

Measure for Measure:

Assessing traditional
and sectoral strategies
for workforce development

The Aspen Institute's Sectoral Employment
Development Learning Project (SEDLP)

October 2001

The Aspen Institute's Sector Policy Project benchmarks findings from the Sectoral Employment Development Learning Project (SEDLP) against findings from other workforce development demonstration projects.

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Measure for Measure:
**Assessing traditional
and sectoral strategies
for workforce development**

**SEDLP Policy Project Series
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**The Aspen Institute
Washington, D.C.**

Measure for Measure: Assessing Traditional and Sectoral Strategies for Workforce Development

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Executive Summary

Numerous evaluations have been conducted during the past 20 years to document which types of employment and training strategies are successful at helping economically disadvantaged Americans find jobs and increase their earnings. Many of the services that have been evaluated, such as job-search assistance and classroom and on-the-job training, have demonstrated some positive, statistically significant earnings and employment impacts for disadvantaged adults, especially women. These positive findings, however, tend to be de-emphasized in subsequent analysis and discussion. More often than not, the enduring message that sifts through to policymakers is that training programs fail to alleviate poverty. This, in turn, has led to a common perception among policy audiences that training does not work.

This sentiment partly explains why, in the most recent reforms of workforce and welfare law, Congress favored intervention strategies designed to promote rapid attachment to the labor force, as opposed to more time-intensive and costly training options. Rapid attachment or “work first” policies have come to the forefront during a period of strong economic growth and tight regional labor markets. As a result, more Americans are participating in the labor market than ever before. However, while more people are working, the percentage of non-elderly adults and children who live in low-income families also is growing. These diverging trends suggest that work, in and of itself, is not a sufficient safeguard against economic hardship. To help working poor individuals out of dead-end jobs and into work that pays well and allows for advancement, it is more important than ever to provide and promote skill-building opportunities.

Studies, Data and Report Outline

One purpose of The Aspen Institute’s Sectoral Employment Development Learning Project (SEDLP) is to document over time the labor market experience of disadvantaged adults following their participation in six well-known sectoral or industry-based employment development programs.¹ Industry-based workforce development programs meld a strong employment focus with up-front investments in skills training. Emphasis is placed on moving candidates successfully and permanently into employment by first immersing them in the specific skills and protocol of a particular industry and occupation, which familiarizes them with the norms and expectations that apply in that field. Programs have a deep understanding of the target population they serve and the barriers to employment these people face. At the same time, their industry-specific knowledge and experience allow them to build relationships with employers, and to tailor training and other services to address the industry’s workforce needs. Within this industry and

¹ The six projects are: Asian Neighborhood Design, San Francisco, Calif.; Paraprofessional Healthcare Institute, South Bronx, N.Y.); Garment Industry Development Corporation, New York, N.Y.; Focus: HOPE, Detroit, Mich.; Jane Addams Resource Corporation, Chicago, Ill.; Project QUEST, San Antonio, Texas. For a description of each project, see *Measure for Measure: Assessing Traditional and Sectoral Strategies for Workforce Development*, SEDLP Policy Project Series Report No. 1 or visit our Web site: http://www.aspeninstitute.org/eop/eop_sedlp.html#about

community context, sector practitioners believe they become better positioned to help disadvantaged job seekers qualify for and gain access to entry-level jobs that pay good starting wages, provide benefits and offer opportunities for career advancement.

In this second report in the Sector Policy Project Series, the 12-month findings from the SEDLP's participant survey are benchmarked against the employment and earnings outcomes that were studied in other job-training and welfare-to-work evaluations.² By placing SEDLP findings in the context of other evaluation findings, and by describing some of the key strategies that sector programs use to help improve outcomes for both job seekers and employers in targeted industries, it is hoped that sectoral approaches to workforce development become more widely understood, and that policymakers who believe that training does not work will begin to see evidence to the contrary.

There are limitations on the extent to which outcomes from other employment and training evaluations can serve as accurate benchmarks for SEDLP findings due to myriad differences among the studies. However, there is still value in providing readers with information that can help sketch a rough context for assessing the strength of the SEDLP outcomes. The benchmark studies included in the report include the National JTPA Study (NJS), the National Evaluation of Welfare to Work Initiatives (NEWWS), the Greater Avenues to Independence evaluation (GAIN), the Wisconsin Welfare Leavers Project (WWLP), and the Minority Single Female Demonstration Project (MSFD).

The first section of the full report presents the 12-month interim findings of the SEDLP participant survey as they relate to standard performance measures collected in workforce development evaluations. These include training completion, employment, earnings and job quality. The second section summarizes qualitative research and analysis drawn from the SEDLP fieldwork that helps explain some of the training outcomes for sectoral programs discussed earlier. The report concludes with a look at some of the preliminary implications of the SEDLP findings, the final year of the SEDLP research agenda and the questions that remain to be answered in the final Sector Policy Project Series report.

12-Month SEDLP Outcomes in Context

Both in general and in relation to other evaluation findings, SEDLP survey participants have been successful in improving the quality of their employment opportunities during the first year following training. Some of the key findings from SEDLP and benchmark studies are highlighted below.

- ***Rates of employment increase among participants who receive employment services.*** Ninety-four percent of SEDLP survey respondents reported that they worked during the 12-month period following their participation in a sectoral training program, compared to 67 percent in the preceding 12-month baseline period. Participants in other studies who received employment services also

²The SEDLP participant findings contained in this report reference outcomes for the non-incumbent (i.e. unemployed or underemployed at the start of training) portion of the SEDLP survey sample, which accounts for 77 percent of the total sample. The characteristics of non-incumbent SEDLP respondents most closely resemble those of participants in traditional workforce development programs.

experienced substantial improvements in employment outcomes during their initial follow-up periods. NJS enrollees recorded a 14-percentage point increase in their employment rate during the 18 months following baseline -- from 71 percent to 85 percent; NEWWS participants at the Portland, Ore. site increased their rate of employment by 22 percentage points during a 24-month follow-up period -- from 54 percent to 76 percent.

- ***Skills taught in industry-based training programs are applicable in the work place.*** Of the 94 percent of SEDLP survey respondents who worked in the year following training, 82 percent said they used the specialized skills and knowledge they gained from training on the job. Seventy percent of the employed respondents secured jobs in the specific industry sector for which they received training. In contrast, a survey of JTPA participants conducted during the late 1980s during the same time period when the National JTPA Study was under way found that only 46 percent of women and 49 percent of men reported using the skills they acquired through training on the job.³
- ***Individuals who receive employment services tend to work longer - for higher wages – following their participation in a program.*** Along with a 27-percentage point increase in the employment rate, SEDLP participants also reported a substantial increase in annual working hours. The total number of annual hours worked per respondent increased by over 800 hours, and the average total number of hours worked rose to 1,620 hours. This number is equivalent to about 93 percent of a full-time, year-round working year.⁴ In the 12 months following the treatment period for NJS participants, those who enrolled in employment services worked an average of 1,220 hours, or about 70 percent of a full-time, 1,750-hour working year.⁵

In addition to working longer, SEDLP sample members increased their wages by an average of \$2.33 per hour in the year following training.⁶ The average hourly wage in the follow-up period for employed participants was \$9.67. This wage represents a 28-percent increase over the \$8.27 average hourly wage that employed individuals received in the baseline year. Analysis of the earnings and hours worked by NJS enrollees suggests that average wages increased by 27 percent or \$1.80 per hour over baseline wages during the follow-up year to an estimated \$8.52 per hour. (Earnings and wage data from cited evaluations have been inflated to 1998 dollars from the various baseline years of study. SEDLP earnings are reported in 1998 nominal dollars.)

