

Net Employment and Earnings Impacts of Workforce Services in Seven States

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Key Questions

Must answer two questions to assess impacts ('value-added') from receiving workforce services:

- 1. What happened to those who participated in the program or received services (the 'treatment group')?**
- 2. What *would have* happened to them if they *had not* participated or received services (the 'counterfactual')?**

Approach

PY 2000 and 2001 WIASRD and ES files linked to UI wage and TANF records for 7 of the 9 ADARE states: FL, GA, IL, MD, MO, TX, and WA

Key post-exit outcomes:

- **Employment rate**
- **Quarterly earnings (in 2000 dollars)**
- **Receipt of TANF**
- **Various 'common measures'**

Impacts estimated for WIA Adults and Dislocated Workers aged 22-64 years, *not* for Youth



Five Comparisons

Estimating net impact of receiving ...

1. any WIA services
2. WIA intensive and/or training services
3. WIA training v. WIA core and/or intensive services
4. WIA training v. an ES training referral
5. WIA training or an ES training referral v. other WIA or ES services

Estimating *incremental impact* of service receipt, above and beyond receipt of other services



Matching and Estimation Methods

Four statistical matching methods were used to select the comparison groups and to estimate impacts:

- *Weighted multivariate matching* which considers all treatment and comparison data and weights certain dimensions more than others. A 10% ‘caliper’ was applied, dropping the worst matches.
- *Propensity score matching* which matches treatment and comparison group members based on predicted ‘propensity scores,’ with simple comparisons and regression-adjusted means, as well as a technique known as ‘blocking.’

Matching Dimensions

- Age at registration
- Disability status
- Race/ethnicity
- Veteran
- Limited English proficient
- Education
- Employed at registration
- Workforce area/region

Pre-registration:

- Employment
- Industry of employment
- Average earnings
- Earnings trend
- Earnings variance
- Percent of quarters with multiple employers
- Earnings dip of 20% or more
- Quarters in which earnings dip occurred
- Percent of earnings dip represents

Enhancements

Building on earlier WIA impact estimation by Hollenbeck, King & Schroeder (2003) and related work by Mueser et al. (2003), Imbens (2004) and others:

- ✓ Seven states included
- ✓ Additional year of WIA exiters
- ✓ Longer post-program time period (up to 8 quarters)
- ✓ Five comparisons instead of one
- ✓ ES registrant comparison data for most states
- ✓ Other methodological improvements

Impact Estimates

Focusing on employment and earnings impacts based on comparisons 1 (any WIA services), 2 (WIA intensive and/or training), 3 (WIA training v. core/intensive) and 5 (WIA/ES training). Other results are in the full report. In sum,

For adults, WIA participation yields significant positive effects on employment and earnings, usually with larger effects for women than men.

For dislocated workers, WIA participation also yields significant positive effects on employment and earnings generally. The exception is the incremental impact of training over other WIA services.

Employment impact of receiving ...

1. Any WIA services		
	Adults	Dislocated Workers
Overall impact	8.7%**	13.5%**
Impact range	5.7% -- 12.6%	11.5% -- 17.9%
Impact for men	6.2%**	11.8%**
Impact for women	10.6%**	15.4%**

Note: significance **= $p < .01$,
*= $p < .05$, not shown for range



Earnings impact of receiving ...

1. Any WIA services		
	Adults	Dislocated Workers
Overall impact	\$743*	\$951**
Impact range	\$182 -- \$1230	\$221 -- \$1674
Impact for men	\$685*	\$895**
Impact for women	\$786**	\$1008*

Note: significance **= $p < .01$,
*= $p < .05$, not shown for range



Employment impact of receiving ...

2. WIA intensive and/or training services

	Adults	Dislocated Workers
Overall impact	6.6%**	11.3%**
Impact range	-.3% -- 11.5%	-2.0% -- 16.0%
Impact for men	3.7%**	9.8%**
Impact for women	8.8%**	13.0%**

Note: significance **= $p < .01$,
*= $p < .05$, not shown for range



Earnings impact of receiving ...

2. WIA intensive and/or training services

	Adults	Dislocated Workers
Overall impact	\$784**	\$853**
Impact range	\$287 -- \$980	-\$33 -- \$1435
Impact for men	\$700**	\$835**
Impact for women	\$846**	\$872*

Note: significance **=p<.01,
*=p<.05, not shown for range



Employment impact of receiving ...

3. WIA training vs. core or intensive services

	Adults	Dislocated Workers
Overall impact	3.0%*	-1.2%*
Impact range	-2.1% -- 12.6%	-4.2% -- 11.6%
Impact for men	2.2%*	-1.9%*
Impact for women	3.6%*	-.6%*

Note: significance **=p<.01,
*=p<.05, not shown for range



Earnings impact of receiving ...

3. WIA training vs. core or intensive services

	Adults	Dislocated Workers
Overall impact	\$865*	-\$11*
Impact range	\$100 -- \$1260	-\$591 -- \$853
Impact for men	\$1200*	-\$87*
Impact for women	\$629*	\$63*

Note: significance **= $p < .01$,
*= $p < .05$, not shown for range



Employment impact of receiving ...

5. Any training vs. other services

	Adults	Dislocated Workers
Overall impact	4.5%*	6.2%**
Impact range	-1.3% -- 11.0%	-1.3% -- 11.4%
Impact for men	2.2%*	5.1%*
Impact for women	6.5%**	7.5%**

Note: significance **= $p < .01$,
*= $p < .05$, not shown for range



Earnings impact of receiving ...

5. Any training vs. other services

	Adults	Dislocated Workers
Overall impact	\$652**	\$406**
Impact range	-\$260 -- \$1182	-\$248 -- \$1245
Impact for men	\$539*	\$366**
Impact for women	\$752**	\$453**

Note: significance **= $p < .01$,
*= $p < .05$, not shown for range



Discussion

- ✓ Impact estimates are largely consistent across methods, states, and populations for both employment and earnings.
- ✓ WIA services generally yield positive net impacts on employment and earnings, whether measuring any WIA services, the incremental impact of WIA training v. other services, or WIA/ES training.
- ✓ The incremental impact of training v. other WIA services does not appear positive for dislocated workers.
- ✓ Observed impact variation may reflect different bundles of services offered within states.

Implications

- ✓ WIA appears to be effective when measured in terms of employment and earnings impacts for participants.
- ✓ Quasi-experimental estimation is a viable alternative to experiments, particularly when resources scarce or experiments infeasible.
- ✓ Continued development and use of quasi-experimental techniques may yield reliable estimates of program impacts without costly experiments.

Next Steps

- **Refine WIA impact estimates**
- **Revise and submit final WIA impact report to DOL/ETA**
- **Continue refining statistical matching methods and estimation techniques**
- **Enhance data access, especially in terms of complete state UI wage data via WRIS**
- **Expand state participation in ADARE**
- **Work with state workforce leaders to foster continuous program improvement based on our results.**

For More Information

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