

#### **Travis County Commissioners Court Agenda Request**

Meeting Date: March 27, 2012

Prepared By/Phone Number: David A. Salazar 854-4107

Elected/Appointed Official/Dept. Head: Sherri E. Fleming,

County Executive for Health and Human Services and Veterans Service

Commissioners Court Sponsor: Judge Samuel T. Biscoe

#### **AGENDA LANGUAGE:**

Receive Update from Health and Human Services & Veterans Service and Ray Marshall Center on the 2011 Evaluation of WFD Investments.

#### **BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:**

The Ray Marshall Center for the Study of Human Resources has completed the latest annual evaluation of Travis County investments in Workforce Development in the attached volumes.

- Local Investments in Workforce Development: Evaluation Update 2012
- Evaluation of Local Workforce Demonstration Projects Travis County's REM and GEM Projects (Jan, 2012)

#### STAFF RECOMMENDATIONS:

Staff plans to update the Court regarding its investments in Workforce Development.

#### **ISSUES AND OPPORTUNITIES:**

The Court's ongoing partnership with the Ray Marshall Center continues to provide vital information to guide continuous improvement of local investments in workforce development. Travis County, the City of Austin and Workforce Solutions have all considered this information to guide program improvements. Since the first report in 2007, we have found consistently positive outcomes from our investments. The comparative impact study has led to an increased focus on retention and advancement beyond initial job placement.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, <a href="mailto:Cheryl.Aker@co.travis.tx.us">Cheryl.Aker@co.travis.tx.us</a> by Tuesdays at 5:00 p.m. for the next week's meeting.

Travis County Health and Human Services and Veterans Service is now working in partnership with Criminal Justice Planning to include individuals served by the County's offender workforce development program in the evaluation process for future reports.

#### FISCAL IMPACT AND SOURCE OF FUNDING:

None. The report covers approximately \$1.8 million in purchased social services.

#### **REQUIRED AUTHORIZATIONS:**

Mary Etta Gerhardt, Assistant County Attorney



#### TRAVIS COUNTY HEALTH and HUMAN SERVICES & VETERANS SERVICE 502 E. Highland Mall Blvd P. O. Box 1748 Austin, Texas 78767

Sherri Fleming **County Executive** (512) 854-4100 Fax (512) 854-4115

#### **MEMORANDUM**

DATE:

February 28, 2012

TO:

Members of the Commissioners Court

FROM:

Sherri E. Fleming, County Executive (

Travis County Health and Human Services & Veterans Service

SUBJECT: 2011 Evaluation of WFD Investments

Proposed Motion: Receive Update from Health and Human Services & Veterans Service and Ray Marshall Center on the 2011 Evaluation of WFD Investments

Summary and Staff Recommendation: The Ray Marshall Center for the Study of Human Resources has completed the latest annual evaluation of Travis County investments in Workforce Development in the attached volumes.

- Local Investments in Workforce Development: Evaluation Update 2012
- Evaluation of Local Workforce Demonstration Projects Travis County's REM and GEM Projects (Jan, 2012)

In these two reports, the Ray Marshall Center has used Unemployment Insurance (UI) wage data to compare employment rates, quarterly earnings, UI eligibility and UI claims for a) program participants before and after services and b) program participants to a like group of residents who did not participate in locally funded WFD programs.

**Budgetary and Fiscal Impact:** None. The report covers approximately \$1.8 million in purchased social services.

**Issues and Opportunities:** Our ongoing partnership with the Ray Marshall Center continues to provide vital information to guide continuous improvement of local investments in workforce development. Travis County, the City of Austin and Workforce Solutions have all considered this information to guide program improvements. Since the first report in 2007, we have found consistently positive outcomes from our investments. The comparative impact study has led to an increased focus on retention and advancement beyond initial job placement.

We are now working in partnership with Criminal Justice Planning to include individuals served by the County's offender workforce development program in the evaluation process for future reports.