³ JTPA skills usage data drawn from the 1987 Survey of Income and Program Participation (SIPP) as cited in N. Grubb, *Evaluating Job Training Programs in the United States: Evidence and Explanations*, (1995) IV-8.

⁴ The Bureau of Labor Statistics considers employment to be year-round when workers are employed for at least 50 weeks a year, and full time when workers are on the job 35 or more hours a week. Thus full-time, year-round employment would consist of a minimum of 1,750 hours.

⁵ NJS information taken from Bloom (1993), Tables 4.6 and 5.5; and from Bloom (1991), Exhibits 3.5 and 3.6.

⁶ The \$2.33 increase in hourly wage is the average longitudinal change in wage recorded for non-incumbent respondents.

- ***New jobs secured after sector-based skills training provide increased access to health insurance and other benefits.*** SEDLP participants reported that 75 percent of main jobs held by participants in the 12-months following training provided access to health insurance, and 61 percent of respondents were using this benefit. This finding is striking in the context of other research into employer-provided health-care benefits for low-wage workers. The Greater Avenues to Independence (GAIN) study shows that only 28 percent of participants who were employed at the end of a three-year follow-up period had health-care benefits associated with their jobs. Forty-nine percent of Portland NEWS site participants who were employed at the end of a two-year follow-up had jobs that provided medical benefits, and 38 percent of CET participants employed five years after training had medical benefits associated with their jobs (all sites). A recent Urban Institute report showed that 42 percent of low-income workers in America have employer-sponsored health benefits.⁷

Along with strong findings regarding employer-provided health benefits, the SEDLP survey also found that the majority of respondents reported that their main job following training provided access to paid vacation (70 percent), sick leave (63 percent) and life insurance (54 percent).

- ***Improvements in overall job quality lead to substantial increases in annual earnings.***⁸ As a result of working longer hours with higher wages, SEDLP survey respondents increased their average total annual earnings by \$9,048 in the 12 months following training.⁹ A before-and-after comparison of average annual earnings (excluding participants with zero earnings) shows an 82-percent earnings increase, from \$7,895 during the baseline year to \$14,347 during the follow-up period (a difference of \$6,452). These findings were benchmarked against the earnings outcomes for NJS enrollees as calculated for the 12 months following the end of the evaluation's training period.¹⁰ The annual, inflation adjusted earnings of NJS enrollees in the year following training increased by an average \$4,473 over baseline year earnings (excluding zeros). Average earnings during this follow-up period were calculated to be \$10,394 in 1998 dollars.¹¹
- ***Improved employment options move 27% of the SEDLP sample above the poverty line on the basis of earned income alone in the year following training.*** The SEDLP survey data show that 27 percent of participants moved above the poverty threshold on the basis of earnings alone in the 12 months following training. In

⁷ *Snapshots of America's Families*, (Washington, D.C.: The Urban Institute Press, January 2001), Issue 11.

⁸ Unless otherwise stated,

⁹ The \$9,048 change in earnings is the average longitudinal change in earnings recorded for sample participants with valid answers to earnings questions (including zero earnings) in both waves of the study.

¹⁰ The 12-month post-training follow-up period for NJS referenced in this report refers to months seven through 18 of the study period. According to the NJS evaluation design, the 30-month follow-up period after random assignment breaks down as follows: The first six months after assignment were considered the time set aside for the treatment groups' participation in job-training programs; months seven through 18 were considered the one-year follow-up period; and months 19 through 30 the two-year follow-up period.

¹¹ Analysis is based on data in Larry L. Orr et al., *The National JTPA Study: Title II-A Impacts on Earnings and Employment at 18 Months*, (Bethesda, Md., Abt Associates, Inc., 1993).

addition, 16 percent of this group raised their earnings above 150 percent of the poverty line.¹² Most experimental studies are not designed to evaluate or assess the earnings mobility of participants who actually receive employment and training services.¹³ The Wisconsin Welfare Leavers Project, however, did assess the change in poverty status for welfare leavers in the year after they exited the welfare rolls. Overall, the study found that 19.5 percent of welfare leavers made greater than poverty-level earnings in the year after exiting welfare.¹⁴ Only 5.4 percent of the sample achieved earnings gains that raised them above 150 percent of poverty.

Conclusion

For employment-based solutions to poverty to succeed in the long term, emphasis must be placed not only on connecting disadvantaged individuals with jobs, but on connecting them to the best job available in terms of wages, benefits and advancement opportunities. In the 12 months following participation in sector training programs, Sectoral Employment Development Learning Project participants had greatly improved their likelihood of finding and retaining “good jobs” that paid substantially higher hourly wages than those typically held before training, and that provided access to health insurance, paid vacation and other benefits. Given the strength of the SEDLP findings when benchmarked against outcome data from other workforce and welfare studies, it seems clear that sectoral intervention strategies warrant additional study and support.

The final report in this series will examine the earnings and employment outcomes of SEDLP participants 24 months following training, and again place these findings in the context of other workforce evaluation literature. It will also consider the policy implications that can be drawn from an evaluation of industry-specific training programs. If the two-year follow up data show that SEDLP sample members continue to retain employment and advance their wages, and if these improvements are credited by respondents to their sector-based skills training, such findings will strongly support a message that skills-based training works, and that support for quality training programs is a critical component of workforce policy that seeks to simultaneously promote employment and reduce poverty.

¹² Total non-incumbent population below 100 percent of the poverty threshold on the basis of earnings alone was 89 percent at baseline. Ninety five percent of the non-incumbent sample had earnings lower than 150 percent of the poverty threshold based on family size.

¹³ The NJS baseline report notes, “It was not possible to compute the exact percentage of the sample that was below the poverty level.” From Howard S. Bloom et al., *The National JTPA Study: Baseline Characteristics of the Experimental Sample*, (Bethesda, Md.: Abt Associates, Inc., September 1991), 38. Without estimates of the percentage of individuals living in poverty at baseline, it is not possible to assess the degree of economic mobility that the sample experienced.

¹⁴ Cancian, Maria, et al., *Work, Earnings and Well-Being After Welfare: What Do We Know?*, Focus, (Madison, Wis.: Institute for Research on Poverty, 1999) Vol. 20: 2. WWLP is not an evaluation of any service program. It simply tracks the post-exit earnings and employment patterns of welfare leavers. Many of these individuals may have received some form of employment or placement assistance as they transitioned from welfare to work.

