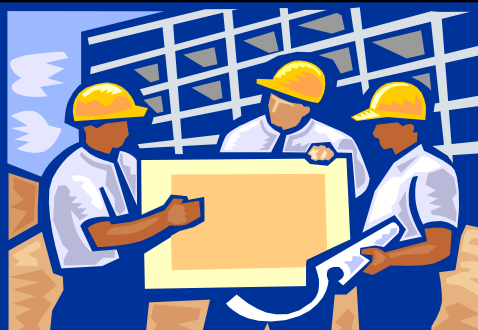


Local Investments in Workforce Development: 2012 Evaluation Update



Prepared by:
Tara C. Smith
Christopher T. King
Daniel G. Schroeder

January 2012

Ray Marshall Center
for the Study of Human Resources
3001 Lake Austin Blvd., Suite 3.200
Austin, TX 78703
Phone: 512-471-7891
www.raymarshallcenter.org

RMC RAY MARSHALL CENTER
for the Study of Human Resources
THE UNIVERSITY OF TEXAS AT AUSTIN
Lyndon B. Johnson School of Public Affairs

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Introduction

BACKGROUND

Since 2006, the Ray Marshall Center for the Study of Human Resources at The University of Texas at Austin has conducted an evaluation of locally-funded workforce development services in Travis County, Texas. Seven local non-profit organizations receive annual funding to provide workforce development services to disadvantaged county residents; these organizations also receive funding from the City of Austin to provide similar services to disadvantaged City residents.¹ Services range from adult basic education to short- and long-term occupational skills training; often participants receive job search assistance, and some organizations provide wrap-around services to support participant success. The seven providers and their programs are described briefly below and more fully in the next chapter.

- ***Austin Academy*** provides training in computer skills and workplace competencies, GED preparation, and job search assistance to disadvantaged County residents. Participants often complete more than one program. A case manager works with each participant to identify and overcome potential barriers to success, such as child care, transportation, housing, or life skills issues. More information is available at: <http://www.austinacademy.org/>
- ***Austin Area Urban League*** provides training in basic office and workplace competency/job readiness skills; basic through advanced computer literacy classes; and GED preparation to disadvantaged County residents. More information is available at: <http://www.aaul.org/>
- ***American YouthWorks*** trains youth (ages 17-24) in jobs programs built around a service-learning model, including Casa Verde Builders and the Environmental Corps. These programs build students' academic and occupational skills through community service projects. More information is available at: <http://www.americanyouthworks.org/>
- ***Construction Gateway*** prepares individuals, primarily ex-offenders, for entry-level work in construction through a five-week, full-time program. Participants work with program staff to develop functional resumes and practice responding to questions about their criminal background during

¹ The first report in the evaluation was funded by the City of Austin.

mock interviews. More information is available at:
<http://www.skillpointalliance.org/>

- **Crime Prevention Institute (CPI)** provided pre- and post-release services, including one-on-one case management, training, and access to community resources, to individuals transitioning back into the community from incarceration in the state jail system's Travis County Unit. CPI closed on September 30, 2011 due to funding and sustainability issues.
- **Capital IDEA** provides long-term training services to lift disadvantaged residents out of poverty and into family-sustaining occupations, predominantly nursing and allied health. Capital IDEA also provides wrap-around support services, case management, and a peer support network. More information is available at: <http://www.capitalidea.org/>
- **Goodwill Industries of Central Texas** assists individuals in overcoming employment barriers, such as physical and mental disabilities, homelessness, and criminal history, and connecting them with job opportunities. More information is available at: <http://www.austingoodwill.org/>

The current evaluation series examines participants from each of the workforce services providers which began a program in calendar year 2007 or 2008.² Their outcomes will be analyzed across several research cycles and were first reported in Smith et al. (2011).

EVALUATION APPROACH

The evaluation documents 2007-2008 participants' labor market outcomes and analyzes the labor market impacts of participation in workforce program services for most programs. The **outcomes evaluation** examines the share of participants in employment covered by the Texas Unemployment Insurance (UI) program; average quarterly earnings of the employed; and participants' eligibility and claims for UI benefits. The analysis includes outcomes at points in time—at two, six, and ten quarters after leaving program services for all programs; at fourteen and eighteen quarters post-service for programs with sufficient outcome data—and over all post-service quarters through March 2011 using Texas UI wage records and claims files.

² Outcomes for participants from 2001-2006 were documented in the first evaluation report series (Smith et al., 2007, 2008, 2010, and 2011).

The *quasi-experimental impact analysis* seeks to gauge the “value-added” from workforce program participation by comparing labor market outcomes for participants with those of a matched comparison group. Comparison group members were drawn from The Workforce Information System of Texas (TWIST) records and include Travis County residents who registered for employment with the state’s *WorkinTexas* program or who received job search services at local Workforce Solutions Career Centers. Quasi-experimental approaches tend to work well when participants for whom comparison groups are created have sufficient prior employment and earnings histories and when data are available on a sufficient number of variables with which to perform the match. Youth and ex-offenders are problematical in this regard precisely because their prior employment and earnings histories are either lacking or difficult to determine with any real confidence. Ex-offenders present an additional problem since offender status is generally lacking for comparison group members. The report presents quasi-experimental impacts only for groups/providers for which adequate matching could be performed. Six of the seven providers are included in this analysis; Crime Prevention Institute is the only program for which an adequately-matched comparison group could not be established. Net effects and adjusted net effects are included in the impact estimates; adjusted net effects (labeled as “impact measure” in the tables) have been modified to account for unmeasured socioeconomic and other differences not already controlled in the matching process. More information on the matching process and the quality of comparison groups is provided in Appendix A.

Two caveats should be noted about the data used for the evaluation. First, incomplete participant records resulted in a number of individuals being dropped from the analysis. Second, labor market outcomes data were obtained from Texas UI wage and claim records, which have known gaps in coverage. Employment in certain industries which rely heavily on self-employed workers or independent contractors, such as construction and trucking, is a recognized gap in the coverage of the UI program (see Stevens, 2007). Researchers therefore acknowledge that employment and earnings outcomes reported here for some programs (e.g., Construction Gateway) likely undercount the actual labor market outcomes of participants relative to their comparison group counterparts.

REPORT ORGANIZATION

This report is organized into four sections including this Introduction. The second section presents outcome and impact findings for participants from 2007 and 2008. The third section details findings on the only long-term training program in the evaluation, Capital IDEA. The final section summarizes findings to date from the evaluation of locally-funded workforce development services, and outlines next steps for the research. Appendix A details the quasi-experimental impact evaluation process.