**Background:** The Ray Marshall Center for the Study of Human Resources is a nationally recognized leader in the study of education, workforce development and other public assistance. Through this partnership, we benefit not only from their expertise in evaluation but also from their access to a nationwide network of expertise.

cc: Mary Etta Gerhardt, Assistant County Attorney

## Evaluation of Local Workforce Demonstration Projects – Travis County's REM and GEM Projects







#### Prepared by:

Tara C. Smith Christopher T. King Daniel G. Schroeder

#### Submitted to:

Travis County Health and Human Services Department

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



#### **Table of Contents**

Introduction	
Outcomes Evaluation Approach	2
Organization of this Report	3
The Rapid Employment Model Evaluation Labor Market Outcomes	4 5
Gainful Employment Model Evaluation Labor Market Outcomes	
Summary and Next Steps	10
References	
List of Tables	
Table 1. Profile of Annual REM cohorts (2007-2009)	4
Table 2. Occupational Training Participation, by REM 2007-2009 Cohorts	5
Table 3. Outcomes for REM 2007-2009 Participants	6
Table 4. GEM Training Program Participation	8
Table 5. GEM Participant Outcomes	9

#### Introduction

In recent years, Travis County has funded workforce development demonstration projects with Workforce Solutions – Capital Area Workforce Board.¹ These projects are a collaborative effort to decrease the amount of time an individual is out of work. Travis County funds workforce development and education services targeted at disadvantaged residents through local property tax revenues. As the local Workforce Investment Board, Workforce Solutions provides universal access to labor exchange services and funds training services that are primarily targeted to unemployed, low-income, and dislocated individuals. By working collaboratively on demonstration projects, the County and Workforce Solutions are able to leverage resources, such as placement services and this program evaluation, which might otherwise be unavailable.

The demonstration projects include the Rapid Employment Model or REM project which launched in 2006 and the Gainful Employment Model or GEM project which launched in 2009. The REM project combined short-term (less than 6 weeks) occupational and pre-employment/life skills training with structured job search assistance. Building on the lessons learned from REM, the GEM project offered intermediate-length (up to 9 months) occupational training, as well as pre-employment/life-skills training and structured job search assistance.

The Ray Marshall Center for the Study of Human Resources at the University of Texas' LBJ School of Public Affairs is conducting the evaluation of these demonstration projects. Four prior reports by the authors (2007, 2008, 2010, and 2011) detail the evaluation findings, including labor market outcomes and program impacts, through the first quarter of 2010 for REM 2006-2008 participants. This report extends the outcomes analysis of REM participants through March 2011 and adds the cohort of 2009 participants. This report also introduces the GEM project, and provides outcomes and impacts for 2009-2010 GEM participants

<sup>&</sup>lt;sup>1</sup> Formerly known as WorkSource.

#### **Outcomes Evaluation Approach**

The research design was developed in concert with Travis County with two objectives: (1) to determine if the REM and GEM projects are effective methods for helping disadvantaged residents find and retain employment; and (2) to identify ways to improve REM and GEM services over time. Key evaluation questions include:

- How effective are REM/GEM, as measured by reduced time unemployed, reduced unemployment insurance payments, employment retention and increased earnings?
- How do key participant outcomes compare to those for similar, nonparticipating individuals?
- Which skills training programs are most effective for graduates and why?
- What changes can be made to services/treatments to improve outcomes for participants?

The outcomes evaluation of REM/GEM focuses on four measures:

- 1. Quarterly employment
- 2. Average quarterly earnings of those employed (e.g., conditional earnings)
- 3. Monetary eligibility for UI benefits in the event of a job loss
- 4. Claims filed for UI benefits

Using participant data supplied by Workforce Solutions, researchers linked to each REM and GEM participant's Texas Unemployment Insurance (UI) wage and claim records. It should be noted that the UI wage records that form the basis of the evaluation have known coverage issues in construction and trucking, industries which rely heavily on independent contractors and the self-employed and are therefore not part of the UI system. Given that truck driving and construction were among the top three occupations in the REM project, it is likely that the labor market outcomes reported here underestimate the actual level of post-service employment and earnings from that project<sup>2</sup>.