Introduction

A sectoral or industry-specific approach to workforce development views the services provided by most employment and training programs as necessary but not sufficient services to bring about real opportunities for poverty alleviation. In traditional workforce development programs, there are generally two kinds of approaches that are used to help disadvantaged individuals. In the first approach, a person's lack of previous experience is viewed as the primary barrier to employment, and so services are designed to connect people to the labor market as quickly as possible by helping them with activities such as resume writing, job search and job readiness (soft skills). In the second approach, an individual's lack of skills is considered the main barrier to employment, and so services tend to focus on pre-employment training designed to improve basic skills in order to improve a person's chances of finding work. In either approach, the nexus of intervention for traditional workforce development programs remains focused exclusively on delivering resources to individuals to help them access employment.

Sectoral workforce development strategies -- so called because they operate exclusively within an industry occupational context -- take individual barriers into account when designing training programs. They also investigate industry employment practices, employer needs and the quality of jobs and existing training practices to understand any "demand-side" issues that can impede an employer's or industry's ability to recruit, retain and reward workers. By pursuing "dual customer" strategies that take into account both the supply-side (issues involving individuals' needs) and demand-side (issues involving industry and workplace dynamics) of the labor market, sector programs strive to achieve significant and lasting employment outcomes for low-skill, low-income individuals.

SEDLP Research Design and the Sector Policy Project Series

To test the hypothesis that sectoral workforce development strategies can assist participants in becoming self-sufficient, The Aspen Institute's Economic Opportunities Program began working in 1996 with the Charles Stewart Mott Foundation, the Ford Foundation, the Annie E. Casey Foundation and six experienced sector practitioners to design the Sectoral Employment Development Learning Project (SEDLP). In addition to investigating the operational features and costs of sector programs, the project surveys program participants before training, and for two years following training. The survey data provides a detailed look at participants' post-training employment experience and related issues such as earnings capacity, job satisfaction and job quality.

SEDLP Participating Programs

Asian Neighborhood Design (San Francisco, Calif.) is a community development corporation that provides training in cabinetry, carpentry and other construction trades. Founded in 1973, it runs a specialty furniture and wood products manufacturing company that provides a work-oriented training environment and transitional employment opportunities for trainees.

Garment Industry Development Corporation (New York, N.Y.) is a nonprofit institution established in 1984 and supported through the collaboration of union, industry and government entities. GIDC provides training for employed and unemployed individuals in a range of occupations in the garment industry, and provides technical assistance and marketing services to garment industry firms.

Focus: HOPE (Detroit, Mich.) is a civil- and human-rights organization founded in 1968 in the aftermath of the 1967 Detroit riots. Focus: HOPE offers precision machining and metalworking training to inner-city youth and young adults. It also operates businesses that provide hands-on learning for students and produce parts and services for the automobile and related industries.

Jane Addams Resource Corporation (Chicago, Ill.) is a community development organization formed in 1984 to retain and grow local industry, provide community residents with educational services and offer job training in the metalworking industry for both incumbent and unemployed workers. JARC provides assistance to small- and medium-size metalworking manufacturing businesses in modernization and human resource management.

Paraprofessional Healthcare Institute (Bronx, N.Y.) is a sectoral employment advocacy organization that supports the training of low-income women of color in paraprofessional health-care skills. It links them with Cooperative Home Care Associates (CHCA), an employee-owned agency founded in 1985 and designed to provide full-time employment, with benefits, for home health aides.

Project QUEST (San Antonio, Texas) is a nonprofit organization established in 1992 and developed through a community organizing effort. It engages employers, community colleges and others in coalitions to develop training projects that prepare low-income individuals for good jobs in a range of selected industries, including health care and business services.

The first report in this Sector Policy Project Series summarized the baseline demographic characteristics of the SEDLP participant survey sample, and assessed the similarities and differences of SEDLP and JTPA participants. This report builds on the earlier research and presents the 12-month follow-up SEDLP findings alongside those of other job training and welfare-to-work evaluations, especially the NJS. It is intended to provide federal, state and local policymakers, researchers and workforce development practitioners with answers to the following questions:

- How successful are participants of sectoral workforce development programs at finding and retaining quality employment, and advancing toward self-sufficiency?
- How do sectoral approaches to workforce development improve employment and earnings outcomes for program participants?

By placing the SEDLP findings in the context of outcomes from other job training and welfare-to-work programs, and by offering examples of ways that sectoral programs tailor their interventions to benefit both job seekers and employers in targeted industries, it is hoped that sectoral approaches to workforce development will be more widely understood and more effectively used by policy and practitioner audiences.

Studies and Data Used in This Report

Data from many different program evaluations is used in this report to provide a context for assessing the 12-month SEDLP participant outcomes. The main benchmarking data comes from the National JTPA Study interim findings at 18 months (the last 12 of which were considered the “post-training” phase of the study). The key differences between the NJS and SEDLP samples are explained in detail in the first report in this series. Most of the supplementary data cited in this report comes from programs that have participated in various job training and welfare-to-work evaluations, the results of which have lead researchers to identify these programs as “best practices” in terms of their success in helping to raise participants’ employment and earnings potential relative to a control group. Given the hypothesis that SEDLP programs should generate strong outcomes for program participants, it seems appropriate to assess these outcomes in the context of programs that are recognized as having strong and effective intervention strategies. Other, non-experimental performance outcome data from the JTPA 1997 annual program report and the Wisconsin Welfare Leavers Project also is provided to help benchmark the SEDLP findings against other recently collected data from programs that serve populations facing similar barriers to employment.

The actual programs as well as the evaluation studies referenced in this paper differ greatly from one another. The programs differ in terms of their target populations, intervention strategies and participation requirements. The evaluation studies differ in terms of purpose, methodology and research time frames. These differences make it difficult to conduct cross-study comparisons that are meaningful in any but the most cursory of contexts. Some of the key differences that limit the validity of cross-study comparisons are discussed briefly below.

The basic ways that programs differ relate to the populations they serve, the services they provide and the conditions under which participation takes place. With regard to populations served, participants in JTPA Title II-A programs and privately initiated programs, such as those in the SEDLP, are generally less disadvantaged (experience fewer barriers to employment) than those in programs exclusively serving welfare recipients, such as the programs involved in the National Evaluation of Welfare to Work Strategies and the California GAIN demonstration.

