

# Helping Dislocated Auto-Workers: Lessons from Community College Studies

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# Stylized Facts—WA Dislocated Worker Project

- About 10 percent of dislocated workers enroll at WA-CCs.
- About half do not complete a single course.
- About one-quarter do not complete more than one high-return course.
- About one-tenth complete a substantial number of high-return courses.
- Dislocated workers often leave college when their UI benefits are exhausted.

# Questions raised by the stylized facts

- Why do so many workers complete so few high-return courses?
- Why do workers who do well in high-return courses take so few of them?

# Better opportunities come along.

- From independent job search.
- From leads obtained in school.
- From One-Stops and other organizations.

(Less likely in today's environment.)

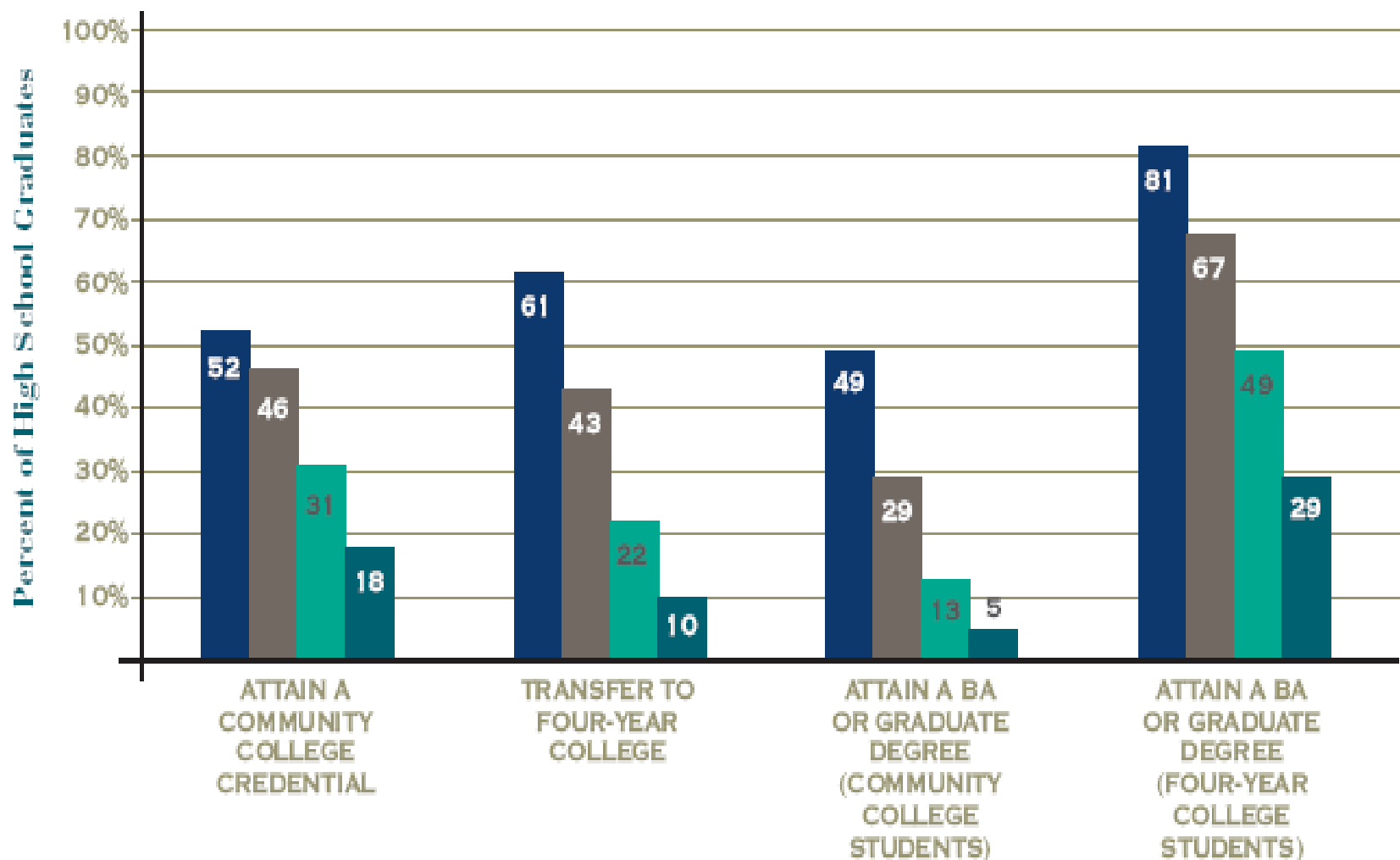
# Workers do not select appropriate courses

