



Research Shows the Effectiveness of Workforce Programs

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A Fresh Look at the Evidence
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Federal investments in workforce development help low-income adults and youth find jobs, improve their earnings and contribute to their communities. Although the results of an experimental evaluation of the Workforce Investment Act (WIA) are not yet available, several rigorous, quasi-experimental evaluations conducted since 2000 have demonstrated the value of training and workforce services, especially for disadvantaged individuals.

- A 2005 study found that Workforce Investment Act (WIA) services in seven states generate employment and earnings gains for adults and dislocated workers. Individuals receiving WIA services are more likely to be employed (by about 10 percentage points) and to have higher earnings (by about \$800 per quarter in 2000 dollars) than those who have not received services. In addition, participants in WIA programs are less likely than non-participants to receive public assistance. The authors conclude that “WIA services, including training, are effective interventions for adults and dislocated workers, when measured in terms of net impacts on employment, earnings, and receipt of public assistance for participants.”¹
- A 2008 report found positive outcomes for WIA Adult participants in 12 states, concluding that there are “large and immediate impacts on earnings and employment for individuals who participate in the WIA Adult program... Those who obtained training services have lower initial returns, but they catch up to others within ten quarters, ultimately registering total gains of \$800 for females and \$500 to 600 for males.” Despite substantial variation in program structure and implementation across the 12 states, “overall net impacts were estimated to be positive in almost all states.”²
- A 2008 evaluation of the Youth Opportunity Grant program found positive results, noting increased educational attainment, Pell Grant receipt, labor market participation, and employment rates and earnings for more than 90,000 program participants. The study found that the program increased overall labor-force participation rates, specifically for teens ages 16 to 19, women, native-born residents, blacks, and in-school youth. It also increased employment rates among blacks, teens, out-of-school youth, and native-born youths, and it positively impacted the hourly wages of women and teens.³
- A 2011 evaluation of Washington State workforce programs—one of only a few net impact evaluations conducted by a state—revealed that WIA services boost employment and earnings for adults, dislocated workers and youth. Adults and youth receiving WIA services have higher employment rates and higher earnings than non-participants three quarters following participation. Dislocated workers receiving WIA services are more likely to be employed than non-participants three quarters following participation.⁴

The national studies tend to average out results from a wide range of local approaches and consequently mask the success of promising workforce strategies that are increasingly being used in the field and are gaining wider recognition by the policy community.⁵ Some of the most promising advances are the use of sector-focused workforce strategies to meet the needs of employers and low-income, low-skilled individuals and integrated education and training strategies that blend basic skills instruction with occupational skills preparation.

- An experimental study of three sector-focused training programs found positive impacts for low-income, disadvantaged workers and job seekers. Participants in sector-based training programs earned 18 percent—about \$4,500—more than control group members during the two years of the study. Participants also were more likely to work, work in jobs with higher wages and hold jobs that offer benefits (such as health insurance). Sector-focused programs usually target rapidly growing jobs that require limited postsecondary education but pay wages at or near the median wage in the economy and that involve intermediary organizations that bring together training providers, employers and workers.⁶
- Sector-focused workforce programs are beginning to identify the benefits that flow to participating employers or an entire industry. These outcomes include improvements to a business's ability to find and retain qualified workers, increases in productivity and increases in the skills of existing workers. For example, a hospital participating in a healthcare initiative documented \$40,000 in savings as a result of lower turnover and reduced hiring costs.⁷
- A quasi-experimental evaluation of Capital IDEA, a sector-focused training program in Austin, Texas found substantial employment, earnings, and Unemployment Insurance-related impacts relative to a comparison group receiving low-intensity one-stop center services. Participants trained in healthcare and other fields have experienced earnings impacts of more than \$3,100 per quarter seven years after enrollment and the impacts appear to be increasing during the economic recession and recovery.⁸
- Research on programs that contextualize basic skills instruction to a specific occupation or set of occupations has yielded promising results. One of the best examples is Washington State's Integrated Basic Education and Skills Training (I-BEST) program, which blends adult education with occupational training and pairs adult education teachers with career and technical education instructors. A recent study found that I-BEST participants are 56 percent more likely than regular adult education students to earn college credit, 26 percent more likely to earn a certificate or degree, and 19 percent more likely to achieve learning gains on basic skills tests.⁹ Another study found that I-BEST participants experience higher employment rates and earnings than non-participants three quarters after leaving the program.¹⁰

A growing body of research suggests that workforce investments are likely to pay off for the next generation. Most evaluations have focused on a limited set of outcome measures, especially employment and earnings gains for individual participants. Yet, there is evidence that workforce investments may produce benefits both for adult participants and their children.¹¹

As Katherine Magnuson has written, “many workers, although certainly not all, are also parents, and human capital accumulation is an intergenerational process. Improving the educational and employment prospects for parents in the workforce today may also do the same for their children as they enter the workforce tomorrow.”¹² There is encouraging evidence that, when mothers with low education levels complete additional education, their children appear to have improved language and reading skills.¹³ These quasi-experimental studies suggest that the effects of increased maternal education are apparent only for mothers with a high school education or less and are associated with a variety of education and training services, including high school completion and GED, occupational training and college.¹⁴

¹ Kevin Hollenbeck, Daniel Schroeder, Christopher T. King and Wei-Jang Huang, *Net Impact Estimates for Services Provided through the Workforce Investment Act*. U.S. Department of Labor, Employment and Training Administration, October 2005, http://wdr.doleta.gov/research/FullText_Documents/Net%20Impact%20Estimates%20for%20Services%20Provided%20through%20the%20Workforce%20Investment%20Act-%20Final%20Report.pdf.