<sup>&</sup>lt;sup>2</sup> See Stevens (2007) for a review of employment that is not covered by state unemployment insurance laws.

Beyond employment and earnings, however, the outcomes evaluation also examines two measures related to UI benefits. In the first measure, monetary qualification for UI benefits, researchers examined REM and GEM participants' work histories in the pre- and post-service period to determine if workforce development services had increased participants' eligibility for receiving UI benefits in the event of a layoff or other employment separation. Qualification for UI benefits is based on length of employment, earnings levels, and reason for separation, among other factors. An individual must have sufficient earnings in at least two of the four quarters prior to separation to qualify for UI benefits (i.e., monetary eligibility). This measure is significant as it looks at the stability of an individual's employment. Prior to entering the REM project, participants often had a history of unstable employment. After their participation, many of these individuals moved into stable employment that qualifies them for benefits through the UI program, the nation's first-tier safety net for laid-off workers that is funded by both employers and workers.3 In the second measure, UI benefit claims filed, researchers examined UI claims in both the pre- and post-service period to determine if REM and GEM participants reduced their reliance on UI benefits.

An impacts analysis is planned for REM and GEM participants; however, the lack of adequately-matched comparison groups has prevented this component of the evaluation from being implemented.

#### **Organization of this Report**

This report includes four sections beginning with this introduction. The second section provides updated outcomes for 2007-2008 REM participants and for the first time presents findings on the REM 2009 cohort. The third section introduces the GEM project and presents initial findings. The final section offers a summary of findings and documents next steps in the evaluation of local workforce demonstration projects.

<sup>&</sup>lt;sup>3</sup> Employers pay taxes that directly support the UI program; economists point out that workers also contribute to the program indirectly in the form of somewhat lower wages.

#### The Rapid Employment Model Evaluation

The Rapid Employment Model (REM) project provides pre-employment and life skills training, short-term (up to 6 weeks) occupational training, and structured job search assistance to disadvantaged residents of Travis County. The current evaluation of the REM project follows three separate cohorts: 85 from the 2007 cohort, 81 from the 2008 cohort, and 96 from the 2009 cohort.

Table 1 profiles each of the annual cohorts. Participants in each of these years were drawn heavily from the county's Project RIO (Re-Integration of ex-Offenders)<sup>4</sup> population, representing approximately 78% of participants. Choices clients, individuals receiving Temporary Assistance for Needy Families (TANF) funding, were the next largest share of participants at 19%. The remainder were drawn from participants in the Food Stamp Employment & Training (FSET) program.<sup>5</sup>

Table 1. Profile of Annual REM cohorts (2007-2009)

	20	007	20	008	2	009	Ov	erall
Program	N	%	N	%	N	%	N	%
Choices (TANF)	24	21.6%	18	22.2%	13	13.5%	55	19.0%
FSET/SNAP	2	1.8%	3	3.7%	3	3.1%	8	2.8%
Project RIO	85	76.6%	61	74.4%	80	83.3%	226	78.2%
Total	111	100%	82	100%	96	100%	289	100%

While the mix of occupational training shifted somewhat over the course of the project (Table 2), the majority of participants were involved in one of three programs: Construction Gateway (44%); Austin Academy, which provides office skills training, (26%); and Truck Driving, through Austin Community College, (18%).

<sup>&</sup>lt;sup>4</sup> Project RIO was a state-funded program for ex-offenders which has been operating since the 1980s. The Texas Legislature terminated funding for the program in September 2011.

<sup>&</sup>lt;sup>5</sup> This program is now known as the Supplemental Nutrition Assistance Program (SNAP).