Evaluation of Participants in Short-Term Workforce Development Programs

This chapter provides a brief introduction to the 2007-2008 cohorts from six providers and their associated workforce training programs. Workforce services offered by these providers are predominantly low-intensity job search and other assistance combined with short-term basic skills training for entry-level occupations and case management services (e.g., Goodwill). These types of programs, as intended, generally have the greatest impact on labor market outcomes in the quarters immediately following participation. The outcomes and impacts evaluation tracks four key measures:

1. Quarterly employment
2. Average quarterly earnings of those employed (i.e., conditional earnings)
3. Qualified for UI benefits (i.e., monetary eligibility based on employment and earnings history)
4. Filed a UI claim

In addition, the impacts analysis also tracks unconditional earnings (i.e., earnings for all individuals regardless of employment) to compare participants and comparison group members over time.

Labor market outcomes at the 2nd, 6th, 10th, and in some cases the 14th quarter after leaving program services are detailed, as well as summarized in the “all quarters after service” average through March 2011. In addition, quasi-experimental impacts are detailed for five programs for which an adequately-matched comparison group could be created (see Appendix A for more detail). This report is based on the most recent UI wage and claim files available; therefore, some numbers may have changed from what was reported in the 2011 evaluation update.

AMERICAN YOUTHWORKS

The current evaluation includes 81 participants from American YouthWorks’ 2007-2008 cohorts. The youth were served by two programs: 33 trained in **Casa Verde**

Builders, and 48 joined the **Environmental Corps** (E-Corps) program. Seventeen participants were in adjudication or had other involvement with the criminal justice system. Thirty-eight AYW participants held a high school diploma at program entry; nineteen earned a diploma after starting at AYW. Program records also document that thirteen participants went on to further education and training after leaving Casa Verde Builders or the E-Corps.

Table 1 provides labor market outcomes for 2007-2008 AYW participants through the 10th quarter post-service (2.5 years after leaving training).³ Twice as many AYW participants were working in the 10th quarter after service as were working in the four quarters prior to starting at AYW. Average quarterly earnings of participants were down in the 10th post-service quarter (to \$3,021) from a high of \$3,651 in the 6th quarter. The share of participants who met the monetary eligibility requirements for UI benefits continued to grow, with 34% qualified based on earnings in all post-service quarters. On average, only one percent of participants had filed a claim for UI benefits in any quarter after leaving AYW.

Table 1. American YouthWorks’ 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2nd Qtr After Service Ends	6th Qtr After Service Ends	10th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	24.7%	14.8%	39.5%	49.4%	50.8%	44.3%
Average Quarterly Earnings	\$1,647	\$2,037	\$2,199	\$3,651	\$3,021	\$3,471
Qualified for UI Benefits	14.8%	.	.	29.6%	31.2%	34.0%
Filed UI Claim	0.3%	0.0%	0.0%	3.7%	1.6%	1.0%

Note: A dot indicates no data to report.

Table 2 presents findings from the impacts analysis comparing the outcomes of the 2007-2008 cohorts of AYW to the outcomes of a matched comparison group. Participation was positively associated with three of the four outcomes of interest: a 13

³ Too few American YouthWorks participants were found in UI records to provide outcomes for the 14th quarter following participation.

percentage point increase in employment, an \$854 advantage in average quarterly earnings for those employed, and a ten percentage point gain in the share qualified for UI benefits.

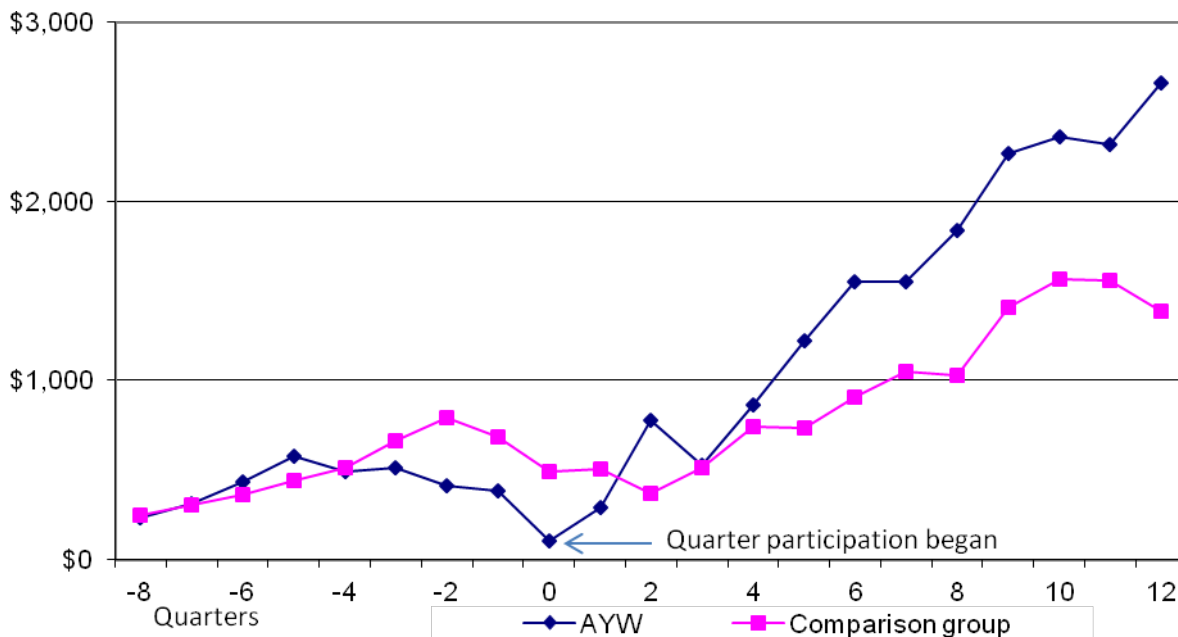
Table 2. Quarterly Impacts, American YouthWorks' 2007-2008 Cohorts

Impact Measure	All Qtrs Post-Service: Comparison Group	All Qtrs Post-Service: AYW Participant	Unadjusted Net Effect	Impact Measure
Quarterly Employment	31.2%	44.3%	13.1%	13.1%**
Average Quarterly Earnings	\$2,712	\$3,471	\$759	\$854**
Qualified for UI Benefits	23.9%	34.0%	10.1%	10.2%**
Filed UI Claim	0.5%	1.0%	0.5%	0.5%

Note: **=significant at p<.01

In Figure 1 below, the impact of participation in American YouthWorks is examined by looking at participants' earnings over time, regardless of employment status (i.e., unconditional earnings), in relation to the comparison group's unconditional earnings. The analysis shows that AYW participants have equaled or out-earned the comparison group in every quarter since the 2nd quarter after starting the AYW program. AYW participants also show a quarterly earnings advantage over the comparison group of more than \$1,000 in the 12th quarter after entering the program.

