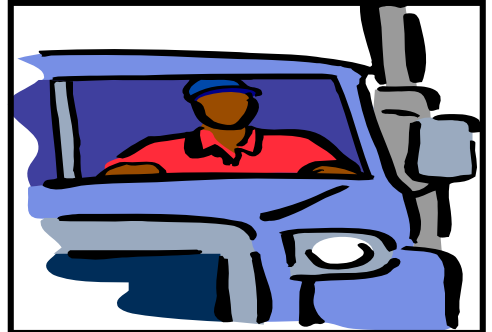


Local Investments in Workforce Development: Initial Evaluation Findings



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Introduction

Origins of Local Workforce Investments

Most workforce development programs in the United States have refocused their energies and resources away from real investments in human capital or skills development towards low-cost, “work-first” approaches. This characterization applies to efforts ranging from work programs under the federal/state-funded Temporary Assistance for Needy Families (TANF) as well as efforts under the federally funded Workforce Investment Act (WIA) of 1998. Resources for training, and the support services individuals often require to avail themselves of training opportunities, have become relatively scarce.

Under WIA, participants are expected to move through a sequence of core, intensive and then training services, but only if they cannot find suitable work using low-cost core services.¹ In fact, most jobseekers prefer to go right to work rather than undergo long periods of training without pay, and thus most workforce offerings tend to emphasize relatively quick connection to the workplace.

The City of Austin and its partner Travis County are unique among local governments in the United States in their approach to and support of workforce development. Rather than relying exclusively on federal funding to support services for their residents as most jurisdictions do, they have augmented federal and state funds with local tax dollars in workforce services for about a decade, strategically coordinating their investments with *WorkSource*—The Greater Austin Workforce Board, the local workforce investment board.² In recent years, Travis County and the City together have expended around \$3 million annually on workforce services for local residents. Primary areas of emphasis for these local investments have been longer-term training and support services, offerings that have typically been constrained under federal program rules.

As described below, the City and County began in the late 1990s by directing resources that had been intended for use as part of the Samsung tax abatement effort to supporting a new workforce intermediary and training provider, Capital IDEA. Very shortly

¹ See Barnow and King (2005) for a discussion of these issues.

² City and county tax expenditures on workforce services grew out of the experience with the Samsung-related agreements in the mid-to-late 1990s (Glover et al. 2007). The Greater Austin Chamber has also put member-services funding into some of these workforce organizations and initiatives over much of the last decade.

thereafter, the list of training providers supported by these funds began to expand, as did the types of services offered.

Evaluation Approach

In order to document and understand the effects of participating in City-funded workforce services, the City of Austin contracted with the Ray Marshall Center for the Study of Human Resources (Ray Marshall Center) at the University of Texas at Austin's LBJ School of Public Affairs to conduct an evaluation of the effects of the City's investments in workforce development services.

The Ray Marshall Center is conducting an *outcomes evaluation* of recent City of Austin workforce investments. The outcomes evaluation documents the results of workforce services participation, including the number of clients served; the number completing training and related services; the number placed in employment; wages earned; and other outputs/outcomes determined largely through linked administrative data. It also seeks to validate outcomes data that is currently self-reported by individual service providers to WorkSource and the City of Austin.

The evaluation also features an exploratory effort to gauge the "value-added" from receiving these workforce services through *quasi-experimental impact analysis* comparing labor market outcomes for City-supported participants with those of a comparison group of similar non-participants. For the impact analysis, comparison group members have been drawn from two possible sources in the Austin-area: individuals who either registered to look for employment with the state's WorkinTexas program or received "core" services under the Workforce Investment Act.

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 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. The report presents quasi-experimental impacts only for groups/providers for whom adequate matching could be performed.

Report Organization

This report is organized into five sections including this Introduction. The second section characterizes the City's workforce services providers and briefly explains their key features. The third section presents the labor market outcomes that have been observed to date, some of which are multi-year results reported for several earlier cohorts supported by the City (and by Travis County). The fourth section presents the results of the quasi-experimental impact analysis. The last section offers several concluding observations.

Workforce Development Providers and Services

The Partners: City of Austin and Travis County

The City of Austin and Travis County have long been active supporters of workforce development activities in the region. The investment of local tax dollars in workforce services for the disadvantaged is a distinction that few other localities can claim, and demonstrates the commitment that the City and County have made to improving the economic outlook of their citizens. Each year the City and County fund multiple organizations to meet the workforce, education, and related needs of the community's low-income residents. In Fiscal Year 2006, these workforce and education services contracts targeted 2,460 local residents.

Training Providers

The City of Austin and Travis County contracted with nine education and workforce training providers in 2006. Many of these organizations have been long-term grant recipients. Two of these organizations – Literacy Austin and LifeWorks – focus solely on adult literacy training and/or GED attainment and will not be included in this evaluation of workforce services. The remaining seven organizations, detailed below, offer a range of educational and occupational skills training activities for low-income and disadvantaged citizens. Most of the organizations also provide training in job search skills and some offer placement and/or retention services.

American Youth Works. American Youth Works operates a charter high school and several service corps, including Casa Verde Builders, the Environmental Corps, and Computer Corps. Each of the corps programs help students to develop job readiness and occupational skills and build work experience. The charter program includes a heavy emphasis on diploma or GED attainment, as well as integrated career development activities.

Austin Academy. Austin Academy provides workforce training in job readiness and basic office/clerical skills. The program emphasizes the development of basic computing skills, including software applications such as MS Office. In addition, Austin Academy provides preparation services to individuals seeking their GED.

Austin Area Urban League (AAUL). The Urban League offers GED instruction, soft skills training, computer-based technology training, medical technology training, MS Office certifications, and financial literacy classes.

Capital IDEA. Capital IDEA offers occupational skills training and support services to disadvantaged residents with a focus on longer-term engagement to improve education and labor market outcomes. Its skills training programs, many provided through Austin Community College, focus on demand occupations, typically with starting wages at \$14 or more per hour, in healthcare, information technologies, accounting, wireless technologies and utilities, and education. Capital IDEA is a workforce intermediary, an organization that tends to work with both participants and employers as “dual customers,” to provide services above and beyond job-matching to foster skills development and offers more comprehensive services (see Giloth 2004).

Crime Prevention Institute (CPI). CPI provides pre-release job-readiness and networking training for individuals in the Travis County Jail System. After individuals are released from incarceration, CPI works with them to identify job leads and provides retention support services for the participants’ first 90 days of employment.