- Workers do not have the needed preparation.
- Workers do not remember what it was like to attend school.
- Workers are not aware of the returns to different courses.

## **For workers who do well:**

- Income support is insufficient  
(Less likely in today's environment.)

# Why course selection matters—completion depends on prior education, especially high school GPA



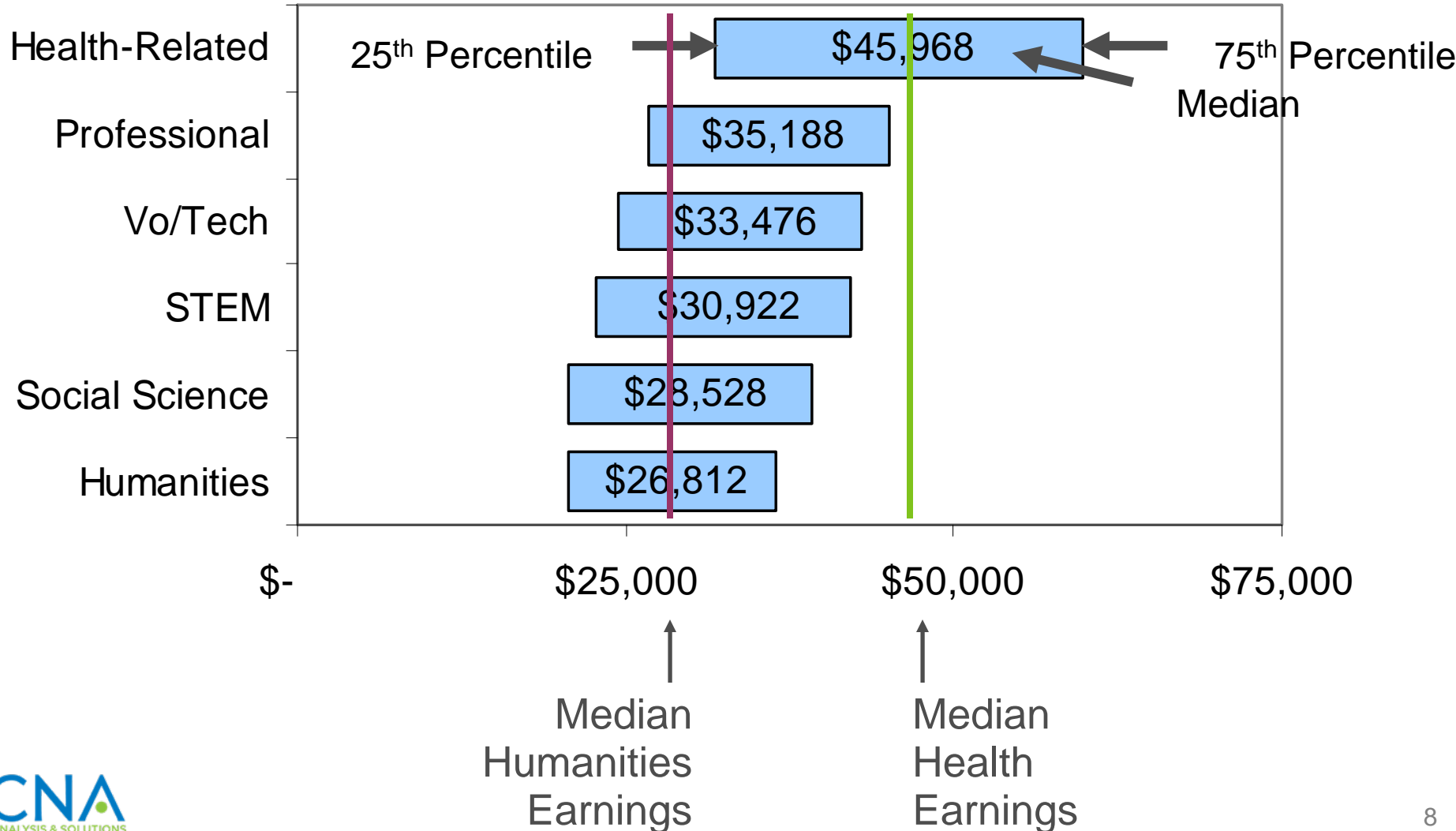
# Why course selection matters—returns vary by field

