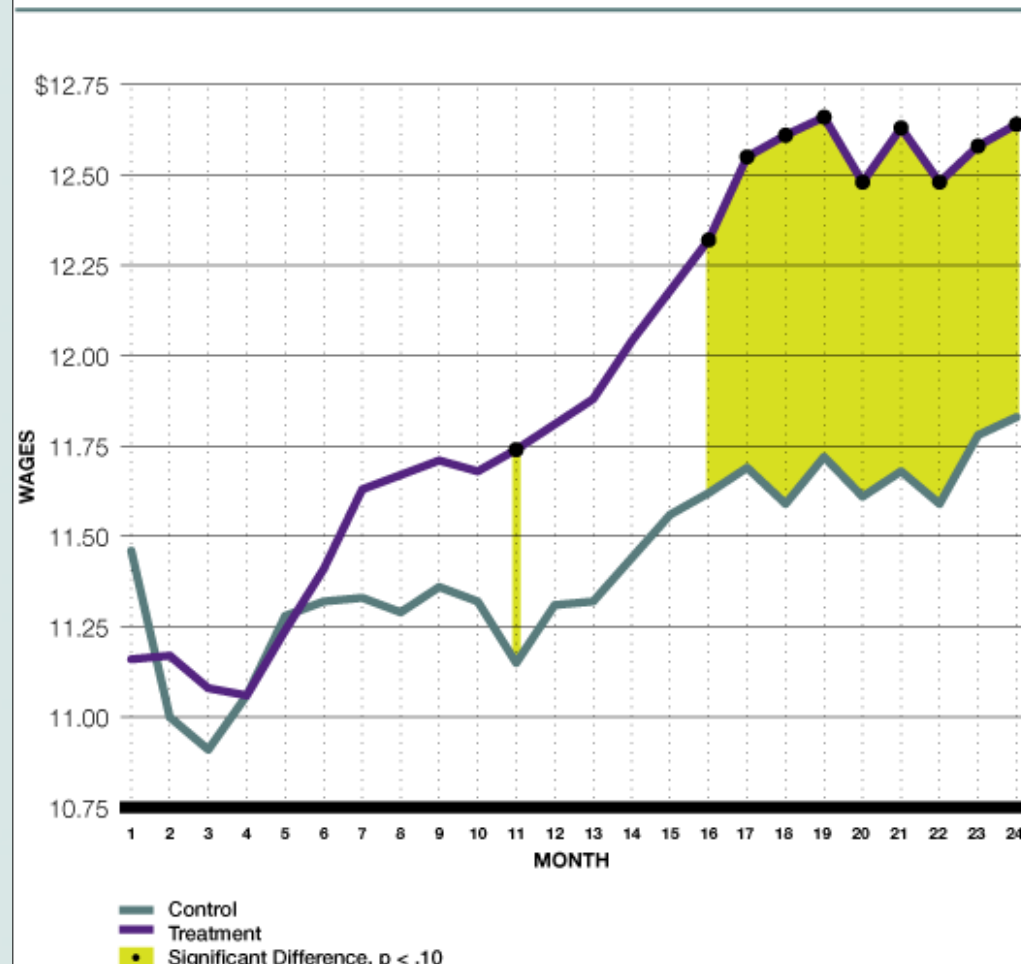


Hours, Wages and Benefits

- ❖ Employed program participants worked about 200 more hours than employed controls during Year Two.
- ❖ Employed program participants earned about 79 cents an hour more than employed controls in their most recent job.
- ❖ Program participants were significantly more likely than controls to work in jobs that offered benefits; participants spent an average of 11 months in these jobs—about 1.5 months longer than controls.

Hours, Wages and Benefits

Figure 4: Hourly Wage in Primary Job by Month for Employed Treatments and Controls



Five Common Elements

- ❖ Sector focus: A continuum of strategies designed to engage an industry or a small set of industries.
- ❖ Concern for candidates' career match: Recruitment, screening and intake processes aimed at making appropriate career matches.
- ❖ Integrated skills training: Technical job-specific training, job-readiness workshops, and support to strengthen basic English and math skills.
- ❖ Individualized services to support training completion and success on the job: Social supports, such as childcare, transportation, housing and financial assistance as well as job-specific assistance.
- ❖ Flexibility to adjust to a changing environment: Close connection to industry allowing for shifts in occupational/industry focus; ability to alter mix of services to respond to changes in partner agencies or available funding.

Concern for candidates career match

- ❖ Requirements of the industry/specific jobs served as criteria for training program entry.
- ❖ All have multi-step processes in place in which individuals and organization decided on appropriateness of career/program match.
- ❖ Generate a large pool of candidates to reach target numbers.

Integrated skills training

❖ **WRTP**

- ❖ A short-term (40-160 hours) technical training brokered through a network of providers (local colleges/technical schools, industry personnel on loan) that included an “essential skills” component focused on operating within the work/industry culture.
- ❖ On average participants spent 1.9 months in training.

❖ **JVS**

- ❖ A 21- to 25-week training program that includes core classes in computer software, specialized training in medical or basic office skills or accounting, internship and job readiness and soft skills training.
- ❖ On average participants spent 4.7 months in training.

❖ **Per Scholas**

- ❖ 15-week, 500-hour computer technician training program with “hands on” instruction and problem-solving and the opportunity to work as part-time interns. Participants eligible to take the A+ exam.
- ❖ On average participants spent 3.3 months in training.

Individualized services to support training completion and success on the job

- ❖ WRTP offered participant supports and remedial education through a **network of public and community-based agencies.**
- ❖ JVS participants accessed instruction in **basic skills or ESL** if needed. Legal matters, childcare needs and transportation difficulties are handled through partnerships with other agencies and organizations.
- ❖ Per Scholas offered services such as **mentoring, counseling, employability workshops and assistance** with work attire. Job placement services were also available to participants through external organizations.

Flexibility to adjust to a changing environment

- *Act at the nexus between “three customers”: job seekers, funding agencies and local employers.*
- *Broker resources together in services that meet the needs of all. Combination of public funding, such as WIA training vouchers, welfare-to-work and workforce attachment and advancement resources and private foundation support.*
- *Have the flexibility to innovate in response to changes in employers’ needs and funding agency requirements.*

Recommendations

1. Invest in job training that is industry-focused or employer-linked.
2. Create flexible guidelines that enable programs to build on local knowledge and experience.
3. Invest in programs that integrate a range of trainings and supports.
4. Streamline funding regulations to support programs that serve people based on common career interests.
5. Measure longer-term outcomes and reward programs that achieve longer-term success for participants.