Studies Cited

Program/Study (Abbreviation and Baseline Year)	Activities and Services	Target Population (Participation Requirement)	Evaluation Details
National Job Training Partnership Act Study (NJS, 1988)	Strategies vary by site: Classroom training, on-the-job training, other services	Disadvantaged adults and youth (voluntary)	Experimental design, 16 sites, 30 months. Abt Associates, Inc.: Bloom (1991, 1993), Orr (1996)
JTPA Annual Outcome Data (JTPA, 1997)	Varies widely among the 600-plus programs. Full range of employment services	Disadvantaged adults and youth (voluntary)	Annual Standardized Program Information Report (SPIR) for all JTPA service delivery areas. Self-reported data. U.S. Department of Labor
Center for Employment Training (San Jose, Calif. site) (CET, 1982)	Classroom training, work experience	Disadvantaged minority single mothers (voluntary)	Experimental design – Minority Female Single Parent Demonstration Project, five sites, 60 months. Mathematica Policy Research, Inc.: Zambrowski (1993)
Greater Avenues to Independence (GAIN, 1988)	Job placement, job search, classroom training, on-the-job training	Aid to Families With Dependent Children/Temporary Assistance to Needy Families recipients (mandatory)	Experimental design, six sites, 36 months. Manpower Demonstration Research Corporation: Riccio (1994)
National Evaluation of Welfare to Work Strategies (Portland, Ore. site) (NEWWS, 1993)	Labor force attachment (job placement, job search, job development)	AFDC/TANF recipients (mandatory)	Experimental design, 11 sites, 48 months. Manpower Demonstration Research Corporation: Scrivener (1998), Freedman (2000)
Wisconsin Welfare Leavers Project (WWLP, 1996)	NA	TANF recipients who exited welfare for more than two months during the year	Outcome evaluation – 12-month, statewide analysis of administrative and survey data. Institute for Research on Poverty: Cancian, et al. (1999)
Sectoral Employment Development Learning Project Participant Survey (SEDLP, 1998)	Strategies vary by site: Occupational training, soft skills development, work experience, job search, job development, other services	Disadvantaged adults, TANF recipients (voluntary)	Reflexive control design with multiple data collection points and exhaustive sample, six sites, 40 months. The Aspen Institute’s Economic Opportunities Program: Zandniapour and Conway (2000, 2001).

Programs also differ in that some of them work (or worked) with individuals who volunteered to receive training or job placement assistance, while others have mandatory participation requirements. The conditions of participation can affect the outcomes observed in an evaluation, even though the connection between motivation and performance is not directly measurable. Of the studies cited, Portland NEWS and Riverside GAIN issued participation mandates to welfare recipients as a condition of continued welfare receipt. All JTPA, SEDLP and CET participants voluntarily enrolled in the programs that took part in each evaluation.

The types of services offered by different programs also vary in important ways. The two welfare-to-work programs cited in this report -- the Portland, Ore. NEWS site and the Riverside, Calif. GAIN site -- offered services such as job search and job placement assistance, and short-duration job readiness training. These services are geared toward moving participants rapidly into employment. The programs funded through JTPA Title II-A funds -- both during the national evaluation and throughout the era of its funding that ended in 1998 -- offered a wide variety of service interventions that ranged in focus from the rapid attachment methods described above to short- and long-term training in basic and vocational skills and on-the-job training. Most SEDLP programs received public funds under JTPA, but none currently receive funds under the Workforce Investment Act, which replaced the JTPA.

Like the programs themselves, evaluation studies are designed in a variety of ways suited to their differing goals and objectives. In addition, they are conducted during a range of different time periods and diverse geographic areas of the country -- differences that alter the economic, social and policy conditions that shape the context of each study, and that limit the ability to draw comparisons across study results.

12-Month SEDLP Findings in Context¹⁵

How successful are the participants of sectoral workforce development programs at finding and retaining quality employment, and advancing toward self-sufficiency?

To answer this question, efforts were made to identify a series of outcome measurements common across studies that would convey an overall picture of participants' economic situations during an interim period following their receipt of training or employment assistance. The three categories of outcome measures researched and reported relate to employment, earnings and job quality.

For those studies that used experimental design methods (NJS, NEWWS, CET, GAIN), it should be noted that the results cited reflect the gross outcomes for treatment group members. In the case of monetary results, outcomes have been inflated to 1998 dollars to be on par with SEDLP outcomes that are in 1998 nominal dollars. When tables omit results for a particular study, it is because the study either did not report on the selected measure, or because the published literature reflected results only in terms for which the SEDLP has no comparable assessment.

The follow-up periods for different studies are not uniform. SEDLP, CET, WWLP and some NJS results (all clearly noted in tables) report results for a 12-month follow-up period to training¹⁶ The NEWWS study reports results for a 24-month follow-up period, and JTPA 1997 program data is tracked for a 13-week follow-up period. It also should be noted that all pre-training or baseline data represents a one-year history of circumstances before an initial baseline survey, with the exception of the JTPA annual program data, for which pre-training results are collected based on a 26-week history.

Another important element to keep in mind when reviewing the data reported below is that results for experimentally designed studies reflect a somewhat watered-down assessment of the actual outcomes that may have resulted from program participation. Random assignment to a treatment group usually occurs before program enrollment. In many studies, a substantial minority of treatment group assignees never actually received services (the exception being when programs actively enforce mandatory participation requirements, as was the case in the Portland, Ore. NEWWS program referenced in this

¹⁵ Detailed information on the SEDLP 12-month follow-up findings is available from The Aspen Institute's Economic Opportunities Program in the SEDLP Research Report No. 2, "Closing the Gap: How Sectoral Workforce Development Programs Benefit the Working Poor," Lily Zandniapour and Maureen Conway (June 2001).

¹⁶ For NJS, the 18-month interim report includes a breakdown of results for months one through six and months seven through 18. The first six months are thought of as the "treatment" period. Months seven through 18 are therefore comparable to the 12-month post-training follow-up period in SEDLP.

report).¹⁷ Outcome data for the group can thus reflect results that incorporate all group members regardless of whether they ever enrolled in a program or received services.

The NJS study did make an attempt to infer outcome measures for actual treatment group enrollees. Where available, the inferred results for enrollees are presented in place of treatment group outcomes. Evaluations of CET, GAIN and NEWS also present outcomes and impacts as they relate to the pool of employed individuals in certain follow-up periods. Distinctions are not made, however, between employed persons in follow-up periods who did and did not receive program services.

Finally, keep in mind that demonstrations such as SEDLP and NJS consist of many different programs, and that the findings represent averages that are calculated across programs. Such averages mask a range of individual program outcomes that are both higher and lower than the results noted here. The full SEDLP participant sample consists of both incumbent and non-incumbent workers. The data presented in this report reflects only the post-training experience of the non-incumbent sample (77 percent of the total sample), because their work experience and skill levels most closely relate to those of individuals who receive services from other workforce development programs for the disadvantaged. Program data for the San Jose, Calif. CET; Portland, Ore. NEWS; and Riverside, Calif. GAIN was extracted from larger multi-site evaluations when possible to reflect the outcomes of particular workforce development and welfare-to-work programs whose findings have generated a great deal of interest for their apparent success.

Employment

The number of participants in SEDLP programs who found employment in the 12 months following training increased by 27 percentage points over the year prior to training -- from 67 percent employed for some portion of the year preceding the baseline survey and entrance into training, to 94 percent employed for some portion of the year that followed training. In addition, the point-in-time employment rate at the time of the SEDLP baseline survey was only 28 percent, compared to 82 percent one year following training.

When assessed alongside findings from other research, the employment outcomes for the SEDLP appear strong. The SEDLP's 67-percent pre-training employment rate is on par with NJS's 71-percent rate. There was a 14-percent increase in the full 18-month follow-up period to the NJS baseline (the six-month "service" period and the 12-month "post-service" follow-up). During that period, 85 percent of NJS enrollees were employed for some part of the time.

¹⁷ In the National JTPA study, researchers using administrative data found that only 65 percent of treatment group assignees ever enrolled in training or received services. This number drops to 48 percent when calculated using self-reported survey data. From Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study*. (Washington, D.C.: Urban Institute Press, 1996), 214.