Figure 1. Unconditional Earnings Over Time, AYW Participants vs. Comparison Group



AUSTIN ACADEMY

The evaluation includes 115 Austin Academy participants, 53 in the 2007 cohort, and 62 in the 2008 cohort. The average age of participants in the cohorts was 32 and 34 years, respectively. The majority (58) participated in two or more of the four programs offered by Austin Academy: **GED preparation, job placement assistance, computer literacy, and workplace competency**.⁴ Eighteen participants were missing program data.

Table 3 provides participant outcome data at several points in time, up to 10 quarters (2.5 years) after completing Austin Academy services, as well as for all quarters through March 2011. Just under half of participants were employed in the 10th quarter post-service, down eight percentage points from the 6th quarter post-service. Earnings were also down in the 10th quarter to an average of \$4,369 for those

⁴ The Workplace Competency and job placement assistance programs have since been combined and reorganized into Austin Academy's current Job Readiness program. More information available at: <http://www.austinacademy.org/services.php>

employed. Almost 44% of Austin Academy participants met UI monetary eligibility requirements in the 10th quarter, while 4.2% filed a claim for UI benefits that quarter.

Table 3. Austin Academy's 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2 nd Qtr After Service Ends	6 th Qtr After Service Ends	10 th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	55.0%	49.6%	60.0%	57.3%	49.3%	55.3%
Average Quarterly Earnings	\$3,705	\$3,766	\$3,733	\$4,611	\$4,369	\$4,349
Qualified for UI Benefits	46.1%	.	.	49.1%	43.7%	48.1%
Filed UI Claim	3.0%	0.9%	4.4%	2.7%	4.2%	2.8%

Note: A dot indicates no data to report.

The results of the impacts analysis are presented in Table 4. Participation in Austin Academy's 2007-2008 cohorts was only significantly associated with impacts for two outcome measures: quarterly employment and average quarterly earnings. Austin Academy participants were almost 5 percentage points *more* likely to be employed in any given post-service quarter than the matched comparison group. However, employed participants earned an average of \$662 *less* per quarter than the comparison group.

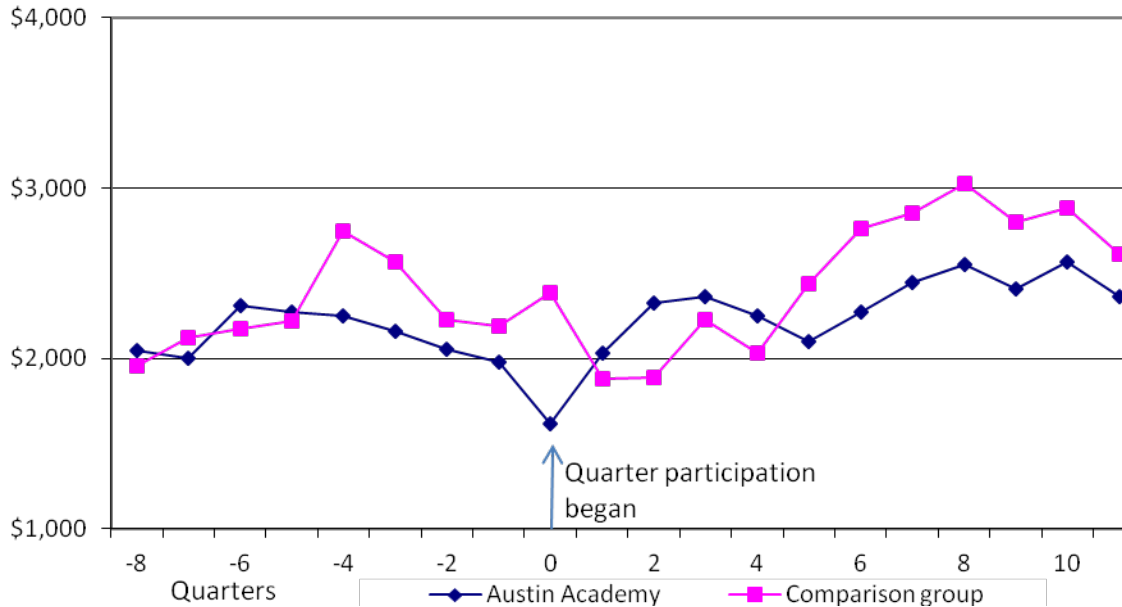
Table 4. Quarterly Impacts, Austin Academy's 2007-2008 Cohorts

Impact measure	All Qtrs Post-Service: Comparison Group	All Qtrs Post-Service: A. Academy Participants	Unadjusted Net Effect	Impact Measure
Quarterly Employment	52.6%	55.3%	2.7%	4.7%*
Average Quarterly Earnings	\$4,848	\$4,349	-\$499	-\$662**
Qualified for UI Benefits	49.6%	48.1%	-1.5%	0.8%
Filed UI Claim	4.0%	2.8%	-1.2%	-1.2%

Note: **=significant at p<.01, *=significant at p<.05

Another way of looking at the impact of Austin Academy participation is to examine participant earnings over time, regardless of employment status, in relation to those of the comparison group (i.e., unconditional earnings). In Figure 2 below, the analysis shows that Austin Academy participants out-performed the comparison group in the four quarters immediately following the quarter they started the program. Since the 5th post-service quarter, however, the comparison group has exhibited stronger earnings. This result is consistent with expectations given the short-term nature of the training.

Figure 2. Unconditional Earnings Over Time, Austin Academy vs. Comparison Group



AUSTIN AREA URBAN LEAGUE

The current evaluation includes 516 Austin Area Urban League (AAUL) participants through its contracts with Travis County and the City of Austin, 242 in 2007 and 274 in 2008. The majority of participants enrolled in either **GED Preparation** (44%) or **Essential Office Skills** training (48%), with the remainder in **Evening Computer Training**.