Goodwill Industries. Goodwill provides workforce services to disadvantaged residents, particularly youth and individuals with disabilities. Program offerings build job-readiness skills; support individuals in finding, retaining, and advancing in employment; and assist youth in GED/diploma attainment.

Skillpoint Alliance’s Construction Gateway. Construction Gateway is a well-established training program preparing individuals—most of whom are ex-offenders from the state jail system—for work in the construction industry. Managed by Skillpoint Alliance and operated at ACC’s Eastview Campus, this program has an established history with local employers which allows it to identify skills needs and provide trainees with hands-on, real-world experience.

Range of Program Goals, Participants, Activities and Services

Each of the City and County workforce services contractors has unique program goals, offers a different mix of services, and generally tends to serve a different slice of the community’s disadvantaged population.

American Youth Works serves youth: in the charter school, students range in age from 16 to 21; in the service corps programs, youth range in age from 17 to 25. AYW participants often dropped out of other education settings and many struggle with substance abuse issues and criminal backgrounds. AYW places a strong emphasis on individual counseling, offers small classes and long-term participant engagement, and integrates real-world work experiences into both the charter school and service corps programs. AYW's program goals are oriented towards education credentials as a means to secure better employment.

Austin Academy focuses on individuals who recognize that they need an education credential to access better employment opportunities. The program places a strong emphasis on GED attainment while also helping individuals build employment and occupational skills. Austin Academy's program tends to attract self-motivated adults.

Austin Area Urban League emphasizes employment and training programs for disadvantaged residents in East Austin, who may be unlikely to connect with other workforce service providers in the community. AAUL offers a range of training programs from GED and basic skills attainment, to computer and office skills development, to summer youth employment. Since Hurricane Katrina hit the Gulf Coast in August 2005, AAUL has been particularly focused on serving evacuees living in the Austin area.

Capital IDEA undertakes a rigorous assessment to ensure that potential participants are willing to make a long-term commitment to training for high-skill, high-wage careers. As a result, their participants tend to have stronger work histories and higher education levels than those with some of the other City- and County-funded providers. Capital IDEA emphasizes wrap-around support services for participants in training.

The Crime Prevention Institute exclusively serves inmates being released from the Travis County Jail. Because this is a hard-to-serve population, CPI targets modest goals to help individuals find stable living situations and secure employment. Retention services are a central component of CPI's program offerings as it has been demonstrated that employment and retention services can have a positive impact on the rate of recidivism.³

Goodwill defines its mission "to enhance the quality and dignity of life for individuals, families and our community by providing job-related services for people with

³ This issue was recently highlighted in Public/Private Ventures' *Ready4Work In Brief*. Issue 4, September 2006.

barriers to employment.” With this focus, Goodwill has taken a work-first approach, realizing that individuals with barriers to employment often need the security of steady income before they can begin to consider preparation for longer-term career opportunities. Goodwill works closely with individuals to identify job leads and develop resumes and other materials that will support their job search. In addition, Goodwill’s job developers focus on specific industries to develop knowledge of workforce demands and build relationships with employers.

The Construction Gateway program works to fill the employer demand for entry-level construction workers. Construction Gateway participants often have barriers to employment, such as a criminal background, that limit their opportunities in other industries. In addition to occupational and safety skills training, the program helps these individuals develop strategies for overcoming potential obstacles and encourages participants to stay with an employer for a year or more to start building credibility in the labor market.

Labor Market Outcomes

In this section, labor market outcomes for participants of City-funded workforce development services are examined. Ray Marshall Center researchers have measured employment, earnings, Unemployment Insurance (UI) benefit receipt and eligibility for unemployment insurance both in the pre- and post-service periods.

Provider Records of Employment and Earnings

As part of the evaluation, researchers requested data from each workforce services provider. The initial request asked for data spanning annual participant cohorts between 2003 and 2006. Several workforce providers experienced data system issues that prevented them from providing complete data for the entire time period. The information shown in Table 1 below is therefore limited to the data that were made available to the researchers and is not necessarily comparable across providers.

Table 1. Provider Records of Employment and Earnings⁴

Provider	Number Reported Employed	Total Number of Participants in Provider Data-file	% Reported Employed of Total Participants	Average Reported Wages Per Hour*	% Retaining Employment for 6 months
American Youth Works, 2005-2006	256	958	26.7%	\$6.82	.
Austin Academy 2003-2006	154	340	45.3%	\$9.61	.
Austin Area Urban League, 2004-2006	226	447	50.6%	.	.
Capital IDEA 2003-2006	132	817	16.2%	\$14.25	.
Crime Prevention Institute, 2004-2006	130	233	55.8%	\$9.06	46.2% [^]
Construction Gateway 2003-2006	213	319	66.8%	\$10.03	.
Goodwill 2004-2006	319	479	66.6%	\$10.06	48.3%

* Wages have not been adjusted for inflation.

[^] Outcome measure for this provider is 90 days retention.

⁴ In this table and the ones to follow, a dot has been placed in cells with too few participants or no observations to report.

Provider-Reported Employment and Earnings

In addition to the data researchers collected from each workforce services provider funded by the City of Austin, the evaluation also included the performance information reported by the providers to the City and County. Ray Marshall Center researchers examined quarterly data reports from 2003 to 2006 to understand what each provider has reported and to compare those numbers with the data contained in the providers' databases as well as the information available in UI wage records.

The table below highlights participant employment and earnings data reported by each provider to the City and County in compliance with contract stipulations.

Table 2. Provider-Reported Employment and Earnings

Provider	Number Reported Employed	Total Number of Reported Participants	% Reported Employed of Total Participants	% Obtaining Employment at a Living Wage (\$9/hour)	% Retaining Employment for 6 months
AYW 2003-2006	334	480	69.6%	14.9% ^{**^}	54.4%
*AYW 2005-2006	263	386	68.1%	16.8% [^]	49.5%
*Austin Academy 2003-2006	147	260	56.5%	59.9%	72.3%
AAUL 2003-2006	294	566	51.9%	83.4% ^{**}	68.7% ^{**}
*AAUL 2004-2006	254	427	59.5%	87.2% ^{**}	53.9% ^{**}
*Capital IDEA 2003-2006	315	359	87.7%	99.0%	95.5%
CPI 2003-2006	165	226	73.0%	81.8% ^{***}	51.7% ^{**‡}
*CPI 2004-2006	154	215	71.6%	.	52.4% ^{**‡}
Construction Gateway 2004-2006	162	224	72.3%	68.6% [^]	81.9%
Goodwill 2003-2006	398	627	63.5%	68.5% ^{**}	75.3% [†]
*Goodwill 2004-2006	315	477	66.0%	70.6% ^{**}	68.0%

* Shaded rows match the timeframe examined in the provider's database files as presented in Table 1.