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- Very high-return: Health Related
- High-return: Professional
  - Accounting, Communications, Financial Services, Law, Management, and Marketing
- Moderate-return: Vo/Tech – Vocational/Technical
  - Building trades – Carpentry, Electrical, Masonry, etc.
  - Cosmetology/Barbering, Machinery/Automotive repair, Paralegal,
- STEM – Science, Technology, Engineering, and Math
- Social Sciences
- Low-return: Humanities

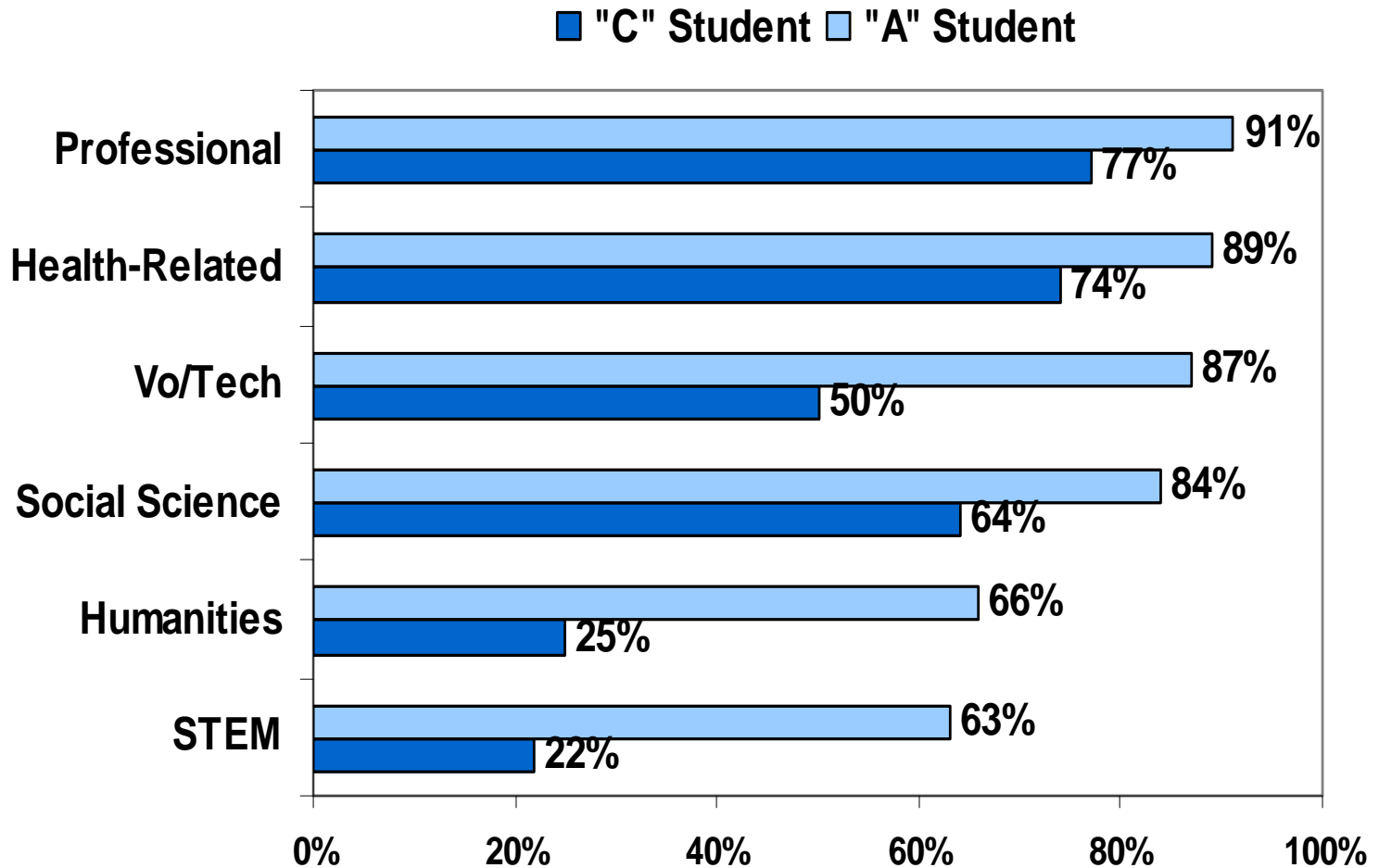
# Certificate and AA field of study strongly affects earnings