² Carolyn Heinrich, Peter Mueser and Kenneth Troske, *Workforce Investment Act Non-Experimental Net Impact Evaluation*, Final Report, IMPAQ International, December 2008, http://wdr.doleta.gov/research/FullText_Documents/Workforce%20Investment%20Act%20Non-Experimental%20Net%20Impact%20Evaluation%20-%20Final%20Report.pdf.

³ Russell H. Jackson, et. al., *Youth Opportunity Grant Initiative: Impact and Synthesis Report*, Decision Information Resources, Inc., prepared for U.S. Department of Labor, Employment and Training Administration, December 2007, http://wdr.doleta.gov/research/FullText_Documents/YOImpactandSynthesisReport.pdf.

⁴ Washington State Workforce Training and Education Coordinating Board, *Results of the Net Impact Study of 12 Workforce Programs*, April, 2011. The study also shows that adults, youth and dislocated workers receiving WIA services have higher earnings than non-participants three years following participation. The short term results are for participants exiting in 2007-2008. The long term results are for participants exiting in 2005-06. The author of this study, Kevin Hollenbeck, has also conducted net impact studies for Virginia and Indiana.

⁵ Whitney Smith, Jenny Wittner, Robin Spence and Andy Van Kleunen, *Skills Training Works: Examining the Evidence*, The Workforce Alliance (now the National Skills Coalition), September 2002, <http://www.nationalskillscoalition.org/assets/reports/-skills-training-works.pdf>.

⁶ Sheila Maguire, Joshua Freely, Carol Clymer and Maureen Conway, *Job Training That Works: Findings from the Sectoral Employment Impact Study*, P/PV In Brief (Public/Private Ventures), May 2009, http://www.ppv.org/ppv/publications/assets/294_publication.pdf.

⁷ Maureen Conway, *Sector Strategies in brief*, Workforce Strategies Initiative, the Aspen Institute, November 2007, <http://www.aspenwsi.org/publications/07-014b.pdf>.

⁸ Tara Smith, Christopher T. King and Daniel G. Schroeder, *Local Investments in Workforce Development: 2011 Evaluation Update*, Austin: Ray Marshall Center, University of Texas, April 2011 (forthcoming); and Robert G. Glover and Christopher T. King, “The Promise of Sectoral Approaches to Workforce Development: Towards More Effective, Active Labor Market Policies in the United States,” in Charles J. Whalen, Ed., *Human Resource Economics: Essays in Honor of Vernon M. Briggs, Jr.*, Kalamazoo, Michigan: The W. E. Upjohn Institute for Employment Research, 2010.

⁹ Matthew Zeidenberg, Sung-Woo Cho and Davis Jenkins, Washington State’s Integrated Basic Education and Skills Training Program (I-BEST): New Evidence of Effectiveness, Community College Research Center, 2010. <http://ccrc.tc.columbia.edu/Publication.asp?UID=805>

¹⁰ Washington State Workforce Training and Education Coordinating Board, *Results of the Net Impact Study of 12 Workforce Programs*, April, 2011. The short term results are for participants exiting in 2007-2008.

¹¹ A number of experimental studies report that Transitional Jobs programs, which combine time-limited subsidized employment with a comprehensive set of services including case management, have been found to significantly reduce recidivism among individuals who have left prison.

¹² Katherine Magnuson, *Investing in the Adult Workforce: An Opportunity to Improve Children’s Life Chances*, prepared for the Annie E. Casey Foundation Initiative on Investing in Workforce Development, March 2007, <http://www.aecf.org/news/fes/dec2008/pdf/Magnuson.pdf>.

¹³ Several quasi-experimental studies have shown this linkage. K. Magnuson, H. Sexton, P. Davis-Kean, and A. Huston, “Increases in Maternal Education and Young Children’s Language Skills,” *Merrill-Palmer Quarterly*, Vol. 55, No. 3, July 2009, http://muse.jhu.edu/login?uri=/journals/merrill-palmer_quarterly/v055/55.3.magnuson.pdf and K. Magnuson, “Maternal Education and Children’s Academic Achievement During Middle Childhood,” *Developmental Psychology*, Vol. 43, No. 6, 2007, http://muse.jhu.edu/login?uri=/journals/merrill-palmer_quarterly/v055/55.3.magnuson.pdf.

¹⁴ Various studies have found the linkage between increased maternal education and improved children’s achievement only for mothers with low education levels and have shown that parents who completed additional education participated in a variety of programs. Additional research is needed to parse the effects of different types of education and training. Research to date has concentrated on the effects of maternal education for children at certain ages (during the first three years of life, between ages 4 and 6, between ages 6 and 10).