** No data provided for 2004.

*** Data for 2003 only.

[^] 2005 denominator does not match the number obtaining employment.

[‡] Outcome measure for this provider is 90 days retention.

[†] In 2003, more people were reported with 6 months retention than were reported employed.

UI Wage Records-Based Employment and Earnings

A number of caveats should be noted before examining the labor market outcomes based on UI wage records. First, depending on the cohort data provided by each organization, the following discussion of employment and earnings outcomes may be more or less comprehensive. Incomplete participant records resulted in a number of individuals being dropped from the analysis, so the number of participants reported by the provider in the discussion above will not be the same number of participants included in the following analysis. Also, UI wage records are updated and become stable about 7.5 months after the end of a calendar quarter. Therefore, individuals receiving services late in 2006 may not have reportable UI-covered employment or earnings at this time. Finally, some individuals may not enter employment in UI-covered positions; this issue is particularly relevant to work in the construction industry, which traditionally operates through systems of self-employed contractors (see Stevens 2002).

Employment

American Youth Works

Between 2005 and 2006, American Youth Works served 619 individuals (Table 3). In the four quarters prior to enrolling with AYW, participants were reported in UI-covered employment approximately 27 percent of the time. In their last quarter of participation at AYW, approximately 36 percent of participants were reported as employed. Following their participation in the AYW program, 48% of participants were found in UI-covered employment across all post-service quarters. For participants in the 2005 cohort, 77% were in UI-covered employment in the sixth quarter after service.

Table 3. American Youth Works Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2005	137	24.3%	33.6%	40.3%	76.5%	44.3%
2006	482	28.2%	36.1%	51.2%	.	48.7%
Overall	619	27.3%	35.5%	47.8%	76.5%	47.0%

Austin Academy

Overall, Austin Academy served 301 clients between 2001 and 2006, with UI-reported employment in the four quarters prior to enrollment at approximately 53 percent (Table 4). In the last quarter of their participation in Austin Academy services, clients were employed approximately 50 percent of the time. In all post-service quarters, participants were in UI-covered employment about 63% of the time. For those participants for whom sufficient time has passed to examine employment six quarters after service, 60% were reported employed.

Table 4. Austin Academy Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2001 to 2003	97	59.0%	49.5%	63.9%	57.7%	63.4%
2004	75	44.7%	44.0%	53.3%	57.3%	55.7%
2005	73	55.1%	57.5%	75.3%	77.3%	73.8%
2006	56	49.1%	48.2%	62.9%	.	61.7%
Overall	301	52.7%	49.8%	63.9%	59.8%	62.8%

Austin Area Urban League

Between 2004 and 2006, AAUL served 334 clients (Table 5). In the four quarters before entering the AAUL program, participants were employed in UI-covered positions approximately 49 percent of the time. In their last quarter of participation in the AAUL program, participants were employed approximately 60 percent of the time. In the second quarter following their participation in AAUL services, participants were employed approximately 72 percent of the time. For the 2004-2005 cohort, employment at six quarters after service is reported at 74%. For all participants, employment in all quarters after service is reported at 68%.

Table 5. Austin Area Urban League Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004 to 2005	121	52.7%	57.0%	70.2%	74.1%	66.4%
2006	213	47.1%	62.4%	74.2%	.	72.6%
Overall	334	49.1%	60.4%	71.9%	74.1%	68.2%

Capital IDEA

Between 2003 and 2005, Capital IDEA served 321 participants (Table 6) who either completed services or dropped out of the program; approximately 500 other participants were still receiving program services as this analysis was being conducted. In the four quarters prior to their entry into the Capital IDEA program, these participants show up in UI wage records approximately 69 percent of the time, while 79 percent were reported as employed in their final quarter of participation in the Capital IDEA program. Two quarters after receiving services through Capital IDEA, 78 percent of clients were employed; fully 76 percent were employed six quarters after service. In all quarters after service, 78 percent of participants were reported in UI-covered employment.

Table 6. Capital IDEA Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	68.1%	78.8%	77.2%	74.6%	77.6%
2004	75	66.3%	78.7%	72.3%	82.6%	73.9%
2005	62	72.2%	79.0%	88.6%	71.4%	82.7%
Overall	321	68.5%	78.8%	77.9%	75.6%	77.5%

Crime Prevention Institute

In the period 2004 to 2006, the Crime Prevention Institute served 218 participants. In the four quarters prior to entry into the CPI program these participants were found in

employment records approximately 18 percent of the time (Table 7). Considering that an individual enters the CPI program following their release from incarceration, this low-level of employment in the pre-service period is not surprising. In the last quarter of their participation in the CPI program, these clients were employed approximately 49 percent of the time. Forty percent of participants were reported in UI-covered employment two quarters after service, and for those with sufficient post-service quarters, 39 percent were reported employed six quarters after service.

Table 7. Crime Prevention Institute Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004	23	14.1%	60.9%	43.5%	43.5%	39.6%
2005	92	22.8%	56.5%	47.8%	34.5%	43.6%
2006	103	14.8%	38.5%	15.6%	.	24.3%
Overall	218	18.1%	48.8%	40.0%	38.5%	39.6%

Construction Gateway

Overall, between 2002 and 2006 Construction Gateway served 329 people (Table 8). In the four quarters prior to their enrollment in the Construction Gateway program these individuals were employed in UI-covered employment approximately 34 percent of the time, with 39 percent being employed in their last quarter of program participation. In the post-service period, employment outcomes improved for Construction Gateway participants. Two quarters after service, approximately 56 percent were employed while six quarters out 50 percent were employed. In all post-service quarters, 52% of participants were reported in UI-covered employment. These employment rates are encouraging given the nature of the population served and the fact that construction work tends not to be covered by state UI programs.⁵

⁵ See Stevens (2002) for a review of employment that is not covered by state UI laws.

Table 8. Construction Gateway Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2002 to 2003	83	43.1%	25.3%	49.4%	44.6%	44.7%
2004	87	34.5%	37.9%	51.7%	52.9%	52.0%
2005	85	30.9%	45.9%	64.7%	55.0%	64.0%
2006	74	24.7%	47.3%	57.7%	.	62.5%
Overall	329	33.5%	38.9%	55.7%	50.0%	51.5%

Goodwill

Between 2003 and 2006, Goodwill served a total of 437 participants (Table 9). Of these, participants were reported in UI wage records as employed approximately 58 percent of the time in the four quarters prior to their enrollment with Goodwill. During their last quarter of participation in the program, approximately 68 percent were employed. Approximately 72 percent were employed two quarters after their participation in the program, while 69 percent were employed six quarters later.