Post-College Earnings Certificates & AAs





# Field of Study Affects Credential Attainment - Especially for "C" Students



Likelihood of completing a credential by field for students with 24+ credits

# Why are inappropriate courses selected?

- Workers have poor information—unfamiliar with options.
- Colleges lack resources and incentives:
  - Paid per course, independent of course and program completion.
  - Payment unrelated to cost—high return courses often are costly.
  - Not rewarded for positive outcomes.
  - Cannot afford extensive counseling programs.

# One-Stops can act as honest-brokers

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- But they also lack resources.
- Lack accurate performance measures
  - Don't measure value-added.
  - Create perverse incentives.

As a result outcomes are highly variable.

# Ways to attain better outcomes

Help community colleges become more responsive to workers' needs:

- Relate costs to benefits
- Improve incentives
- Increase resources
  - Reward persistence in high-return fields.
  - Fund assessment and counseling.
  - Fund high-cost high-return courses.
  - Create comprehensive performance measures

# Increase the quality of One-Stop services

- Put more emphasis on assessment and counseling
  - Better describe expected returns to training
  - Better describe characteristics associated with success
  - Use vocational aptitude tests such as the ASVAB
- Improve performance measures and standards to hold One-Stops accountable for helping workers.
- Increase funding for JSA, supportive services, and training.

# Areas for research and analysis

- Measure the value of high quality screening.
- Determine how institutional factors affect the value of screening for workers with different characteristics.
- Determine the response to changing incentives:
  - Changing performance measures and standards
  - Linking funding (cost) to benefits (outcomes).