**Table 2. Occupational Training Participation, by REM 2007-2009 Cohorts** 

	20	007	20	800	20	009	Ov	erall
Program	N	%	N	%	N	%	N	%
Austin Academy	16	14%	15	18%	44	46%	75	26%
ACC: Truck Driving	31	28%	22	27%			53	18%
Construction Gateway	50	45%	27	33%	50	52%	127	44%
Certified Nurse Aide	14	13%	18	22%	2	2%	34	12%
Total	111	100%	82	100%	96	100%	289	100%

#### **Labor Market Outcomes**

The outcomes presented below are quarterly averages (means) for the identified time period, and all dollar figures are nominal. Outcomes are based on UI wage data through March 2011. It should be noted again that due to the heavy focus on truck driving and construction, industries with limited UI-coverage, the outcomes presented here likely underreport actual outcomes of REM participants.

Table 3 below presents outcomes for REM 2007-2009 participants. Across all cohorts, participant employment peaked in the second post-service quarter (6 months after leaving the program). Across all post-service quarters, almost 37% of REM participants were employed. Quarterly earnings for employed 2007-2008 participants in the 10<sup>th</sup> quarter after REM services averaged \$5,349. In the 14<sup>th</sup> quarter post-service, 34% of REM 2007 participants were employed and earned an average of \$3,497 that quarter.

**Table 3. Outcomes for REM 2007-2009 Participants** 

Outcome measure	Four Qtrs Before Service	Last Qtr of Service	2nd Qtr After Service	6 <sup>th</sup> Qtr After Service	10th Qtr After Service <sup>1</sup>	14th Qtr After Service <sup>2</sup>	All Qtrs After Service Ends
Quarterly Employment	17.7%	28.2%	41.6%	38.5%	31.1%	34.1%	36.9%
Average Quarterly Earnings	\$3,488	\$2,095	\$3,836	\$4,716	\$5,349	\$3,497	\$4,169
Qualified for UI Benefits	13.5%			37.6%	38.4%	21.2%	34.4%
Filed UI Claim	0.7%	1.2%	0.4%	3.2%	2.0%	0.0%	1.5%

<sup>&</sup>lt;sup>1</sup> Includes REM participants from 2007-2008 only. <sup>2</sup> Includes REM participants from 2007 only. Note: A dot indicates no data to report.

#### **Gainful Employment Model Evaluation**

The Ray Marshall Center is also conducting an outcomes evaluation of Travis County's second workforce demonstration project with Workforce Solutions – Capital Area Workforce Board, the Gainful Employment Model or GEM project. Building on the lessons learned from the REM demonstration, the partners developed the Gainful Employment Model to provide disadvantaged county residents (primarily those receiving TANF benefits) the opportunity to access intermediate-length (up to 9 months) training for occupations paying above a living wage.

In total, there were 85 participants in the GEM program, ranging in age between 19 and 66 years old. The average age of GEM participants was 36. The majority of participants were female (78%). GEM participants came from a variety of racial/ethnic backgrounds: 29% were Black or African American; 26% were Hispanic; 21% were White or Caucasian; 9% were Asian or Pacific Islander; and 11% were from another racial/ethnic group. Eighty-six percent of GEM participants had completed 12th grade or gone further in their education. Data on educational attainment were not available for 10 participants. The majority (87%) of GEM participants received public assistance.

Participants of GEM undertake pre-employment and Healthy Choices life skills training prior to starting an occupational training program. Participants could then select among four occupational training programs: pharmacy technician, automotive technician, administrative assistant, and bookkeeping, as well as English as a Second Language (ESL) classes. The majority of participants enrolled in either the administrative assistant or bookkeeping programs (Table 4). Sixty-nine percent of GEM participants completed occupational training.