Table 9. Goodwill Participant Quarterly Employment

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	34	65.4%	73.5%	79.4%	91.2%	84.9%
2004	170	65.0%	65.3%	66.5%	65.7%	64.3%
2005	146	46.4%	63.0%	71.1%	67.6%	69.0%
2006	87	61.5%	80.5%	87.1%	.	88.0%
Overall	437	58.1%	68.2%	72.3%	69.3%	69.8%

Earnings

Earnings are reported for those who were employed in the defined quarter(s); therefore, reported average earnings are likely to be for a smaller number of participants than are in the entire cohort.

American Youth Works

American Youth Works provided services to 619 participants between 2005 and 2006. As most of these participants were youth, their employment may be limited to the degree that they were also pursuing educational opportunities. For those participants with employment reported in the four quarters prior to enrolling with AYW, quarterly earnings averaged \$1,515 (Table 10). In their last quarter of participation, employed participants earned approximately the same amount, \$1,507. Following their participation in the AYW program, participants who were employed in the second quarter after service had average earnings of \$1,897. For the 2005 cohort, earnings in the sixth quarter after service rose to an average of \$3,146.

Table 10. American Youth Works Average Quarterly Earnings of Those Employed⁶

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2005	137	\$1,408	\$1,424	\$1,895	\$3,164	\$2,016
2006	482	\$1,541	\$1,529	\$1,898	.	\$1,903
Overall	619	\$1,515	\$1,507	\$1,897	\$3,164	\$1,943

Austin Academy

Overall, 301 Austin Academy participants from 2001 to 2006 were identified in UI wage records. In the four quarters prior to their participation in the program, employed individuals earned on average \$3,314 per quarter (Table 11). Employed participants earned on average \$2,721 in their last quarter of service through Austin Academy. In the post-program period earnings rebounded, with participants employed in the second quarter out averaging \$3,455, while participants employed in the sixth quarter following service earned on average \$4,209.

⁶ In this table and the ones to follow, earnings have not been adjusted for inflation.

Table 11. Austin Academy Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2001 to 2003	97	\$3,440	\$2,527	\$3,559	\$4,309	\$4,368
2004	75	\$2,517	\$1,780	\$3,271	\$3,567	\$3,522
2005	73	\$3,364	\$3,117	\$3,515	\$5,507	\$3,575
2006	56	\$3,950	\$3,603	\$3,352	.	\$3,336
Overall	301	\$3,314	\$2,721	\$3,455	\$4,209	\$3,968

Austin Area Urban League

For the 334 participants served by AAUL between 2004 and 2006, average quarterly earnings in the four quarters prior to program enrollment totaled \$3,447 (Table 12). Employed participants earned on average \$2,178 in their last quarter of participation in the AAUL program. In the second quarter following their participation in the AAUL program, employed participants earned on average \$3,242. For the 2004-2005 cohort, average earnings in the sixth quarter after service were \$4,727.

Table 12. Austin Area Urban Leagues Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004 to 2005	121	\$3,290	\$2,164	\$3,231	\$4,727	\$3,820
2006	213	\$3,547	\$2,185	\$3,257	.	\$3,312
Overall	334	\$3,447	\$2,178	\$3,242	\$4,727	\$3,660

Capital IDEA

Unlike the other providers examined in this report, Capital IDEA emphasizes long-term training for high-skill, high-wage jobs. While Capital IDEA began serving a considerable number of individuals between 2003 and 2005, a significant number of those are still in training and receiving workforce development services. Therefore, this analysis focuses solely on the 321 participants who either completed or dropped out of the program in

those years. For those who were employed in the four quarters prior to enrollment in the program, quarterly earnings averaged \$4,429 (Table 13). Participants who were employed in the last quarter they received services from Capital IDEA earned on average \$4,580. In the post-service period, employed participants earned on average \$5,651 in the second quarter following participation and an average \$6,754 in the sixth quarter following participation.

Table 13. Capital IDEA Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	\$4,370	\$4,814	\$5,545	\$6,731	\$6,177
2004	75	\$4,146	\$3,954	\$6,079	\$6,731	\$5,831
2005	62	\$4,908	\$4,640	\$5,492	\$7,279	\$5,986
Overall	321	\$4,429	\$4,580	\$5,651	\$6,754	\$6,107

Crime Prevention Institute

For the 218 participants served by the Crime Prevention Institute in the period between 2004 and 2006, average quarterly earnings for those employed in the four quarters prior to participation in the program totaled \$1,995 (Table 14). During their last quarter of participation in CPI activities, employed participants earned on average \$2,117. In the second quarter following their participation, employed participants earned on average \$2,217. In the sixth quarter following participation, employed participants earned on average \$3,244.

Table 14. Crime Prevention Institute Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004	23	\$1,341	\$2,919	\$3,013	\$3,853	\$3,399
2005	92	\$2,143	\$2,069	\$2,113	\$2,635	\$2,522
2006	103	\$1,930	\$1,880	\$1,525	.	\$2,181
Overall	218	\$1,995	\$2,117	\$2,217	\$3,244	\$2,702

Construction Gateway

Construction Gateway served a total of 329 participants in the 2002-2006 time frame. For participants who were employed in the four quarters prior to enrolling with Construction Gateway, quarterly earnings averaged \$4,577 (Table 15). In their last quarter of participation with the program, employed participants earned on average \$1,952. Participants employed in UI-covered positions earned an average of \$3,212 in the second quarter after service and an average \$4,478 in the sixth quarter after service.

Table 15: Construction Gateway Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2002 to 2003	83	\$6,835	\$1,532	\$3,117	\$4,065	\$4,309
2004	87	\$4,491	\$2,287	\$3,312	\$4,500	\$4,133
2005	85	\$3,044	\$2,625	\$3,506	\$5,124	\$3,630
2006	74	\$2,501	\$1,139	\$2,654	.	\$2,408
Overall	329	\$4,577	\$1,952	\$3,212	\$4,478	\$3,967

Goodwill

Between 2003 and 2006, Goodwill Industries served a total of 437 clients. For those that were employed in the four quarters prior to enrolling with Goodwill, quarterly earnings averaged \$3,792 (Table 16). In their last quarter of participation in the Goodwill program, employed clients earned on average \$2,883. Earnings improved in the post-program period. For those that were employed in the second quarter following service, quarterly earnings averaged \$4,085. For those that were employed in the sixth quarter following service, quarterly earnings averaged \$4,389. In all post-service quarters, employed participants earned an average of \$4,403.