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# BACK-UP SLIDES

# The database

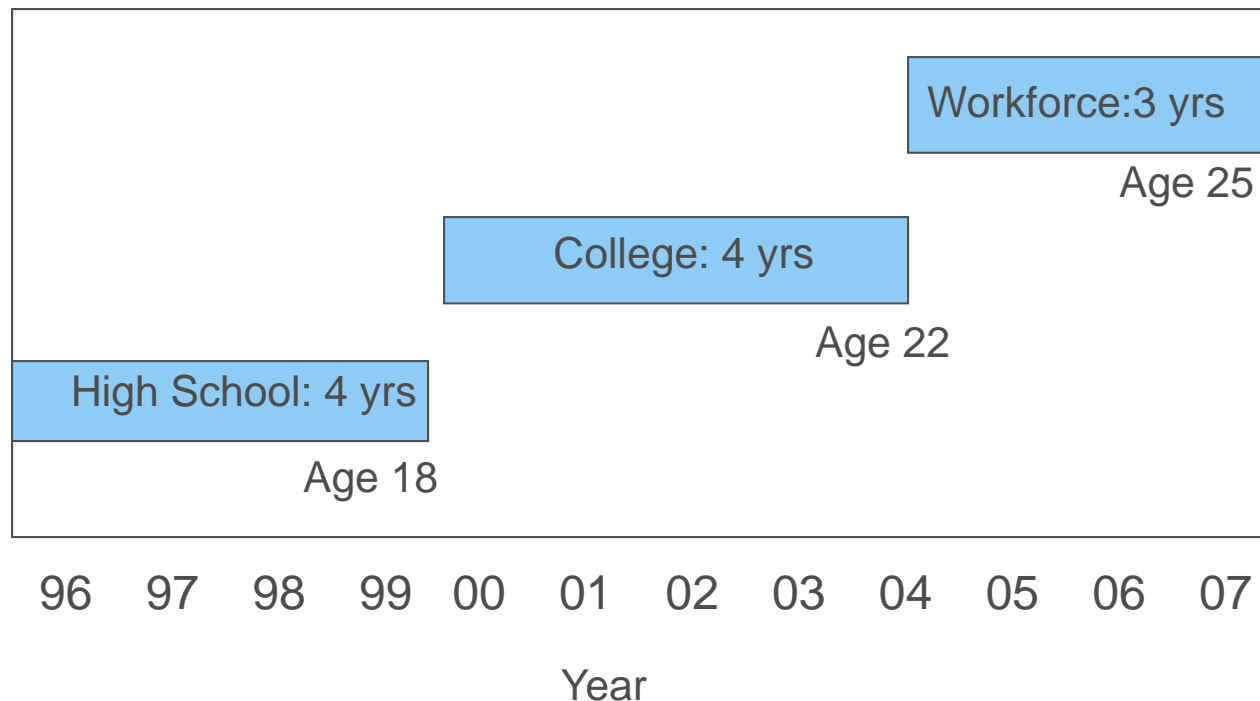
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- Tracks all 225,000 students attending Florida public high schools in 1996 through high school, into college, and into the workforce 1996-07.
- Information:
  - **High school transcripts** —course name, when taken, grade.
  - **Attendance and enrollment** —days present/absent each year
  - **Demographics** —age, race, sex, and low-income (receipt of Free and Reduce Price Lunches (FRLs)).
  - **SAT/ACT test scores.**
  - **College transcripts** —course name, grade, when taken, institution.
  - **College credentials** —receipt of certificates and degrees.  
Certificates are awarded for attainment of career-oriented skills such as IT—programming, health—phlebotomist, trades—plumbing.
  - **Wage records** —quarterly earnings from each employer.



# Timeline for a typical BA student

- Transition to high school—starting 9<sup>th</sup> grade in AY96 (fall 1996)
- Transition to college—fall 2000
- Transition to workforce—spring 2004