Table 5 presents labor market outcomes for AAUL participants at the 10th and 14th quarter post-service (2.5 and 3.5 years later), and across all post-service quarters through the first quarter of 2011. Positively, the share of participants filing a claim for

UI benefits was slightly lower in the 14th post-service quarter (at 1.4%) than in the 10th quarter (when it was at 1.7%). Quarterly employment, which peaked in the 2nd post-service quarter at 55%, stood at approximately 41% in the 14th quarter. The average quarterly earnings of those employed reached a post-service high in the 6th quarter of \$4,504; across all post-service quarters the average was \$4,226. Finally, the share of AAUL participants who met the monetary eligibility qualifications for UI benefits was greatest in the 6th post-service quarter (45.4%).

Table 5. AAUL's 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2 nd Qtr After Service Ends	6 th Qtr After Service Ends	10 th Qtr After Service Ends	14 th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	52.8%	52.5%	55.0%	48.1%	45.8%	40.8%	48.6%
Average Quarterly Earnings	\$3,582	\$2,927	\$3,847	\$4,504	\$4,486	\$4,415	\$4,226
Qualified for UI Benefits	39.0%	.	.	45.4%	41.6%	40.8%	42.5%
Filed UI Claim	2.3%	3.9%	2.7%	3.9%	1.7%	1.4%	2.5%

Note: A dot indicates no data to report.

Table 6. Quarterly Impacts, AAUL's 2007 Cohort

Impact measure	All Qtrs Post-Service: Comparison Group	All Qtrs Post-Service: AAUL Participants	Unadjusted Net Effect	Impact Measure
Quarterly Employment	53.1%	49.5%	-3.6%	-1.7%
Average Quarterly Earnings	\$4,649	\$4,381	-\$268	-\$667**
Qualified for UI Benefits	47.9%	42.6%	-5.3%	-3.5%**
Filed UI Claim	3.9%	2.3%	-1.6%	-1.5%**

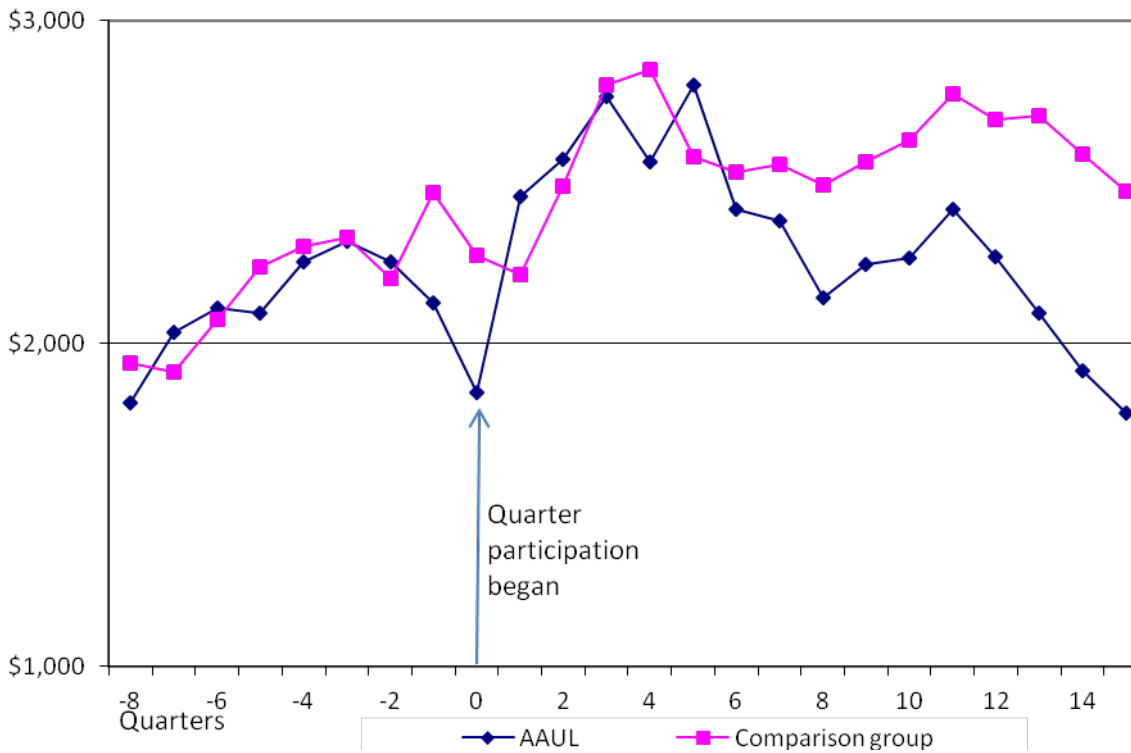
Note: **=significant at p<.01

Table 6 above presents the results of the impacts analysis comparing the outcomes of the 2007 AAUL participants to the outcomes of a matched comparison

group. Across all post-service quarters, AAUL participants filed a claim for UI benefits at a significantly lower rate (1.5 percentage points) than the comparison group. Two other measures showed a statistically significant difference between the outcomes of AAUL participants and the comparison group: fewer participants qualified for UI benefits (3.5 percentage points), and the quarterly earnings of employed participants averaged \$667 less.

Figure 3 provides a chart of earnings over time for the participant and comparison groups. These earnings are averaged across all individuals, whether employed or not, i.e. unconditional earnings. In three of the first five post-service quarters AAUL 2007 participants had higher average earnings than the comparison group. Since the sixth post-service quarter, AAUL participants have had lower average earnings than comparison group members. As with many of the other programs, these results are not un-expected.

Figure 3. Earnings Over Time, AAUL vs. Comparison Group



CONSTRUCTION GATEWAY

The current evaluation is following 184 Construction Gateway participants, 91 from 2007 and 93 from 2008. The majority (147) are ex-offenders with an average age of 37. It is important to note that the source of data for the outcomes evaluation, UI wage records, does not fully capture construction employment as a large number of jobs in the industry are filled by self-employed workers and independent contractors, who are not covered by UI. Therefore, the outcomes presented in Table 7 likely underestimate actual employment and earnings for Construction Gateway participants.

The average quarterly earnings of employed Construction Gateway participants have grown in the post-service period, rising to \$4,847 in the 14th quarter. The share of participants who were employed in a UI-covered position, however, dropped to 30% in the 14th quarter, but averaged 42.3% across all post-service quarters. An average 2.3% of Construction Gateway participants filed a claim for UI benefits in the post-service period.