**Table 4. GEM Training Program Participation** 

Program	N	%
Administrative Assistant	33	38.8%
Automotive Tech	4	4.7%
Bookkeeping	34	40.0%
ESL	13	15.3%
Pharmacy Tech	1	1.2%
Total	85	100%

#### **Labor Market Outcomes**

The outcomes evaluation is following 80 GEM participants who could be linked to the administrative records used for analysis. The participants who completed the GEM program exited the labor market during the tepid recovery period that has followed the Great Recession. Table 5 below presents labor market outcomes for GEM participants at 2 quarters (6 months) after leaving the GEM program, and for all post-service quarters through March 2011. Almost 58% of GEM participants were employed two quarters after leaving the program, and those who were employed earned an average of \$3,601 that quarter. Across all post-service quarters, average quarterly earnings were \$3,768. Two quarters after leaving GEM, 7.5% of participants filed a claim for UI benefits, though the average across all quarters was just 4%.

**Table 5. GEM Participant Outcomes** 

Outcome measure	Four Qtrs Before Service	Last Qtr of Service	2nd Qtr After Service	All Qtrs After Service Ends
Quarterly Employment	54.1%	43.8%	57.5%	51.2%
Average Quarterly Earnings	\$3,408	\$2,917	\$3,601	\$3,768
Qualified for UI Benefits	48.1%			
Filed UI Claim	8.4%	3.8%	7.5%	4.0%

Note: A dot indicates no data to report.

#### **Summary and Next Steps**

The investments that Travis County has made in workforce demonstration projects are fairly unique in the country; few local governments put local tax dollars into education and training for disadvantaged adults. The County's partnership with Workforce Solutions – Capital Area Workforce Board leveraged additional state and federal resources to meet the needs of disadvantaged County residents. The demonstration nature of the investments allowed the project to change over time in response to the mix of clients, the needs of education and training providers, and the labor market.

The outcomes associated with the Rapid Employment Model demonstrate the short-term gains associated with less-intensive workforce development interventions. It is worth repeating that the outcomes presented here likely undercount actual employment and earnings levels given training targeted at truck driving and construction, two industries with large shares of self-employed or independent contractors who do not contribute to UI and are therefore not included in the research dataset. Despite this underrepresentation, REM's outcomes still demonstrate that it is meeting the objectives behind the program: helping individuals through rapid skill acquisition and quick connection to employment.

The County extended the REM model in 2009 into intermediate-length training opportunities through the Gainful Employment Model demonstration. This further underscores the importance the County and Workforce Solutions place on connecting individuals to employment at or above the living wage as longer-term training is more likely to prepare individuals for those types of job opportunities. Initial outcomes of GEM participation indicate that a larger share of participants are employed two quarters after leaving the program than had been employed in the four quarters prior to their program entry.

In the next update report, Ray Marshall Center researchers will continue to follow REM and GEM participants for another four quarters post-service. In addition, researchers will continue to explore the feasibility of an impacts evaluation based on a matched comparison group.

#### References

- Smith, Tara Carter and Christopher T. King (2007). Rapid Employment Model Evaluation: Initial Findings. Austin: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. March.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2008). Rapid Employment Model Evaluation: Update. Austin: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. March.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2010). Rapid Employment Model Evaluation: Update #2. Austin: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. January.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2011). Rapid Employment Model Evaluation: 2011 Evaluation Update. Austin: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. April.
- Stevens, David W. (2007). Employment That Is Not Covered by State Unemployment Insurance Laws. Technical Paper No. TP-2007-04. Suitland, MD: U.S. Census Bureau, LEHD Program. May.

# 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



# Local Investments in Workforce Development: 2012 Evaluation Update

#### Prepared by

Tara C. Smith Christopher T. King Daniel G. Schroeder

#### Submitted to:

Travis County Health and Human Services Department

January 2012



#### **Table of Contents**

List of Tables	ii
List of Figures	
Introduction	1
Background	1
Evaluation Approach	2
Report Organization	
Evaluation of Participants in Short-Term Workforce Development Programs  American YouthWorks	
Austin Academy	 o
Austin Area Urban League	
Construction Gateway	12
Crime Prevention Institute	15 15
Goodwill	16
Outcomes and Impacts From Investments in Long-Term Training, 2003-2008	18
Capital IDEA	
Summary and Next Steps	22
Next Steps	
References	24
Appendix A. Quasi-Experimental Impacts Analysis	A-1