Table 2.1

Employment Outcomes	SEDLP	NJS Enrollees	JTPA 1997	CET San Jose	NEWS Portland	GAIN Riverside	WWLP
Pre-training							
Point-in-time employment rate at baseline, in percent	28	14	13	NA	9.4	NA	NA
Percent employed for any part of the 12 months before program enrollment	67	71	NA	46.3	53.7	50	NA
Post-training follow-up*:							
Point-in-time employment rate at end of follow-up period, in percent	82	64.5(women) 72.5 (men)	NA	30.5	49.6	NA	62
Percent employed for any part of follow-up time period	94	85(weighted average) 80.3(women) 88.4 (men)	69	62	75.8	52.1	82
<p>* Follow-up periods are: 12 months for SEDLP, CET, NJS, GAIN; 13 weeks for JTPA; 24 months for NEWS. NJS follow-up data for treatment group enrollees, not assignees.</p> <p>Pre-training employment defined as “recent work experience.”</p> <p>Sources: NJS, Bloom (1991), p. 39; (1993), p. 86,142; SPIR 1997 data; CET, Zambrowski (1993), p. 17; NEWS, Freedman (2000), p. 18, 80; GAIN, Riccio et al. (1994), p. 16, 24; WWLP, The Green Book (2000), Appendix L.</p>							

All of the studies cited here recorded some increase in participant employment rates during follow-up periods. This is not surprising given the tendency of many individuals to apply to employment and training programs only when they find themselves out of work and in particularly dire straits. The percentage of participants who worked in the follow-up period ranged from 52.1 percent in the Riverside GAIN program to 75.8 percent in Portland’s NEWS and 89 percent in the Wisconsin Leavers study. The increase in the percentage employed during the follow-up as compared to the baseline year increased as little as 2 percent for Aid to Families With Dependent Children females in the GAIN evaluation (Riverside) to as much as 22 percent at the Portland NEWS site. All of these programs (except CET) tend to deal with welfare populations exclusively, while JTPA and SEDLP programs serve populations that are more diverse and who, on the whole, face fewer barriers to employment.

Earnings and Economic Mobility

One of the main criticisms stemming from job training and welfare-to-work evaluation findings is that the majority of participants do not improve their earnings capacity enough to escape poverty or become self-sufficient. In a 1995 review of employment and training impact studies, economist Robert LaLonde noted that “modest investments (in job training) usually yield modest gains -- too small to have much effect on poverty rates.”¹⁸

The gains to which LaLonde referred are the impacts or incremental increases in earnings and employment that a publicly funded program generates. In NJS, the earnings impacts for enrollees were about 15 percent for women and 8 percent for men. The Portland, Ore. NEWWS program increased earnings by 35 percent over the control group during the course of two years. Some of the most impressive earnings impacts ever measured came from the Riverside GAIN site, where the treatment groups increased two-year earnings by 56 percent over the control group. Even in the programs whose evaluations indicated highly favorable impacts in relation to a control group, however, the average earnings outcomes were still largely inadequate to enable self-sufficiency or to raise a family above the poverty line on the basis of earnings alone. For example, the mean earnings of Portland NEWWS control group participants who actually worked in the follow-up period totaled \$11,000 over the course of two years. Table 2.2 summarizes some of these findings.

Table 2.2

Earnings	SEDLP	NJS enrollees (Months 7-18)	NEWWS Portland	WWLP
Average earnings in 12-month follow-up period	\$15,315	\$10,394	\$5,584	\$8,789
Simple “pre-post” change in earnings	\$7,420	\$4,827	NA	NA
◦ Longitudinal change in earnings (includes zeros)	\$9,048	NA	NA	NA
◦ Total percentage with earnings above poverty in follow-up period	51	NA	NA	19.5
◦ Change in percentage with earnings above poverty	27	NA	NA	NA
◦ Change in percentage with earnings above 150 percent of poverty	16	NA	NA	5.4
Sources: SEDLP, Conway and Rademacher (2000), p. 22; NJS, Bloom, et al. (1991), p. 85 and Bloom, et al. (1993), pp. 83, 138; NEWWS, Freedman (2000), p. 59; WWLP, Cancian, et al. (1999), p. 21-22, 48 and the Green Book (2000), Appendix L.				
All earnings data excludes zero earners unless noted otherwise in this table.				

¹⁸ Robert J. LaLonde, “The Promise of Public Sector Sponsored Training Programs,” *Journal of Economic Perspectives* 9, no. 2, (1995), 149.

SEDLP participants reported impressive earnings gains in the 12 months following training. The longitudinal change in earnings for all respondents who provided valid earnings information (including zero earnings) in both baseline and follow up surveys was \$9,048. Among respondents who were employed for some portion of both survey periods, mean annual individual earnings increased by 94 percent, from \$7,895 during the baseline year to \$15,315 in the follow-up period. Median earnings for the same group increased by 124 percent, from \$5,785 to \$12,939.

SEDLP earnings data also indicate that 27 percent of SEDLP participants who lived below the poverty threshold at the time of the baseline survey moved above the poverty threshold on the basis of earnings alone in the 12 months following training. In addition, 16 percent of this group achieved earnings gains that raised them above 150 percent of the poverty line.¹⁹

The mean annual individual earnings of NJS enrollees who were employed for some portion of both survey periods increased by 87-percent or \$4,827 during the follow-up period, from \$4,567 during the baseline year to \$10,394 during the follow-up period.²⁰ The Wisconsin Welfare Leavers Project found that welfare leavers averaged \$8,789 in annual earnings after exiting welfare, while Portland NEWWS participants who were employed during the follow-up period earned an annualized average of about \$5,600 in each of the two follow-up years.

The Wisconsin Welfare Leavers Project is one of the few studies that explicitly examined the earnings mobility of sample members in relation to poverty and self-sufficiency thresholds.²¹ Overall, 19.5 percent of welfare leavers the study tracked made

¹⁹ Total non-incumbent population below 100 percent of the poverty threshold on the basis of earnings alone was 89 percent at baseline. Ninety five percent of the non-incumbent sample had earnings lower than 150 percent of the poverty threshold based on family size.

²⁰ Earnings are inflated to 1998 dollars. The change in earnings figure for NJS reflects a snapshot of the difference in earnings between baseline non-zero earners and the average inferred earnings of NJS enrollees during a 12-month period following training. The 12-month post-training follow-up period for NJS referred to throughout this paper refers to months seven through 18 of the study period. According to the NJS evaluation design, the 30-month follow-up after random assignment breaks down as follows: The first six months after assignment were considered the time set aside for the treatment groups' participation in job training programs; months seven through 18 were considered the one-year follow-up period; and months 19-30 the two-year follow-up period. Analysis is based on data from Larry L. Orr et al., "*The National JTPA Study: Title II-A Impacts on Earnings and Employment at 18 Months*," (Bethesda, Md: Abt Associates, Inc. 1993).