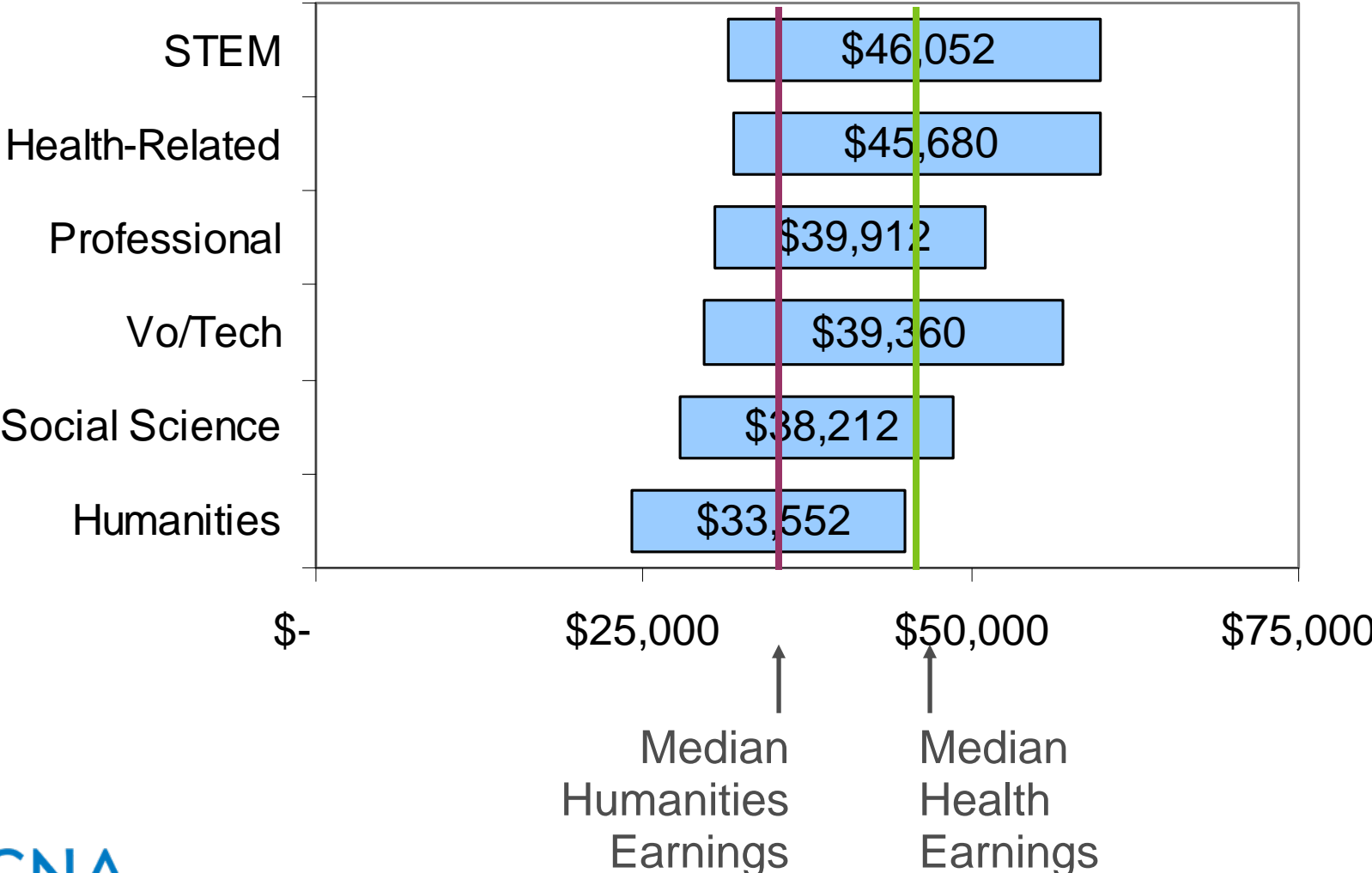
# Factors strongly affect post-schooling earnings

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- Prior work experience – raises earnings
  - Certificate students have more work experience than degree students in college the same amount of time.
- Having a high GPA in high school– raises earnings independent of field and # of college courses completed
  - Students with high GPAs would have higher earnings even without additional schooling
- The number of college course completed– raises earnings by
  - \$500 per course for certificate students,
  - \$0 per course for AAs, and
  - \$200 per course for BA and grad students.

# BA field of study modestly affects earnings

## Post-College Earnings for BAs



# HS Performance Influences Student Outcomes

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	Attend College	Remain 1 year	Receive a credential
HS GPA			
A	79%	70%	49%
B	63%	43%	15%
C or less	39%	19%	4%

# Higher Credentials are Associated with Higher Earnings

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Difference in annual full-time earnings  
relative to next highest credential

Highest Credential	\$ Increase	% Increase
<b>Cert</b> (vs some college)	<b>\$6,190</b>	<b>17%</b>
<b>AA</b>	<b>\$1,762</b>	<b>4%</b>
<b>BA</b>	<b>\$7,450</b>	<b>17%</b>
<b>Grad</b>	<b>\$11,292</b>	<b>22%</b>