Table 16. Goodwill Average Quarterly Earnings of Those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	34	\$5,386	\$4,448	\$4,842	\$5,950	\$5,549
2004	170	\$3,708	\$2,537	\$3,883	\$4,072	\$4,221
2005	146	\$3,189	\$2,712	\$3,730	\$4,126	\$4,045
2006	87	\$4,067	\$3,097	\$4,795	.	\$4,553
Overall	437	\$3,792	\$2,883	\$4,085	\$4,389	\$4,403

Unemployment Insurance Benefits

Ray Marshall Center researchers examined two measures related to UI benefits. In the first measure, qualification for UI benefits, evaluators examined participants' work histories in the pre- and post-service period to determine if workforce development services had increased participants' eligibility for receiving UI insurance 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. This measure is significant as it looks at the stability of an individual's employment. Prior to entering City-funded workforce development services, most participants had a history of unstable employment. After their participation in these services, many of these individuals have 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.⁷ In the second measure, UI benefit claims filed, evaluators examined UI claims in both the pre- and post-service period to determine if workforce development services had reduced participants' reliance on UI benefits.

⁷ 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.

American Youth Works

As youth, the number of American Youth Works (AYW) participants who were qualified for UI benefits, particularly in the pre-service period, was not expected to be very large. An examination of UI wage records confirmed this expectation. About 10 percent of AYW participants were eligible for UI benefits in the four quarters prior to service. When all quarters after service were examined, 21 percent of AYW participants had sufficient employment retention and earnings to be qualified for UI benefits in the event of a job separation.

Table 17. Percent of American Youth Works Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2005	137	13.0%	.	.	11.8%	20.6%
2006	482	8.8%	.	.	.	.
Overall	619	9.7%	.	.	11.8%	20.6%

Given their low rates of qualification for UI benefits, evaluators did not expect a large number of AYW participants to have filed a claim. In their last quarter of participation in the AYW program, just 0.2 percent of participants filed a claim for UI benefits. In all quarters after service, there was a slight up-tick in claims filed, to 0.3 percent of participants.

Table 18. Percent of American Youth Works Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2005	137	0.2%	0.0%	0.0%	0.0%	0.2%
2006	482	0.0%	0.2%	0.0%	.	0.4%
Overall	619	0.0%	0.2%	0.0%	0.0%	0.3%

Austin Academy

In the four quarters prior to participation in the Austin Academy program, about 46 percent of participants were qualified to receive UI benefits based on their earnings history. In the sixth quarter after service, 57 percent of Austin Academy participants had qualified for UI benefits.

Table 19. Percent of Austin Academy Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2001 to 2003	97	54.6%	.	.	56.7%	54.7%
2004	75	43.0%	.	.	50.7%	53.0%
2005	73	45.2%	.	.	77.3%	73.9%
2006	56	33.5%	.	.	.	.
Overall	301	45.5%	.	.	56.7%	54.7%

Given that the time period examined for participation in the Austin Academy program includes the last economic downturn in Austin (2001-2003), evaluators expected that a significant number of participants may have filed a UI claim. The numbers do not bear out this expectation. For all participants between 2001-2006, just 2.5 percent had filed a UI claim in the four quarters prior to service and just 1.3 percent had filed a claim in any post-service quarter.

Table 20. Percent of Austin Academy Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2001 to 2003	97	4.1%	4.1%	1.0%	2.1%	1.8%
2004	75	2.3%	1.3%	0.0%	0.0%	0.6%
2005	73	1.7%	2.7%	1.4%	0.0%	1.4%
2006	56	0.9%	1.8%	0.0%	.	0.4%
Overall	301	2.5%	2.7%	0.7%	1.0%	1.3%

Austin Area Urban League

Austin Area Urban League (AAUL) participants significantly increased their qualification for UI benefits when comparing pre- and post-service periods. In the four quarters prior to their participation in AAUL services, just 37 percent of individuals were eligible for benefits. In all quarters after service, fully 65 percent of participants were qualified for UI benefits based on their earnings history.

Table 21. Percent of AAUL Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004 to 2005	121	40.3%	.	.	61.1%	65.3%
2006	213	35.0%	.	.	.	.
Overall	334	36.9%	.	.	61.1%	65.3%

The percent of AAUL participants filing UI claims declined significantly between the pre- and post-service periods. In the four quarters prior to participation, 4 percent of individuals had filed a UI claim. In all quarters after service, just 1 percent of AAUL participants filed a claim for UI benefits.

Table 22. Percent of AAUL Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004 to 2005	121	5.6%	6.6%	1.7%	1.9%	1.4%
2006	213	3.3%	4.3%	1.1%	.	0.9%
Overall	334	4.1%	5.1%	1.4%	1.9%	1.2%

Capital IDEA

A large number of Capital IDEA participants who entered services between 2003 and 2005 are still in long-term training and receiving services. It should be noted again that the following analysis of Capital IDEA participants focuses solely on those individuals who completed or dropped out of services in the given time frame. In the pre-service period, 64 percent of Capital IDEA participants were qualified for UI benefits. That number increased to 75 percent in the sixth quarter after participation in the program.

Table 23. Percent of Capital IDEA Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	65.8%	.	.	73.8%	72.4%
2004	75	61.0%	.	.	78.3%	80.5%
2005	62	63.3%	.	.	85.7%	77.8%
Overall	321	64.2%	.	.	75.0%	73.0%

Capital IDEA participants also showed a significant decline in the filing of UI claims when comparing the pre- and post-service periods. In the four quarters prior to their participation in the Capital IDEA program, about 5 percent of individuals filed a UI claim. In all of the post-service quarters, just 1.5 percent of participants filed a UI claim.

Table 24. Percent of Capital IDEA Participants Filing UI claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	184	5.6%	0.5%	0.6%	3.8%	1.8%
2004	75	2.7%	2.7%	0.0%	0.0%	0.9%
2005	62	5.6%	3.2%	2.3%	0.0%	0.6%
Overall	321	4.9%	1.6%	0.7%	3.1%	1.5%

Crime Prevention Institute

Individuals enter the Crime Prevention Institute (CPI) program upon their release from the Travis County jail. Because of this, evaluators did not expect a significant number of participants to have qualified for UI benefits in the pre-service period. Surprisingly, 20 percent of CPI participants had a sufficient earnings history in the four quarters prior to service to qualify for UI benefits. In the sixth quarter after service, 25 percent of CPI participants qualified for UI benefits.