²¹ The NJS baseline report notes, "It was not possible to compute the exact percentage of the sample that was below the poverty level." From Howard S. Bloom, et al., "*The National JTPA Study: Baseline Characteristics of the Experimental Sample*. (Bethesda, Md.: Abt Associates, Inc. September 1991), 38. Without estimates of the percentage of individuals living in poverty at baseline, it is not possible to assess the degree of economic mobility that the sample experienced.

greater than poverty-level earnings in the year after exiting welfare.²² Only 5.4 percent of the sample achieved earnings that raised them above 150 percent of the poverty level.

Job Quality

One of the primary claims of sector practitioners is that their industry-oriented approach to workforce development has profound impacts on the quality of jobs to which workers are able to connect. To examine the validity of this claim, the SEDLP survey asked participants a series of questions about job quality, measured in ways that relate to changes in annual and weekly employment duration, wages and access to employer-provided health care benefits.

Duration of Employment

A common finding across evaluations of workforce and welfare programs is that the working hours of participants increase significantly in follow-up periods, and this increase accounts for the majority of the change in earnings outcomes. In the year before they entered training, SEDLP participants who worked held employment for an average of 30 weeks per year. Weekly hours worked at the main job averaged 32 hours, and participants averaged 1.5 jobs over the course of the baseline year. The total annual hours worked for employed respondents averaged 975 hours. Only 16 percent of respondents reported working year-round during the year before training. This work pattern also was the norm in the two years preceding the baseline year.²³

In the year following training, a larger percentage of SEDLP participants found employment and remained employed for longer periods of time both overall and at their main job. Overall, participants increased the amount of time they worked by an average of 804 hours in the year following training. Individuals continued to work at 1.5 jobs on average during the year. Employed participants worked for 43 weeks on average. The length of time spent working at their main job increased to 37.5 hours per week. In the year after training, the number of employed respondents who worked year-round at their main jobs rose from 16 percent to 56 percent. The total number of hours worked by employed participants at all jobs in the follow-up period averaged 1,620 hours, which equates to 93 percent of the 1,750-hour benchmark that the Department of Labor uses to define full-time, year round employment.²⁴

As indicated in Table 2.3, NJS enrollees also were typically employed full time, part-year before entering JTPA programs, and this pattern continued following training. The

²² WWLP is not an evaluation of any service program. It simply tracks the post-exit earnings and employment patterns of welfare leavers. Many of these individuals may have received some form of employment or placement assistance as they transitioned from welfare to work. About 30 percent of the overall sample returned to welfare during the course of the study. From Maria Cancian, et al., "Work, Earnings and Well-Being After Welfare: What Do We Know?" *Focus*, (Madison, Wis.: Institute for Research on Poverty, 1999) Vol. 20:2.

²³ Additional data on the work patterns of participants in the two years prior to the baseline year was collected to see if there was any tendency for participants to have extreme drops in work just before applying to a training program. No evidence of this pattern was reported by respondents.

²⁴ The U.S. Bureau of Labor Statistics defines a full-time work year as working at least 35 hours per week for 50 weeks per year, or 1,750 hours.

total annual hours worked at all jobs increased to 1,220 in the 12 months following training.²⁵ This amounts to about 70 percent of a full-time, 1,750-hour working year.

None of the changes in working patterns discussed here can be attributed solely to a person’s participation in training or other employment services, nor do they necessarily reflect the quality of services a participant received. Employment patterns are always closely tied to the prevailing economic conditions of a time period. The economic climate of the late 1980s, when the NJS was under way, was markedly different from the economic climate in which the SEDLP was conducted in the late 1990s. The first report in this series discusses these differences in detail.

Table 2.3

Employment Duration	SEDLP* Non-incumbent	NJS Enrollees months seven-18	JTPA 1997	CET	NEWWS Portland	WWLP
Mean hours worked per week						
In time prior to baseline	32.3	33.9	37	NA	NA	NA
In follow-up period	37.5	39.2	37	10	35.3	36
Mean weeks employed						
In time prior to baseline	30.1	26.0	NA	13.2	NA	NA
In follow-up period	43.2	31.1	9.5	15.6	60.2	NA
<p>*SEDLP mean weeks employed reflects hours worked at all jobs (not just main job) in the baseline and follow-up years. SEDLP mean hours worked data relates to participants’ experience at their main job.</p> <p>Follow-up periods are: 12 months for SEDLP, CET, NJS, WWLP; 13 weeks for JTPA; 24 months for NEWWS. NJS follow-up data for treatment group enrollees, not assignees. NEWWS data excludes zero earners. Sources: NJS, Bloom (1993), Tables 4.6, 5.5; JTPA, SPIR data (1997), p. II2, 27; CET, Zambrowski (1993) p. 17, 40; NEWWS, Freedman (2000), Tables 5.6, 5.7; WWLP, Cancian et al. (1999), p. 21-22, 48.</p> <p>NJS figures for weeks worked were derived by dividing total hours worked by 40.</p>						

Wages

In general, wages tend to reflect the skill and productivity levels of workers, but they also can reflect a tight labor market and industry competition for skilled workers. SEDLP participants’ wages increased by \$2.11 per hour on average during the follow-up period.²⁶ The average wage in the follow-up period for employed participants was \$9.67. This wage represents a 28-percent increase over the \$7.54 average hourly wage that employed individuals received in the baseline year. For the labor market as a whole, the Economic

²⁵ Information based on Bloom (1993), Tables 4.6 and 5.5; and Bloom (1991), Exhibits 3.5 and 3.6.

²⁶ The average longitudinal change in wages recorded for non-incumbent sample participants who reported earnings (including zero earnings) in both waves of the study was \$2.33 per hour.

Policy Institute reported real hourly wage gains for low-income workers of 36 cents from 1996 to 1998, which corresponds to an annualized change of 3.6 percent.²⁷

Analysis of the earnings and hours worked by NJS enrollees suggests that average wages increased by about \$1.80 per hour in the follow-up year to an estimated \$8.52.²⁸ According to the 1997 JTPA program data, program participants experienced a 33-cent hourly wage increase to \$8.27 in the 13 weeks following their receipt of services (no longer-term follow-up data is available from JTPA annual data). The Wisconsin Welfare Leavers Project and NEWWS did not publish a separate average baseline wage for the subset of participants who were employed for some part of the baseline period. During follow-up periods, however, the average hourly wage among WWLP sample members was \$7.52 per hour. Portland NEWWS participants who worked in the follow-up period averaged \$8.28 per hour, and the San Jose Center for Employment Training recorded average follow-up period earnings of \$8.90 per hour (all figures in 1998 inflation adjusted dollars).

Table 2.4

Wages	SEDLP Non- incumbent	NJS Enrollees months seven through 18	JTPA 1997	CET	NEWWS Portland	WWLP
Mean hourly wage						
In time prior to baseline	\$7.54	\$6.72	\$7.94	NA	NA	NA
In follow-up period	\$9.67	\$8.52	\$8.27	\$8.90	\$8.28	\$7.42
Change in wage	+\$2.13	+\$1.80	+\$.33	NA	NA	NA
<p>* Follow-up periods are: 12 months for SEDLP, CET, NJS; 13 weeks for JTPA; 24 months for NEWWS. NJS follow-up data for treatment group enrollees, not assignees. NEWWS data excludes zero earners.</p> <p>Sources: NJS, Bloom (1993), Tables 4.6, 5.5; JTPA, SPIR data (1997), p. II2, 27; CET, Zambrowski (1993), p. 17, 40; NEWWS, Freedman (2000), Tables 5.6, 5.7; WWLP, Cancian et al. (1999), p. 21-22, 48.</p> <p>SEDLP figures are 1998 nominal dollars. All others inflated to 1998 dollars for comparison.</p>						

²⁷ Lawrence Mishel, Jared Bernstein and John Schmitt, "The State of Working America 1998-1999," a report to the Economic Policy Institute, (Ithaca: N.Y.: Cornell University Press).