Table 7. Construction Gateway’s 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2 nd Qtr After Service Ends	6 th Qtr After Service Ends	10 th Qtr After Service Ends	14 th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	23.1%	49.5%	56.5%	42.4%	33.7%	30.0%	42.3%
Average Quarterly Earnings	\$2,978	\$1,407	\$3,512	\$3,892	\$4,683	\$4,847	\$4,015
Qualified for UI Benefits	17.8%	.	.	45.7%	33.1%	22.9%	35.5%
Filed UI Claim	1.1%	1.1%	0.0%	4.9%	0.0%	1.4%	2.3%

Note: A dot indicates no data to report.

Quarterly impacts for Construction Gateway’s 2007 participants are detailed in Table 8. The analysis identified two outcomes with significant differences between participants and the comparison group: quarterly employment and qualified for UI benefits based on monetary eligibility criteria were both significantly lower for participants than the comparison group. Given the issues noted above concerning the lack of UI-covered employment in the construction industry, these differences are expected.

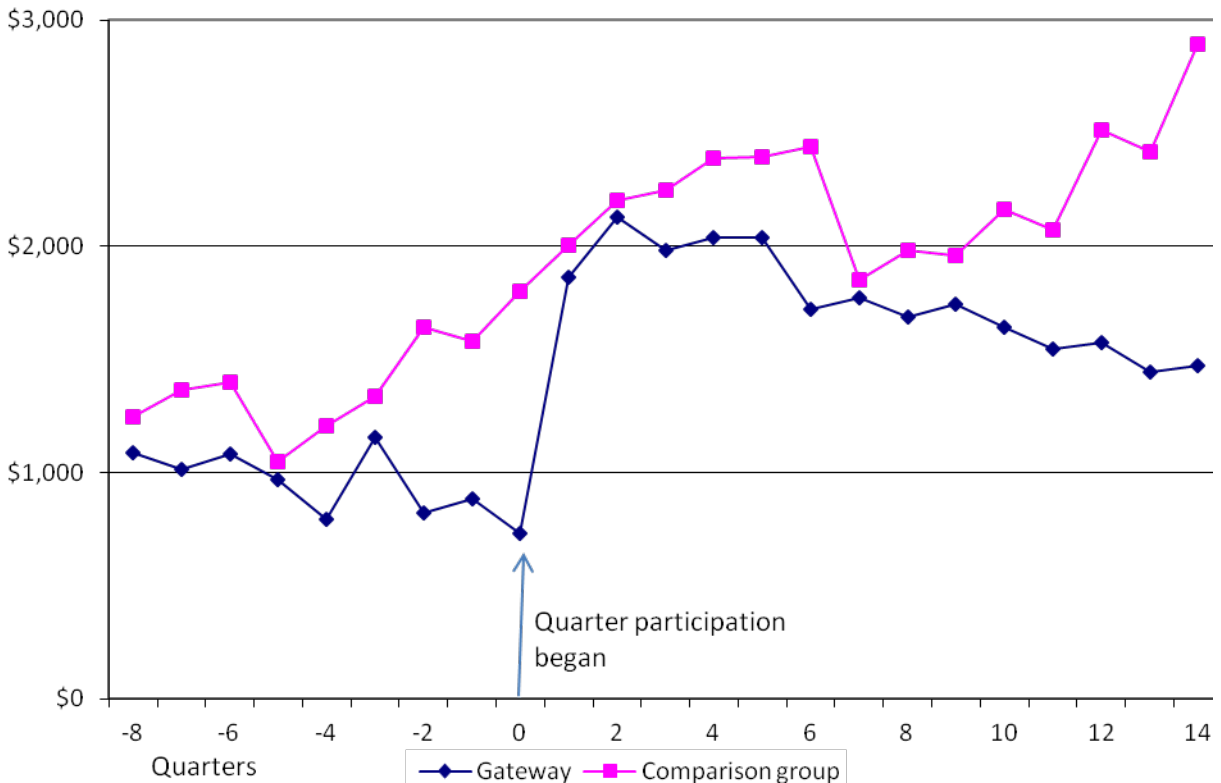
Table 8. Quarterly Impacts, Construction Gateway's 2007 Cohort

Impact measure	All Qtrs Post-Service: Comparison Group	All Qtrs Post-Service: Gateway Participants	Unadjusted Net Effect	Impact Measure
Quarterly Employment	48.6%	41.0%	-7.6%	-5.8%**
Average Quarterly Earnings	\$4,429	\$4,204	-\$225	-\$265
Qualified for UI Benefits	43.9%	34.1%	-9.7%	-8.9%**
Filed UI Claim	2.96%	2.73%	-0.23%	0.23%

Note: **=significant at $p < .01$

The analysis also compared unconditional earnings over time for Construction Gateway participants and the comparison group, whether or not an individual was employed in a particular quarter (Figure 4). The earnings of participants in UI-covered employment were consistently lower than the comparison group's earnings pre- and post-service.

Figure 4. Unconditional Earnings Over Time, Construction Gateway vs. Comparison Group



CRIME PREVENTION INSTITUTE

Crime Prevention Institute (CPI) closed on September 30, 2011 due to funding and sustainability issues. Therefore, this is the last report on CPI participant outcomes. CPI served 218 participants transitioning out of the state jail system’s Travis County Unit, 98 in 2007 and 120 in 2008. Almost sixty percent of participants had a high school diploma or GED; an additional ten percent had some college experience. The average age of the participants served by CPI was 41, with a range of 22 to 61 years.

Table 9 provides the labor market outcomes for CPI participants. The largest share of CPI participants employed occurred in the last quarter of program participation. Across all post-service quarters the share of employed participants exceeded the share employed in the year prior to receiving CPI services by six percentage points. Fewer participants were employed in the 10th quarter after service, however, than in any of the four quarters prior to program entry. The share of participants qualified for UI benefits based on monetary eligibility averaged approximately 3 percentage points lower in the post-service period than in the pre-service period. Quarterly earnings for employed participants peaked in the 6th post-service quarter at an average \$4,003, dropping to \$3,263 in the 10th quarter. Two percent of participants filed a claim for UI benefits in the 10th quarter after CPI services ended.

Table 9. Crime Prevention Institute’s 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2nd Qtr After Service Ends	6th Qtr After Service Ends	10th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	18.2%	37.8%	33.2%	21.4%	16.3%	24.2%
Average Quarterly Earnings	\$1,797	\$2,459	\$3,384	\$4,003	\$3,263	\$3,309
Qualified for UI Benefits	20.7%	.	.	22.9%	18.4%	17.5%
Filed UI Claim	0.2%	0.0%	0.5%	1.4%	2.0%	1.3%

Note: A dot indicates no data to report.