Table 25. Percent of CPI Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004	23	12.0%	.	.	30.4%	26.5%
2005	92	23.9%	.	.	20.7%	17.1%
2006	103	18.0%	.	.	.	.
Overall	218	19.8%	.	.	25.0%	22.6%

Given their low levels of eligibility for UI benefits, evaluators did not expect to find a significant number of UI claims from CPI participants. In the four quarters prior to service, less than one percent of CPI participants filed a UI claim. In all post-service quarters, UI claims were filed by just one percent of participants.

Table 26. Percent of CPI Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2004	23	1.1%	0.0%	0.0%	0.0%	0.9%
2005	92	1.1%	1.1%	2.2%	0.0%	1.3%
2006	103	0.2%	0.0%	0.0%	.	0.5%
Overall	218	0.7%	0.5%	1.4%	0.0%	1.0%

Construction Gateway

In the four quarters prior to participation in the Construction Gateway program, just 25% of individuals qualified for UI benefits. In all post-service quarters, 41 percent of Construction Gateway participants qualified for UI benefits.

Table 27. Percent of Construction Gateway Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2002 to 2003	83	34.3%	.	.	41.0%	37.4%
2004	87	27.9%	.	.	41.4%	44.2%
2005	85	22.4%	.	.	60.0%	58.3%
2006	74	15.9%	.	.	.	.
Overall	329	25.4%	.	.	44.8%	40.6%

Construction Gateway participants showed a measurable decrease in UI claims filed between the pre- and post-service periods. In the four quarters prior to service, 3 percent of participants had filed a claim for UI benefits. In all the post-service quarters, less than one percent of participants had filed a UI claim.

Table 28. Percent of Construction Gateway Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2002 to 2003	83	3.9%	4.8%	1.2%	0.0%	0.9%
2004	87	3.7%	2.3%	0.0%	2.3%	1.1%
2005	85	3.2%	2.4%	1.2%	0.0%	0.4%
2006	74	0.3%	1.4%	0.0%	.	0.0%
Overall	329	2.9%	2.7%	0.7%	1.0%	0.8%

Goodwill

Prior to their participation in the Goodwill program, 54 percent of individuals served by Goodwill qualified for UI benefits. This improved in the post-service period. In all quarters after service, 65 percent of Goodwill participants qualified for UI benefits.

Table 29. Percent of Goodwill Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	34	65.4%	.	.	79.4%	89.4%
2004	170	61.6%	.	.	59.2%	59.1%
2005	146	42.5%	.	.	59.5%	56.3%
2006	87	54.6%	.	.	.	.
Overall	437	54.1%	.	.	61.7%	64.8%

While Goodwill participants had the highest rate of UI claims for all providers examined, they also demonstrated a decrease in claims in the post-service period. In the four quarters prior to their participation in Goodwill services, about 7 percent of individuals had filed a UI claim. In all the post-service quarters, just 2 percent of Goodwill participants filed UI claims.

Table 30. Percent of Goodwill Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service	Sixth quarter after service	All quarters after service
2003	34	8.8%	2.9%	5.9%	0.0%	3.3%
2004	170	8.5%	8.2%	1.2%	1.8%	2.7%
2005	146	5.1%	3.4%	0.7%	1.4%	1.6%
2006	87	5.7%	9.2%	1.6%	.	1.8%
Overall	437	6.9%	6.4%	1.5%	1.4%	2.3%

Quasi-Experimental Impact Estimates

This section reports the results of exploratory quasi-experimental impact estimation that Ray Marshall Center researchers conducted to gauge the “value added” of participation in locally funded workforce development services. Researchers are continuing to refine their approach to impact estimation and will present additional estimates in future reports.

The quasi-experimental impact analysis compared employment and earnings outcomes for City-funded workforce services participants with a comparison group of individuals who received basic workforce services (e.g., job matching, resume development). For two City workforce services providers—American Youth Works and Crime Prevention Institute—it was not possible to create appropriate comparison groups for the analysis. This is likely due to the fact that the clients served by these organizations—youth and ex-offenders—have limited employment and earnings histories making the matching process less reliable. For the remaining workforce services providers, the analysis reveals mixed impacts, only some of which are statistically significant. Findings are detailed below.

Quasi-Experimental Estimation

In an attempt to measure the impacts of locally funded workforce services, researchers have conducted a quasi-experimental analysis comparing labor market outcomes for City-supported 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.⁸ In fact, for many groups, quasi-experimental estimates tend to understate employment and earnings impacts from workforce services. For this reason, results presented in this report, while exploratory, 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

⁸ For example, see Greenberg et al. (2006) and Hollenbeck and Huang (2006).

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 whom adequate matching could be performed.

Comparison group members have been drawn from two sources: individuals who either registered to look for employment using the state's WorkinTexas program or received "core" services under the Workforce Investment Act (such as job-matching or resume development). The comparison group is not a "no-services," but rather a "low-intensity services" group. The resulting impact estimates thus reflect the *incremental value* of the City's investments in workforce services. For providers that are primarily providing job search assistance and other short-term services (e.g., Austin Area Urban League, Goodwill, Construction Gateway), 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 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 WorkSource one-stop centers.

Workforce services participants have been matched with 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 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 of the City's workforce service providers. *Exact matches* carried out included: county; year and quarter 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 15 variables, including: age (for those programs 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, 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.

Adequacy of each comparison group was judged by performing t-tests comparing treatment and comparison groups on the same 15 dimensions. If the groups were statistically different at $p < .05$ on more than two dimensions, the comparison was considered inadequate. The AAUL treatment group differed from its comparison group on one race dimension. Austin Academy and Capital IDEA treatment groups did not differ from their respective comparison groups on any dimensions. Gateway and Goodwill treatment groups were less likely to be employed at program entry than their respective comparison groups. Austin Youth Works and Crime Prevention Institute differed from their comparison groups on four and five dimensions, respectively, and thus no impacts were computed for them.

Note that the impacts tables display two effects columns. The Unadjusted Net Effect simply shows the computed difference between the treatment and comparison groups on the outcome in question. The Adjusted Net Effect column presents the net effect after further statistical adjustments have been made (e.g., demographic differences). The figures in the Adjusted Net Effect column are the measures of program impacts emphasized in the discussion that follows.