²⁸ In the 1988 baseline year for NJS, the figures shown here would be \$1.13 and \$6.18, respectively. The hourly wage increase for NJS enrollees is inferred by the author and reflects a simple snapshot comparison of the pre-post training change in wages. Average hour wages were not collected in the NJS interim follow-up period. It was approximated by dividing the average earnings for enrollees in months seven through 18 by average hours worked by enrollees in the same months.

Health-Care Benefits

Another important indicator of job quality is whether workers have access to medical benefits through their place of employment. In the SEDLP 12-month follow-up survey, 75 percent of all jobs that participants held after training provided access to health insurance. Of those who had access to medical benefits, 61 percent were using the benefit. The Economic Policy Institute’s “State of Working America 2000” reports that 29.6 percent of private sector workers with income in the lowest quintile had access to employer-provided health insurance in 1998²⁹, while a recent report from the Urban Institute showed that 42 percent of low-income workers in America have employer-sponsored health benefits.³⁰

NJS did not record information about job-related medical benefits, but the GAIN study reported that 28 percent of participants who were employed at the end of three years had health-care benefits associated with their jobs (all sites, not just Riverside). Forty-nine percent of Portland NEWWS site participants who were employed at the end of two years had jobs that provided medical benefits, and 38 percent of CET participants employed five years out had medical benefits associated with their jobs (all sites).

Table 2.5

Medical Benefits	SEDLP	JTPA 1997	CET	GAIN Riverside	NEWWS Portland	WWLP
Medical benefits Percentage with benefits in time prior to baseline	50	46	NA	NA	NA	NA
Percentage receiving job-related health benefits in follow-up period	61	NA	38.2	28	49	26**
<p>*Follow-up periods are: 12 months for SEDLP, 13 weeks for JTPA, 24 months for NEWWS. CET medical benefits refers to 60-month follow-up period.</p> <p>**Medical benefits for WWLP relate to private insurance held by any household member.</p> <p>Sources: JTPA, SPIR data (1997), p. II2, 27; CET, Zambrowski (1993), p. 17, 40; GAIN, Riccio (1994), p. 6; NEWWS, Freedman (2000), Tables 5.6, 5.7; WWLP, Cancian et al. (1999), p. 21-22, 48.</p>						

Along with strong findings regarding employer-provided health benefits, the SEDLP survey also found that the majority of non-incumbent respondents had access to paid vacation (70 percent), sick leave (63 percent), and life insurance (54 percent) through their employer. The survey also examined the quality of participants’ employment in terms of overall job satisfaction and access to career advancement opportunities.³¹

²⁹ “The State of Working America 1999-2000,” a report to the Economic Policy Institute.
³⁰ *Snapshots of America’s Families* (Washington, D.C.: The Urban Institute Press, January 2001), Issue 11
³¹ Discussions of these and other components of job quality are highlighted in other SEDLP publications.

Understanding a Sectoral Approach to Workforce Development

While the six programs participating in the Sector Employment Development Learning Project differ considerably from one another, they share characteristics that differentiate them from more traditional service-delivery models of workforce development. All sector programs in this study attribute the effectiveness of their programs to the quality and market relevance of their training programs, and to their deep industry knowledge, strong employer and community relationships and staff expertise. Whereas the traditional debate in workforce development focuses on the pros and cons of rapid labor force attachment vs. better grounding in basic and technical skills, sector programs choose a different emphasis.

Industry-Specific Training

Sector programs such as those in SEDLP meld a strong employment focus with investments in skills training. Training is an upfront and non-equivocal first step in the employment process, designed in such a way as to simulate a working environment in as many respects as possible. In a recent survey conducted by the National Network of Sector Practitioners, 95 percent of sector programs reported training as one of their primary tools for generating access to employment opportunities.³²

Emphasis in sector training is on moving candidates successfully and permanently into employment by first immersing them in the specific skills and protocol of a particular industry and occupation, which familiarizes them with the work culture norms and expectations that apply in that industry sector. The tailored and comprehensive approach to training that SEDLP programs use has contributed to high rates of training completion, on-the-job skill usage, and employment in the occupation and sector for which training was conducted.

Training Completion

According to the SEDLP participant follow-up survey, 87 percent of survey respondents reported that they completed their training programs. The completion rates across programs ranged from a low of 78 percent to a high of 94 percent. The 78-percent completion rate corresponded to the program with the longest training program in the study, Project QUEST, where the average length of training is 18 months. Given the long and intensive nature of this training program, and the financial and logistical difficulties that disadvantaged individuals experience while enrolled in such a program, a 78-percent completion rate is still considered a very positive outcome. Data available from the 1997 annual JTPA program data (the last year for which annual figures are recorded before

³² “Scanning the Field: A Profile of Sector Practitioners Nationwide,” The National Network of Sector Practitioners (October 2000).

JTPA was replaced by the Workforce Investment Act) shows that 77 percent of participants nationwide complete training.³³

In the National JTPA study, researchers using administrative data estimated that only 65 percent of treatment group members received services during the follow-up period. Of this 65 percent, the number who actually completed their training or other treatment program was not recorded. When self-reported survey data collected from treatment group members is used, enrollment and participation rates are even lower, at only a 48-percent participation rate.³⁴

Table 3.1

Training Program Completion Rates and Skill Usage	SEDLP	JTPA
Percentage of participants who complete training	87	77*
Percentage of participants who report using newly learned skills in employment	82	46 (women)** 49 (men)**
<small>*JTPA training completion rates are shown for program year 1997, the most recent year for which data is available. **JTPA skills usage data drawn from the 1987 Survey of Income and Program Participation (SIPP), as cited in N. Grubb, "Evaluating Job Training Programs in the United States: Evidence and Explanations," (1995) IV-8.</small>		

Skills Usage

One of the criticisms of employment programs is that the skills taught in training are not relevant in the workplace. A study conducted in 1987 of JTPA participants found that only 46 percent of women and 49 percent of men reported using the skills they gained from training in their jobs.³⁵

Sector practitioners work hard to align their training curricula with the actual skill needs of employers in the occupation for which they train. To gauge the effectiveness of this strategy, SEDLP included a question on the 12-month follow-up survey that asked participants whether they used the skills they gained in sector training on the job. Eighty-two percent reported using their skills in employment.

³³ The Standardized Program Information Report (SPIR) for the Job Training Partnership Act, Program Year 1997, II-12. The 77-percent completion rate was derived from averaging the 640 Service Delivery Area completion rates that were submitted.

³⁴ Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study*. (Washington, D.C.: Urban Institute Press, 1996), 214.

