

Dislocated Worker Ten-year Follow Up

by Karen R. Knox

On a snowy February day in 1996, company officials at Advance Transformer (Advance) in Platteville, Wisconsin, gathered their workforce together for an unexpected announcement. One of Platteville's largest employers would be closing its doors permanently.

"No one saw the plant closing coming at all," recalled one of the dislocated workers about the shutdown. "They assembled us into an aisle and told us the news. And after 15 years of employment at Advance, it was a total shock!"

As they completed their shifts, the employees numbly walked to their cars. Many had labored at the company for decades. A number were married couples. More than a few were looking forward to retirement. Over the next 18 months, all Advance workers were released from the Platteville facility.

Advance employed 620 persons in Platteville, a town of 10,000 located in Grant County. At the time, the county labor force numbered 26,500 out of a total county population of 49,600. Accordingly the closing had significant economic and sociological ramifications.

Fortunately for many of those who were displaced, that was the rough start to a process that would eventually turn out positively for many of the workers. Many would take advantage of benefits including available federal or state

assistance, and return to school to acquire new skills, become more marketable, and once again enjoy gainful employment.

The announced layoff immediately caused 29 different local, state, and federal agencies to take action. They collaborated to develop an Employment Response Team (ERT) with representatives from education, workforce development, job service, chambers of commerce, and economic development. The project was certified under the North America Free Trade Agreement and the dislocated workers

Currently, scenes reminiscent of the Advance plant shutdown are playing out across the Midwest. Workers separated from their jobs experience emotional and financial setbacks, but eventually get on with their lives. Researchers, policy makers, and others are interested in the paths that displaced workers follow. Are there situations similar, better, or worse than previously?

Investigation yielded surprisingly few answers. Scarce research findings prompted the agencies involved in the ERT, which expended considerable

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were eligible for Trade Adjustment and Assistance funds.

Platteville is situated in Grant County at the heart of the Southwest Wisconsin Technical College District. Consequently, Southwest Tech became the lead agency in the training portion of the response. Seventy-two percent of those who sought post-layoff education ultimately came to the college's Fennimore campus.

resources to assist the Advance employees, to initiate the Advance Transformer Study (study), a ten-year follow-up exploring whether or not the response efforts of the ERT had positively affected the quality of life of the company's displaced workers and their families in the years since.

Southwest Tech was a logical choice to spearhead the follow-up study; college staff were already experienced in gathering data from alumni. The study was

patterned after the college's annual graduate follow-up survey, which gathers from recent graduates information on employment status, salary, and the level of satisfaction with the education received.

Southwest Tech partnered with Wisconsin Job Service and the Wisconsin Department of Workforce Development to conduct the study, which was partially funded by the Wisconsin Governor's Council on Workforce Investment.

The study consisted of a mailed survey of 27 multiple-choice questions along with one open-ended reflective question. Respondents were asked, "In your own words, how does your life compare to your life ten years ago?"

Out of 620 surveys mailed to former Platteville Advance employees in February 2006, 567 surveys were delivered, and 305 of those were returned completed for a response rate of 53.8 percent.

Survey respondents fell into three categories. Forty percent (122 workers) reported that they had completed one year or more of post-layoff education, while another 6.6 percent (20 workers) said they had undertaken less than six months of training. The remaining respondents, 53.4 percent (163 workers), had pursued no additional training.

The respondents also were asked a series of questions comparing their current employment to the jobs they left behind at Advance. They had to rate their present employment as better, the same as, or not as good as their jobs at Advance in the areas of wages, benefits, working conditions, hours, commute, advancement opportunity, and job satisfaction.

The study revealed that, almost without exception, the workers who took advantage of the array of educational opportunities improved

their work lives in many critical areas. Those with more training are earning higher wages, receiving better benefits, and have seen increased advancement opportunities than their less-trained colleagues. Looking at their employment history subjectively, respondents with more training also claim a higher level of job satisfaction and express greater overall happiness in their current employment. They not only have moved well beyond where they were when employed at Advance, but also have eclipsed their fellow displaced workers who opted out of more training.

The single open-ended survey question elicited a total of 17 pages of comments from the survey respondents. Reflecting back on their time at Advance, most of the workers thought of their former employment fondly, considering it an excellent workplace with good wages and benefits. Memories of the plant shutdown, however, were expressed as a staggering sense of loss and fear.

"I was devastated," wrote one respondent, while another confessed, "At the time of the announcement I was scared, and couldn't sleep well for many months."

A profile of Advance employees reveals a workforce that was largely semi-skilled (77 percent held a high school diploma) and 74 percent female between the ages of 35 and 44 years. Time at the company averaged more than 11 years.

The average wage in 1995 was \$8.80 and considered very good at the time for rural southwest Wisconsin. Better still, Advance employees received health benefits.

For many displaced Advance workers, working at the Platteville plant represented a then-acceptable career that afforded a modest but comfortable living for the employees and their families.

However, after having taken advantage of the opportunities, particularly education, made possible by the ERT, the level of achievement reached by these workers clearly has been raised. Following comments are from different survey respondents, expressing satisfaction with their post-Advance lives:

"I was upset at the time, but have been very happy with my decision to get an associate's degree. After which, I was hired as a full-time PC technician."

"When the plant closed, it was one of the hardest things in my life; it is all I had ever done since school. But I know now it was one of the best things that could have happened. I have learned so much that I wouldn't have if I stayed there."