No adequate comparison group could be established for Crime Prevention Institute’s 2007-2008 cohorts. Therefore, the organization is not included in the impacts analysis.

GOODWILL

There were 451 participants in the 2007-2008 cohorts of Goodwill’s **Ready-to-Work** program, 171 and 280 participants respectively. Approximately two-thirds of participants had a criminal background. The Ready-to-Work program also serves homeless individuals and disadvantaged residents living in southeast Travis County.

Goodwill participants’ labor market outcomes are detailed in Table 10. While employment was down in the 10th quarter post-service to 43.7%, the quarterly earnings of those employed averaged \$6,322. The share of Goodwill participants who met the monetary eligibility qualifications for UI benefits reached 51% in the 6th quarter after service ended. In that same quarter, 5.7% of participants filed a claim for UI benefits.

Table 10. Goodwill’s 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2nd Qtr After Service Ends	6th Qtr After Service Ends	10th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	49.5%	65.3%	54.8%	45.1%	43.7%	48.4%
Average Quarterly Earnings	\$3,724	\$3,916	\$4,590	\$5,015	\$6,322	\$4,980
Qualified for UI Benefits	40.6%	.	.	51.1%	45.7%	44.9%
Filed UI Claim	2.9%	3.4%	3.2%	5.7%	2.0%	4.1%

Note: A dot indicates no data to report.

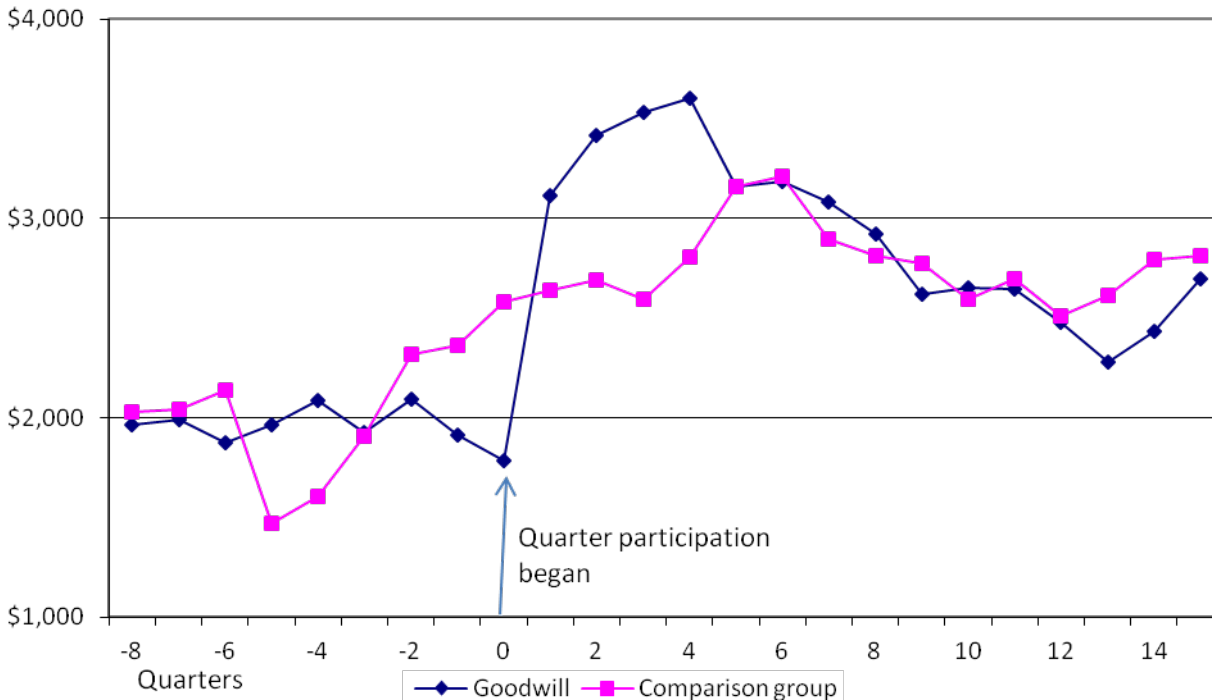
Table 11 presents the results of the impacts analysis. Only the 2007 Goodwill cohort is included since a matched comparison group could not be established for the 2008 cohort. No significant differences were found between Goodwill’s 2007 participants and its matched comparison group.

Table 11. Quarterly Impacts, Goodwill's 2007 Cohort

Impact measure	All Qtrs Post-Service: Comparison Group	All Qtrs Post-Service: Goodwill Participants	Unadjusted Net Effect	Impact Measure
Quarterly Employment	54.8%	54.6%	-0.2%	0.4%
Average Quarterly Earnings	\$5,142	\$5,131	-\$11	\$91
Qualified for UI Benefits	51.5%	50.0%	-1.5%	-0.7%
Filed UI Claim	3.7%	4.2%	0.5%	0.5%

Figure 5 presents the unconditional earnings over time for the Goodwill participants and the comparison group. Earnings are averaged across all individuals, whether employed or not. In the first four quarters following the start of the Goodwill program, participants' out-earned the comparison group; since that time the earnings of the two groups have been very similar.

Figure 5. Unconditional Earnings Over Time, Goodwill vs. Comparison Group



Outcomes and Impacts From Investments in Long-Term Training, 2003-2008

CAPITAL IDEA

Capital IDEA has the distinction of being the only Travis County-funded workforce services provider offering long-term training for high-skill, high-wage occupations. Through its **College Prep Academy, occupational training programs, and weekly peer support sessions** with a career counselor, individuals are often involved with Capital IDEA over the course of several years. Support services available to participants include child care and transportation assistance.

Training programs (up to an associate's degree) are regularly reviewed by Capital IDEA to verify demand in the labor market. Current programs open to County residents include **nursing and allied health professions** (e.g., dental hygienist, medical lab technician, occupational/physical therapy assistant, surgical technician, emergency medical technician); **technology careers** (e.g., automotive technician, computer aided design, video game development, network/system administrator); and **professional trades** (e.g., electrician, lineman, plumber, power utilities technician, HVAC repair).

This section presents outcomes for 879 participants who started and either completed or dropped out of the Capital IDEA program between 2003 and 2008.⁵ Employment and earnings outcomes are reported through March 2011. Impact estimates are provided for the 2003-2008 cohorts, using the same comparison group matching process described earlier and further detailed in Appendix A.