³⁵ JTPA skills usage data drawn from the 1987 Survey of Income and Program Participation (SIPP) as cited in N. Grubb, "Evaluating Job Training Programs in the United States: Evidence and Explanations," (1995) IV 8

Employment in the Sector

By now it should be clear that it is not simply employment that matters for sector programs, but employment in the sector-specific, quality jobs for which programs train. Seventy percent of SEDLP program participants in the survey sample who worked in the year following training were employed in the specific industry sector for which they were trained. Overall, the subset of employed participants who worked within the sector for which they trained made higher wages, worked more hours and had more benefits associated with their jobs than those employed participants who worked outside of the sector.

Strategies and Outcomes

SEDLP programs work on many more levels than just training and employment placement. These other elements of their work contribute in important ways to the types of employment and earnings outcomes that have been recorded in the SEDLP evaluation. They include cultivation of strategic partnerships; a strong commitment to improving industry practice with regard to job quality and/or hiring and advancement of entry-level workers; and investment in developing expertise in the specific industry and occupation that is targeted by the program. These changes can improve the quality of traditionally low-wage jobs, or improve the access and advancement pathways that disadvantaged individuals can tap to connect with quality jobs.

The SEDLP outcomes presented in this report are averages from individuals participating in a variety of programs that operate in diverse industry contexts and geographical regions. Because of these differences, the outcome data that relate to earnings, employment, placement rates and job quality vary widely across programs. The industry context in which programs operate needs to be understood to determine what benchmarks should be used to determine “success” in relationship to any particular program’s outcomes.

For example, in programs that focus on providing disadvantaged men and women with access to industries characterized by high growth and/or high wages (such as nursing and manufacturing), employment and earnings outcomes are relatively high. These outcomes undoubtedly have to do with the wage trends and labor needs in the sector, but they also may be influenced by the characteristics of the training participants themselves. Some programs that work in high-wage sectors find that they must screen applicants for minimum skill levels at intake to ensure that the training is of a high enough quality to meet employer needs. Criteria can include the possession of a high school diploma, demonstrated fluency in English or specified aptitude levels in math or reading. This means that participants in some sector programs are less disadvantaged than others, and this difference can have an impact on employment and earnings outcomes.

Focus:HOPE is an example of a program that focuses on opening up employment opportunities in a high-paying industry to individuals who have not traditionally had access to these jobs. Focus:HOPE enrolls inner-city youth and young adults in an intensive skills training program that prepares them for entry-level jobs in Detroit’s automotive industry. In the year following training, 98 percent of Focus:HOPE survey

respondents worked, and median personal earnings increased by \$9,312 -- a change attributed to both a \$2.22 increase in the median hourly wage and a 747-hour increase in median hours worked. Because the training is long and intensive, Focus:HOPE carefully assesses each potential student for their level of motivation and their basic skill levels. All Focus:HOPE participants must have a high school diploma or a General Education Development certificate to enter the training program.

Many other sector programs work in traditionally low-wage sectors (often service-related fields such as health care, hospitality and child care), because these are the sectors where the majority of disadvantaged individuals often find employment. Alongside training programs that are strongly influenced by the needs of the industry, programs also interact with industry employers, operate model enterprises and engage in advocacy and education to improve the quality of entry-level jobs. Sector programs operating in low-wage industries tend to have smaller participant earnings outcomes in the follow-up year than high-wage sector programs. However, when compared to a profile of the typical wages, benefits and hours worked associated with the job category, the performance of these programs is quite good and demonstrates a significant improvement over industry standards.

For example, Cooperative Home Care Associates (CHCA) in the Bronx trains very low-income women to become home health aides, an occupation that employs large numbers of low-income, low-skilled individuals. CHCA's objective is to improve the quality of employment and the working experience of home health aides. To do this, CHCA formed its own training curriculum and business cooperative. After completing the four-week training program, participants can join CHCA as an employee. After three months, they can become a worker-owner of the company.

In the year before the SEDLP baseline survey only 32 percent of CHCA's training sample was employed for some part of the year, and 59 percent received welfare. In the year following training, 94 percent were employed and working a median of 1,575 hours. The median wage was \$6.25. In addition to increased wages and hours worked, 82 percent of respondents had medical insurance, 79 percent had paid vacation and 77 percent received paid sick leave associated with their jobs. Overall, the quality of the jobs that CHCA respondents held was much improved over the industry standard. The hourly wages paid to CHCA trainees were typical of the wages paid to entry-level home health aides nationally. But research into this occupation conducted by the Bureau of Labor Statistics shows that unlike CHCA trainees, most home health aides are hired only on an "on-call" hourly basis, work part time and receive no work-related benefits.

It should be noted that the participant-specific outcomes that have been the focus of this report are not the only types of outcomes that sector programs try to facilitate. Part of the theory that underpins a sectoral approach to workforce development is that by becoming deeply knowledgeable about a sector and by working with industry stakeholders in ways that recognize and address employers' needs, it is possible to create changes in the way an industry operates. This benefits not just the specific individuals who receive sector

training, but a wider group of people who are helped indirectly by the work that sector programs have initiated.

Conclusion

Current workforce and welfare policies emphasize the importance of work and seek to quickly connect low-income individuals to jobs. If the objective is to quickly connect disadvantaged individuals to the workforce, then success is heavily dependent on the strength of the economy and the labor market's capacity to absorb large numbers of unskilled workers. The downside of this approach becomes evident rather quickly when the economy slows and the least-skilled and newest-hired workers find themselves unemployed once again.

For employment-based solutions to poverty to succeed in the long term, emphasis must be placed not only on connecting disadvantaged individuals with jobs, but on connecting them to the best job available in terms of wages, benefits and advancement opportunities. Evaluations of workforce and welfare programs are increasingly documenting the correlation between long-term labor market success and the quality of entry-level jobs attained by low-income workers.³⁶ In the 12 months following participation in sector training programs, individuals surveyed by the Sectoral Employment Development Learning Project had greatly improved their likelihood of finding and retaining "good jobs" that paid substantially higher hourly wages than those typically held before training, and that provided access to health insurance, paid vacation and other benefits. Given the strength of the SEDLP findings when benchmarked against outcome data from other workforce and welfare studies, it seems clear that sectoral intervention strategies warrant additional study and support.

The final report in this series will examine the earnings and employment outcomes of SEDLP participants 24 months following training, and again place these findings in the context of other workforce evaluation literature. Two years following training it will be possible to see if participants are experiencing continued employment and job advancement opportunities that lead them out of poverty. Given the recent shifts in the economic climate, it is not a forgone conclusion that this will be the case. If wages and employment duration continue to improve as the economy slows, however, and if participants credit their changed employment opportunities to the training they experienced through sector programs, this would be an important finding that would highlight the provision of quality skills training as a key element of a successful, sustainable workforce policy.

³⁶ See Susan Scrivener (May 1998) and Stephen Freedman (December 2000) publications regarding the Portland, Ore. NEWWS demonstration site. Also, Julie Strawn, "Steady Work and Better Jobs, How to Help Low-Income Parents Sustain Employment and Advance in the Workforce," (June 2000) All from Manpower Demonstration Research Corporation.



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