"Much improved. Have more control and input in my job. Have reached a level of self-actualization. The decision to close affected me greatly mentally. It was a very difficult time."

"Change is always hard to handle, but thanks to the plant closing, we (I and my spouse) both have better jobs. We had to relocate, but looking back it is the best move we have ever made. Changes happened, but life still moves forward. It seems that as long as you try, it will all work out in the end."

Worker retention in rural southwest Wisconsin is vital to an economy that has struggled with an aging population and declining workforce numbers. In contrast to the highly transient population of the nation as a whole, 92.3 percent of the survey respondents reported still living either at the same address (45.8 percent) they had when they were employed at Advance or within 50 miles (46.5 percent) of their former address.

Only 7.7 percent of the survey respondents reported moving more than 50 miles away from their old residences. More of this group, however, was individuals who

completed one year or more of education. One logical explanation for this finding is that the workers with more training possessed and exhibited greater mobility because their additional education increased the number of career opportunities available to them.

Another interesting finding of the study was that the dislocated workers who had participated in short-term training of six months or fewer actually fared less well than those who took no additional training. Further investigation led to a determination

A significant number of the displaced Advance workers chose not to pursue any additional training. They jumped to new jobs immediately after the pending closure was announced out of fear of being unemployed. They apparently gave little consideration to whether the jobs truly were the best choice among the options that would soon be available to them. Since these individuals voluntarily left Advance prior to the actual layoff, they technically were not displaced because of it and, therefore, became ineligible for training dollars. The greatest unmet need revealed by the study was

In its most recent study in April 2007, the Wisconsin Taxpayers Alliance concluded that each dollar invested in the state's technical colleges yields a 362 percent return.

The Advance plant closure had a significant impact on the economy and people of southwest Wisconsin, but the study reveals some of the benefits of allocating resources toward displaced workers. "In a global economy that has become fiercely competitive, plant closings make headlines, but this study tells the rest of the story," said Roberta Gassman, secretary of the Wisconsin Department of Workforce Development, who believes that the study reinforces the value of dislocated worker services and the importance of education.

"Dislocated worker services do make a difference, and education can open the door to new job opportunities and rewarding careers," she added. "Even limited job training can set workers on career paths to better job opportunities with one or two years of education."

Secretary Gassman noted that the Study underscores the apparent value of job training and education, but she also honored the dislocated workers themselves. "It is a tribute to the workers who persevered, availed themselves of the services...and seized the opportunity to begin anew, creating a better life for themselves and their families."

The results are particularly instructive at a time when federal funds for workforce development have declined dramatically, according to Secretary Gassman. Over the last 20 years, Wisconsin has seen federal funding shrink by 56 percent, with cuts occurring as global competition and the need for worker training increases.

Since the first presentation of the study findings in December 2007, Southwest Tech has shared the information at the Governor's Council on Workforce Investment, the Region V Dislocated Workers Council, the State

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that an individual who used short-term training as an "on ramp" for further training experienced better results than one who only participated in basic education or entry level courses without transitioning into more in-depth training. The impact of "stand-alone," short-term training was limited.

Overall, the education and services provided were well received by the dislocated workers. Those who had once felt abandoned by Advance later were uplifted by a sense of caring received from ERT member agencies that had offered assistance.

Services most used were: education; mileage reimbursement for commuting to school and travel to job interviews; extended unemployment benefits that provided a financial life line, enabling former Advance workers to complete their education; and job search assistance. That assistance consisted of counseling on what type of job a worker should be seeking, locating available jobs, and practicing interviews and resume creation.

health insurance. The layoff left many families without access to any affordable health coverage, and the ERT agencies could offer no safety net. Without that, many of the workers were forced to forego training options in favor of any job that provided insurance benefits.

This deficiency has since been addressed. In the wake of the Advance closure and other similar business contractions, the Wisconsin State Legislature acknowledged the problem and effected legal changes that make health care more readily accessible.

Almost every governmental action exacts a cost to taxpayers, and the activities of the agencies involved in the ERT are no exception. Yet, while education does carry an immediate cost, a more accurate and appropriate way to frame it is as a taxpayer investment. The study did not look to measure the return on investment in training the dislocated workers. However, many other independent studies have been conducted to ascertain the financial impact of technical education on Wisconsin.

Workforce Programs Roundtable, the Wisconsin Technical College System Board, the Wisconsin Economic Development Association, and the Southwest Wisconsin Workforce Development Board.

On a national level, a presentation on the Study was recently delivered at the American Association of Community Colleges' annual convention in Philadelphia, Pennsylvania, and another presentation is scheduled at the National Association of Workforce Development Professionals in Virginia Beach, Virginia. Still other possible destinations for the presentation team include the Heartland Professional Development Symposium, the Workforce Innovations Conference, and the Association of Community College Trustees.

A copy of the Platteville Advance Transformer Dislocated Worker Study is available on the Southwest Tech Web site at www.swtc.edu, or by contacting the college's Office of Institutional Advancement at (800) 362-3322, ext. 2456.

BIOGRAPHY

Karen R. Knox, Ph.D., president of Southwest Tech, has over 30 years of experience in the Wisconsin Technical College System serving in roles from instructor to president. She has had experience with various employment and training programs beginning as a business instructor in the 1970s to her present service on the Southwest Wisconsin Workforce Development Board. Her experience with the technical college graduate follow-up studies sparked her enthusiasm for moving this ten-year Advance Transformer Study forward.