Outcomes

Capital IDEA participants show strong employment, earnings, and UI benefit outcomes through 18 quarters (4.5 years) post-service (Table 12). In that quarter, earnings for employed participants rose to an average \$8,017. The share employed and the share qualified for UI benefits based on monetary eligibility standards were both

⁵ Prior evaluation reports followed 321 participants who either completed or dropped out of the program between 2003 and 2005 (Smith et al., 2007, 2008, and 2010).

above 70% across all post-service quarters. Approximately 3.3% of Capital IDEA participants filed a claim for UI benefits in the 18th quarter after leaving the program.

Table 12. Capital IDEA's 2003-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2nd Qtr After Service Ends	6th Qtr After Service Ends	10th Qtr After Service Ends	14th Qtr After Service Ends	18th Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	67.4%	76.8%	76.2%	74.4%	72.3%	74.4%	74.0%	74.3%
Average Quarterly Earnings	\$4,345	\$5,605	\$6,425	\$6,716	\$7,208	\$7,370	\$8,017	\$7,104
Qualified for UI Benefits	61.1%	.	.	75.6%	71.6%	71.6%	72.8%	72.6%
Filed UI Claim	3.5%	1.7%	1.9%	2.3%	2.3%	2.3%	3.3%	2.4%

Note: A dot indicates no data to report.

Impacts

The impact analysis of participation in Capital IDEA's 2003-2008 cohorts is detailed in Table 13. In relation to the matched comparison group, Capital IDEA participants experienced significant gains in three measures: quarterly employment, average quarterly earnings of those employed, and qualifying for UI benefits based on monetary eligibility standards. Capital IDEA participants had a 12.3 percentage point advantage in the share employed as well as the share qualified for UI benefits based on monetary eligibility standards. Participants also earned an average \$759 *more* in each post-service quarter than the comparison group.

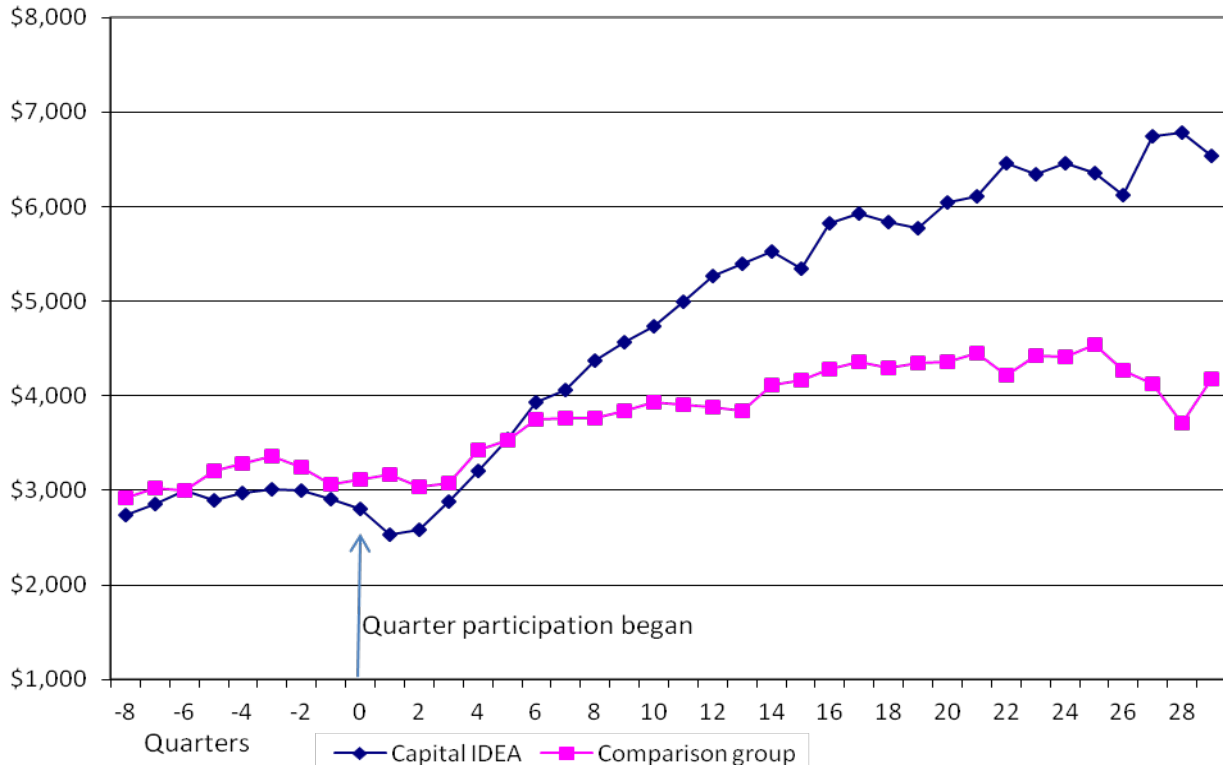
Table 13. Quarterly Impacts, Capital IDEA Participation (2003-2008)

Impact measure	All Qtrs Post-Service: Comparison Group	All Qtrs Post-Service: C. IDEA Participants	Unadjusted Net Effect	Impact Measure
Quarterly Employment	62.5%	74.3%	11.8%	12.3%**
Average Quarterly Earnings	\$6,395	\$7,104	\$708	\$759**
Qualified for UI Benefits	60.6%	72.6%	12.0%	12.3%**
Filed UI Claim	2.7%	2.4%	-0.4%	-0.4%

Note: **=significant at $p < .01$

Figure 6 presents a more complete picture of how Capital IDEA participants performed in terms of earnings over time in relation to the comparison group. These earnings are averaged across all individuals regardless of employment (i.e., unconditional earnings). In the first five quarters following their entry into Capital IDEA, a time period when many were still engaged in education and training, participants' earnings lagged behind the earnings of the comparison group. Capital IDEA participants overtook the comparison group's earnings in the 6th post-service quarter, and since that time (more than seven years post-service) participant's earnings have grown while the comparison group's earnings have remained relatively flat.

Figure 6. Capital IDEA Versus Comparison Group Unconditional Earnings Over Time



Summary and Next Steps

Workforce development programs funded by Travis County's Health and Human Services Department between 2007 and 2008 appear to have made a positive difference in the labor market outcomes of participants across most programs it has invested in. These individuals left a workforce training program and entered the job market during the most recent economic recession. Employment and earnings outcomes are greatest in the immediate post-service quarters (especially at the 2nd and 6th quarters) for programs with short-term interventions. In some short-term programs, participants who remain employed exhibit longer-term earnings growth as well.