#### **List of Tables**

#### 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. <sup>1</sup> 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: <a href="http://www.austinacademy.org/">http://www.austinacademy.org/</a>
- 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: <a href="http://www.aaul.org/">http://www.aaul.org/</a>
- 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: <a href="http://www.americanyouthworks.org/">http://www.americanyouthworks.org/</a>
- 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

<sup>&</sup>lt;sup>1</sup> The first report in the evaluation was funded by the City of Austin.

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

- 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 wraparound support services, case management, and a peer support network. More information is available at: <a href="http://www.capitalidea.org/">http://www.capitalidea.org/</a>
- 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: 
   <a href="http://www.austingoodwill.org/">http://www.austingoodwill.org/</a>

The current evaluation series examines participants from each of the workforce services providers which began a program in calendar year 2007 or 2008.<sup>2</sup> 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.

<sup>&</sup>lt;sup>2</sup> 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. Quasiexperimental 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 quasiexperimental 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 Ul 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 2<sup>nd</sup>, 6<sup>th</sup>, 10<sup>th</sup>, and in some cases the 14<sup>th</sup> 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 10<sup>th</sup> quarter post-service (2.5 years after leaving training).<sup>3</sup> Twice as many AYW participants were working in the 10<sup>th</sup> quarter after service as were working in the four quarters prior to starting at AYW. Average quarterly earnings of participants were down in the 10<sup>th</sup> post-service quarter (to \$3,021) from a high of \$3,651 in the 6<sup>th</sup> 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	2 <sup>nd</sup> Qtr After Service Ends	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> 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

<sup>&</sup>lt;sup>3</sup> Too few American YouthWorks participants were found in UI records to provide outcomes for the 14<sup>th</sup> quarter following participation.

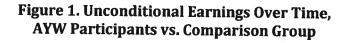
percentage point increase in employment, an \$854 advantage in average quarterly earnings for those employed, and a ten percentage point gain in the share qualified for UI benefits.

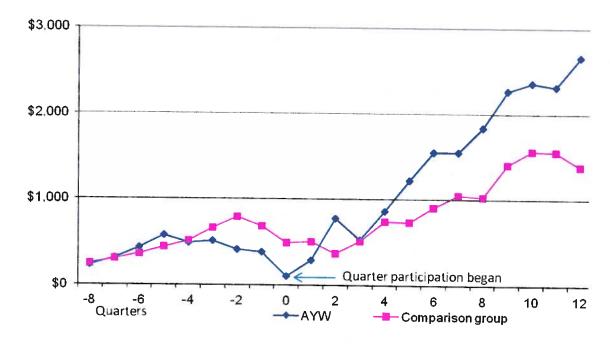
Table 2. Quarterly Impacts, American YouthWorks' 2007-2008 Cohorts

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 2<sup>nd</sup> 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 12<sup>th</sup> quarter after entering the program.





#### **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**. 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 10<sup>th</sup> quarter post-service, down eight percentage points from the 6<sup>th</sup> quarter post-service. Earnings were also down in the 10<sup>th</sup> quarter to an average of \$4,369 for those

<sup>&</sup>lt;sup>4</sup> 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: <a href="http://www.austinacademy.org/services.php">http://www.austinacademy.org/services.php</a>

employed. Almost 44% of Austin Academy participants met UI monetary eligibility requirements in the 10<sup>th</sup> 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 <sup>nd</sup> Qtr After Service Ends	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> 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 5<sup>th</sup> 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.