Employment Impacts

Statistically significant net impacts on quarterly employment were found for only two workforce service providers, Austin Academy and Capital IDEA (Table 31). There may be several reasons for this. Austin Academy trains individuals in computer and general office skills that are in high demand locally, and Capital IDEA is the only City-funded provider emphasizing long-term training that includes attaining occupational certificates. Therefore, the careers that participants enter (e.g., nursing, accounting, IT) are likely to be more stable. In the case of Construction Gateway, it is important to recognize that individuals in the construction industry are more likely to be self-employed and therefore would not be represented in the UI wage records that are the basis of this analysis. Given this, quarterly employment (and associated earnings) for Construction Gateway participants is likely under-reported, which may put them at a disadvantage when compared with the comparison group.

Table 31. Quarterly Employment Impacts

Provider	All Qtrs After Service: Comparison Group	All Qtrs After Service: Treatment Group	Unadjusted Net Effect	Adjusted Net Effect
Austin Academy (2001-2006)	60.6%	63.0%	2.4%	3.8% **
AAUL (2004-2006)	69.6%	66.3%	(3.6%)	(0.9%)
Capital IDEA (2003-2005)	68.9%	77.5%	8.6%	9.1% **
Construction Gateway (2002-2006)	56.7%	51.4%	(5.4%)	(1.0%)
Goodwill (2003-2006)	70.7%	68.7%	(2.0%)	0.5%

** Statistically significant at the 95% level.

Earnings Impacts

City-funded workforce services had statistically significant impacts on average quarterly earnings for most providers (Table 32). However, only one provider—Capital IDEA—experienced a significant positive earnings impact. This impact is likely due both to the type of employment that Capital IDEA participants train for and their workforce intermediary approach to providing services. Capital IDEA participants enjoyed a measurable earnings advantage over comparison group members. Figure 1 shows that by the end of the measurement period, this advantage was large (about \$1,000/quarter), statistically significant and apparently still widening. Moreover, by the end of the period, participants were experiencing roughly a 75% gain in quarterly earnings compared with their 2-year pre-service average. It is also noteworthy that the earnings of comparison group members who only had the benefit of low-intensity workforce services essentially flattened out at 7 quarters. This result appears to demonstrate both the added value of the City’s investments in workforce services as well as the benefit of investing in occupational skills development in high-wage, growth sectors of the labor market.

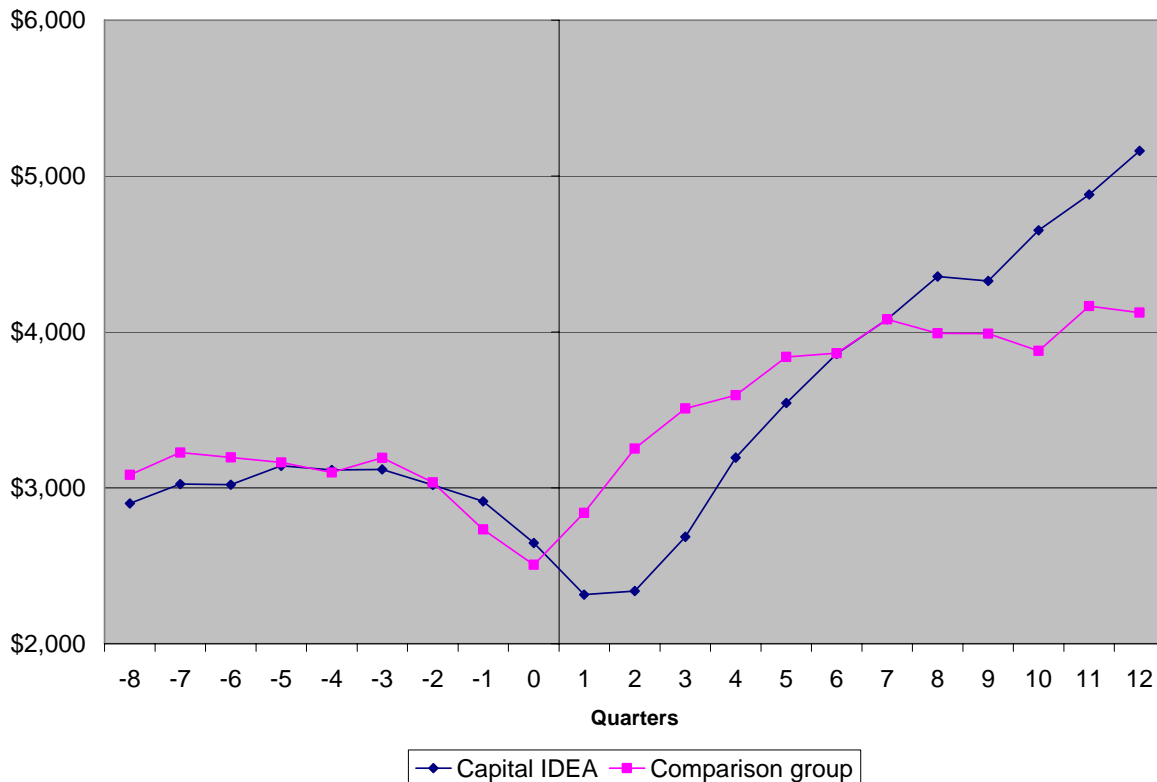
Table 32. Average Quarterly Earnings Impacts of Those Employed

Provider	All Qtrs After Service: Comparison Group	All Qtrs After Service: Treatment Group	Unadjusted Net Effect	Adjusted Net Effect
Austin Academy (2001-2006)	\$4,327	\$3,979	\$-347	\$-330**
AAUL (2004-2006)	\$3,851	\$3,837	\$-13	\$-22
Capital IDEA (2003-2005)	\$5,726	\$6,107	\$381	\$427**
Construction Gateway (2002-2006)	\$5,473	\$4,061	\$-1,411	\$-1,090**
Goodwill (2003-2006)	\$4,772	\$4,388	\$-384	\$-317**

** Statistically significant at the 95% level.

Earnings depicted in Figure 1 (and Figure 2 which follows) provide a summary measure of participants' employment and earnings experiences, in that treatment group earnings shown in these figures are averaged across *all* participants in these quarters, not just those who were employed. The difference between earnings for the treatment and comparison group members captures the overall earnings impact of the program.