The impacts analysis of the short-term programs identified mixed results. American YouthWorks participation had a strong, positive impact on three measures: quarterly employment, average quarterly earnings, and meeting UI monetary eligibility qualifications. It is the only short-term program to have a positive impact on average quarterly earnings of those employed. Austin Academy and AAUL participation was significantly associated with lower average quarterly earnings, though each program did have a positive impact on at least one measure. Austin Academy participation was associated with higher quarterly employment, while AAUL participation was associated with lower filing rates for UI benefits.

Capital IDEA, the only long-term occupational training program supported by the County, had a positive, statistically significant impact on average quarterly earnings of those employed. Participants earned on average \$759 more per quarter than the comparison group over the entire period measured. Participation in Capital IDEA also was strongly associated with increased employment and eligibility for UI benefits in the event of a job loss. These results, especially in light of the more modest impacts for short-term interventions, suggest that longer-term investments in skills training yield large, lasting returns in the labor market even seven years after services have ended.

NEXT STEPS

The *Local Investments in Workforce Development Evaluation* will next report on 2007-2008 participant labor market outcomes at the 14th and 18th quarter post-service for all programs. The evaluation will also continue to follow all of Capital IDEA's 2003-2008 cohorts—including additional participants who complete their training during the intervening time period—to better understand the long-term impacts of investments in intensive occupational training programs. In addition, new cohorts (2009 and 2010 participants) may be added for some programs.

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Appendix A. Quasi-Experimental Impacts Analysis

In an attempt to measure the impacts of locally-funded workforce services, researchers conducted a quasi-experimental analysis comparing labor market outcomes for workforce participants with those of a comparison group of similar non-participants. Quasi-experimental analysis has been shown to produce impact estimates comparable to those resulting from more rigorous and costly approaches involving the use of experimental designs that randomly assign individuals to treatment and control status.⁶ In fact, for some groups, quasi-experimental estimates tend to understate employment and earnings impacts from workforce services. For these reasons, results presented in this report should be considered conservative estimates of the true impacts.

Quasi-experimental approaches tend to work well when participants for whom comparison groups are being created have sufficient prior employment and earnings histories and when data are available on a sufficient number of variables with which to perform the requisite match. Youth and ex-offenders are problematical in this regard precisely because their prior employment and earnings histories are either lacking or difficult to determine. Quasi-experimental impacts are presented only for those groups/providers for which adequate matching could be performed.

Potential comparison group members were drawn from two sources: individuals who either registered to look for employment using the state's WorkinTexas program or who received "core" services under the Workforce Investment Act (such as job-matching or resume development). Thus, the comparison group selected as described below is not a "no-services," but rather a "low-intensity services" group. The resulting impact estimates thus reflect the incremental value of the community's investments in workforce services. For providers that are primarily providing job search assistance and short-term training services (e.g., Austin Academy, Austin Area Urban League, Construction Gateway, Goodwill), impact estimates are likely to be biased downward even more so than expected, in that comparison group members may have received similar services. For providers like Capital IDEA that are providing

⁶ For example, see Greenberg et al. (2006); Hollenbeck and Huang (2006); and Card et al. (2009).

longer-term, intensive skill investments, the estimated impacts will be conservative estimates of the incremental value of local workforce investments over and above low-intensity services already available through WorkinTexas or WIA “core” services provided through Workforce Solutions Career Centers.

Workforce services participants were matched on a one-to-one basis with potential comparison group members using a method known as weighted multivariate matching. This technique places greater weights on those variables showing greater initial (pre-service) differences. Matching was done by selecting for each participant the one comparison group member judged most similar. Matching was done without replacement, with no caliper applied to eliminate poor matches, since doing so would have reduced the generalizability of the results.

Researchers were able to access matching variables for most participants in locally-funded workforce services. Exact matches carried out included: county of residence; year of entry into the program; and whether or not individuals had recently experienced an earnings dip of 20% or more. Distance matches were also carried out on up to 16 variables by treating them as numeric and including them in the overall multivariate distance measurement. These variables included: age (for those participants with a recorded birth date); gender; race/ethnicity (White, Black, Hispanic); time since first earnings; employed at entry; percent of time employed over four (4) years prior to program entry; average quarterly earnings over four (4) years prior to program entry; percent of time in any workforce development service in the year immediately prior to program entry (matched according to service intensity: high for training programs, and low for job placement services); any prior participation in Project RIO; any UI claims filed in the year prior to program entry; any UI benefits received in the year prior to program entry; and whether the individual’s earnings history qualified for UI if he/she were to lose a job. For those experiencing a recent earnings dip, the time since the earnings dip and the percent of earnings represented by the dip were also included in the matching process.

The adequacy of each comparison group for the quasi-experimental impacts analysis was judged by performing t-tests. These tests compared treatment and comparison groups on the same 19 dimensions. If the groups were statistically

different at $p < .01$ on more than two dimensions, the comparison was considered inadequate. Table A-1 provides the results of these tests.

Table A-1. Summary of Differences between Treatment and Selected Comparison Groups, by Provider

	Austin Area Urban League 2007	American Youth Works 2007-2008	Austin Academy 2007-2008	Capital IDEA 2003-2008	Crime Prevention Institute 2007-2008	Construction Gateway 2007	Goodwill 2007
Age		**			**		-
Average earnings, 4 years prior					**		
Percent of earnings that earnings dip represents							
Employed at entry					**		
White	-	-	-	-	-	-	-
Black	-	-	-	-	-	-	-
Hispanic	-	-	-	-	-	-	-
Gender, female	-	-	-	-	-	-	
Eligible for UI based on work history					**		
Percent of time employed, 4 years prior					**		
Time since first observed earnings, quarters					**		
Time since earnings dip, quarters							
Any UI benefits in prior year		-			-		
Any UI claims in prior year							
Any prior participation in Project RIO		-			**		
Any high-intensity workforce development in prior year							
Percent of time in high-intensity workforce development in prior year							
Any low-intensity workforce development in prior year		-					
Percent of time in low-intensity workforce development in prior year		-					
Pass or fail test for adequacy of comparison group	PASS	PASS	PASS	PASS	FAIL	PASS	PASS

Note: **=significantly different at $p < .01$, - =test could not be computed