\$3,000

\$2,000

\$1,000

Quarter participation began

Quarters

Austin Academy

Comparison group

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  $10^{th}$  and  $14^{th}$  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 14<sup>th</sup> post-service quarter (at 1.4%) than in the 10<sup>th</sup> quarter (when it was at 1.7%). Quarterly employment, which peaked in the 2<sup>nd</sup> post-service quarter at 55%, stood at approximately 41% in the 14<sup>th</sup> quarter. The average quarterly earnings of those employed reached a post-service high in the 6<sup>th</sup> 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 6<sup>th</sup> post-service quarter (45.4%).

Table 5. AAUL's 2007-2008 Participant Outcomes

Outcome Measure	Four Qtrs Before Service	Last Qtr of Service	2 <sup>nd</sup> Qtr After Service Ends	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> Qtr After Service Ends	14 <sup>th</sup> 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.

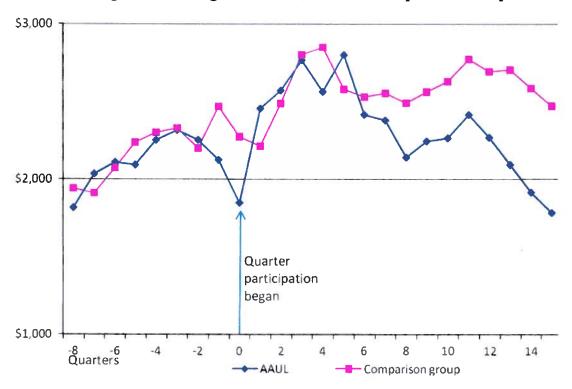


Figure 3. Earnings Over Time, AAUL vs. Comparison Group

#### 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 14<sup>th</sup> quarter. The share of participants who were employed in a UI-covered position, however, dropped to 30% in the 14<sup>th</sup> 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 <sup>nd</sup> Qtr After Service Ends	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> Qtr After Service Ends	14 <sup>th</sup> 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.

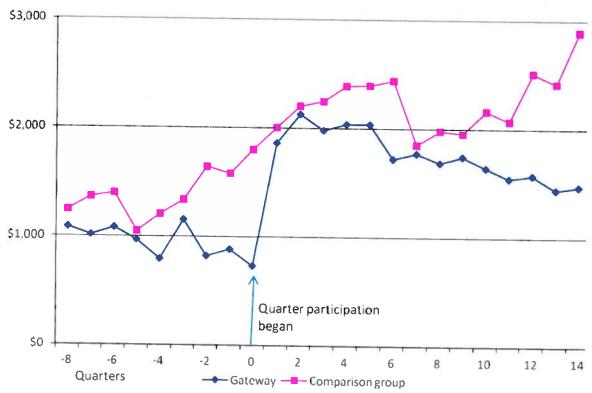
Table 8. Quarterly Impacts, Construction Gateway's 2007 Cohort

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 10<sup>th</sup> 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 preservice period. Quarterly earnings for employed participants peaked in the 6<sup>th</sup> post-service quarter at an average \$4,003, dropping to \$3,263 in the 10<sup>th</sup> quarter. Two percent of participants filed a claim for UI benefits in the 10<sup>th</sup> 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	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> 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%		Mag H.	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  $10^{th}$  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  $6^{th}$  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	2 <sup>nd</sup> Qtr After Service Ends	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> Qtr After Service Ends	All Qtrs After Service Ends
Quarterly Employment	49.5%	65.3%	54.8%	45.1%	43.7%	48.4%
<b>Average Quarterly Earnings</b>	\$3,724	\$3,916	\$4,590	\$5,015	\$6,322	\$4,980
Qualified for UI Benefits	40.6%	The contract of		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.