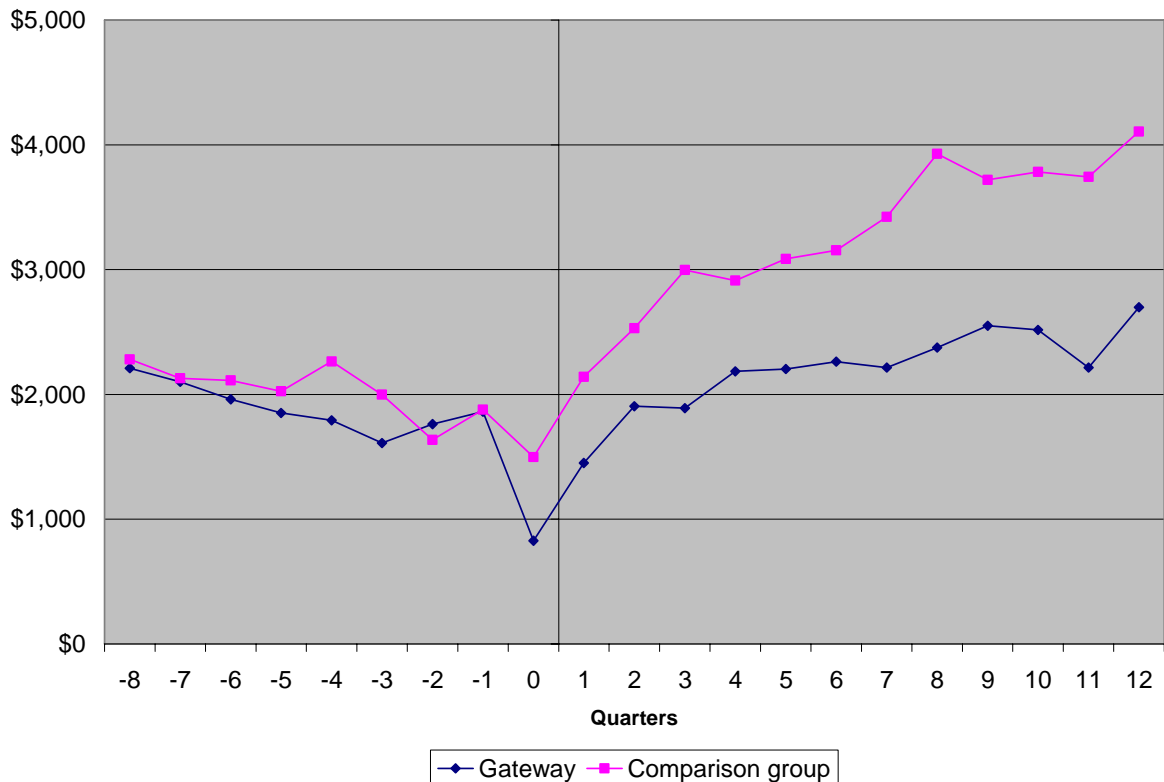
Figure 1. Capital IDEA vs. Comparison Group Earnings Over Time⁹



⁹ Earnings in this figure are averaged across all participants, whether employed or not.

While the earnings impact for Construction Gateway participants is strongly negative, it is important to once again point out that a large share of construction work is self-employment and would not be reported to the UI system. Therefore, average quarterly earnings reported here and used in the quasi-experimental analysis are likely to substantially under-report true earnings for those participants, putting them at a serious disadvantage relative to the comparison group. From Figure 2, it appears clear that pre-service earnings patterns were reasonably similar for Gateway treatment and comparison group members, but that they diverged in the post-service period. This also suggests that, unlike the comparison group, Gateway participants may be working more in jobs that are not covered by the State’s UI program. More research is needed on this issue.

Figure 2. Construction Gateway vs. Comparison Group Earnings Over Time¹⁰



¹⁰ Earnings in this figure are averaged across all participants, whether employed or not.

Statistically significant negative earnings impacts were found for Austin Academy and Goodwill participants. However, the quality of the matches for these two providers did not appear to be as high as those for Capital IDEA. Further research is planned to tailor the matching process more to the individual service providers and their target populations.¹¹

¹¹ A technical appendix, which contains greater detail on the matching process and earnings impact figures for the other providers, is available from the authors on request. Contact Dr. King to receive a copy at ctking@uts.cc.utexas.edu.

Concluding Observations

This section offers concluding observations based upon the outcomes and exploratory impact analysis. These observations are somewhat tentative given the available data and the exploratory nature of the impact results, but should serve as a “starter” for a more in-depth dialogue as the research continues in the future.

First, it is clear that *labor market outcomes vary widely from provider to provider* for workforce development efforts supported by the City of Austin over the past several years. Much of this variation likely stems from a combination of differences in target population, activity mix and placement focus. Harder-to-serve groups (e.g., youth, ex-offenders, limited English speakers) who have less, and less stable, prior work experience will probably be working in lower-paying positions than some other groups. These same groups are probably participating in English-language classes, GED and other activities that involve less real skills development that would lead to substantially higher wages. In addition, programs (e.g., Construction Gateway) that explicitly focus on placing their participants in industries with lower UI-coverage rates will likely show lower reported rates of employment and earnings than others. Further research will be done to address this important measurement challenge.

Second, *further work is needed to produce solid labor market impact estimates for all of the providers*. Creating valid comparison groups to support impact analysis for these providers is challenging and works better for some than others. It is particularly challenging for programs serving large numbers of youth and ex-offenders. More research to improve impact estimation for these investments is planned for the future.

Third, it is important to note that for those programs and providers that emphasize intensive skills development (e.g., Capital IDEA), *earnings increases—and net earnings impacts—are likely to show up even more strongly beyond the time period available for this analysis*. It typically takes participants in skills development activities several years to overcome or “catch up” from the reduced earnings they underwent while in training relative to participants in “work-first” type activities, as the figure for Capital IDEA has shown. Longer-term tracking of results is highly desirable and is expected to demonstrate the full value of such investments.

Fourth, for more recent cohorts of participants served by these providers, *it may take some time before sufficient employment and earnings data are available from UI wage*

records to merit in-depth analysis. The time lags inherent in these data are insurmountable in the short run, but can be addressed over time as fuller reporting of earnings by employers takes place.

Finally, the quantity and quality of the participant workforce services data provided to researchers varied considerably by provider. In addition, the employment and earnings outcomes presented in this report differ from the outcomes reported by providers to the City. This difference may, in part, be attributable to the data issues. Given this, the City may want to consider strengthening and possibly standardizing reporting requirements to include more specific data collection procedures and definitions to ensure the accuracy and comparability of participant and workforce services information reported.

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