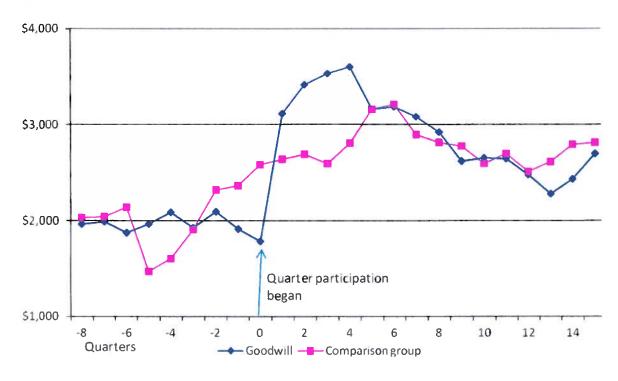
Table 11 presents the results of the impacts analysis. Only the 2007 Goodwill cohort is included since a matched comparison group could not be established for the 2008 cohort. No significant differences were found between Goodwill's 2007 participants and its matched comparison group.

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.<sup>5</sup> 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

<sup>&</sup>lt;sup>5</sup> 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 18<sup>th</sup> 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	6 <sup>th</sup> Qtr After Service Ends	10 <sup>th</sup> Qtr After Service Ends	14 <sup>th</sup> Qtr After Service Ends	18 <sup>th</sup> 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.

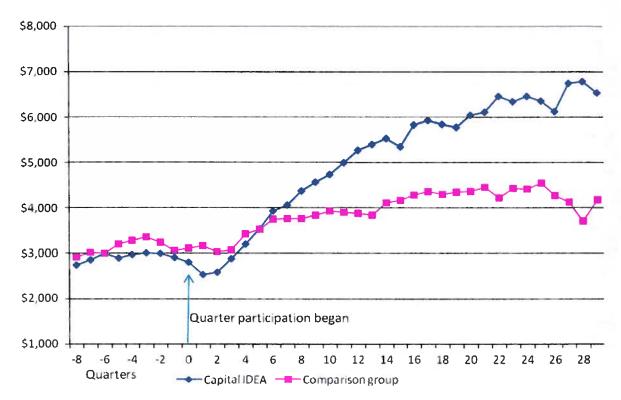
Table 13. Quarterly Impacts, Capital IDEA Participation (2003-2008)

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%**	
<b>Average Quarterly Earnings</b>	\$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.





## **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 2<sup>nd</sup> and 6<sup>th</sup> 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.

# References

- Card, David, Jochen Kluve, and Andrea Weber. (2009). *Active Labor Market Policy Evaluations: A Meta-Analysis*. CESIFO Working Paper No. 2570. Munich, Germany: Institute for Economic Research. March.
- Greenberg, David H., Charles Michalopoulos, and Philip K. Robins (2006). "Do Experimental and Nonexperimental Evaluations Give Different Answers about the Effectiveness of Government-funded Training Programs?" *Journal of Policy Analysis and Management*, Vol. 25, No. 3 (Summer), pp. 523-552.
- Hollenbeck, Kevin and Wei-Jang Huang (2006). Net Impact and Benefit-Cost Estimates of the Workforce Development System in Washington State, Kalamazoo, Michigan: W. E. Upjohn Institute for Employment Research, Technical Report No. TR06-020.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2007). Local Investments in Workforce Development: Initial Evaluation Findings. Austin, TX: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. December.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2008). Local Investments in Workforce Development: Evaluation Update. Austin, TX: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. December.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2010). Local Investments in Workforce Development: Evaluation Update #2. Austin, TX: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. January.
- Smith, Tara C., Christopher T. King, and Daniel G. Schroeder (2011). Local Investments in Workforce Development: 2011 Evaluation Update. Austin, TX: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. April.
- Smith, Tara C. and Christopher T. King (2011). Exploratory Return-on-Investment Analysis of Local Workforce Investments. Austin, TX: Ray Marshall Center for the Study of Human Resources, Lyndon B. Johnson School of Public Affairs, The University of Texas. August.
- Stevens, David W. (2007). Employment That Is Not Covered by State Unemployment Insurance Laws. Technical Paper No. TP-2007-04. Suitland, MD: U.S. Census Bureau, LEHD Program, May.

# 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.<sup>6</sup> 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

<sup>&</sup>lt;sup>6</sup> 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					**	6	
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,  $\cdot$ =test could not be computed