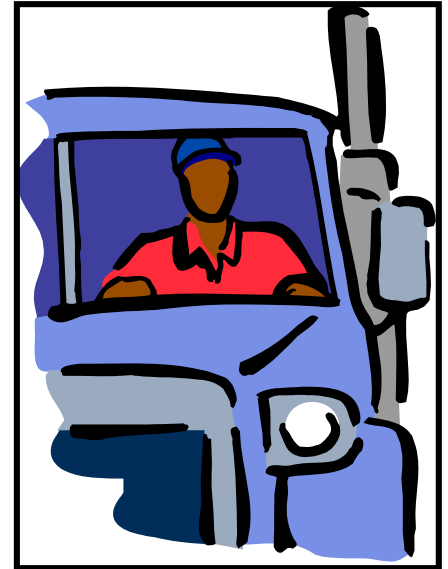


Rapid Employment Model Evaluation – 2011 Update



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Introduction

Travis County launched a workforce development demonstration project with Workforce Solutions – Capital Area Workforce Board¹ in 2006, the *Rapid Employment Model* or *REM project*. The REM project combined short-term occupational and pre-employment/life skills training with structured job search assistance. The Ray Marshall Center for the Study of Human Resources at the University of Texas' LBJ School of Public Affairs is conducting the evaluation of the demonstration project, including process, outcome, and impact analyses. Three prior reports by the authors (2007, 2008, and 2010) detail the process evaluation findings and document labor market outcomes and impacts through the second quarter of 2009 for REM 2006, 2007, and 2008 participants. This report extends the outcomes analysis of those cohorts of REM participants through March 2010.²

Outcomes Evaluation Approach

The ongoing outcomes evaluation of participants in local workforce demonstration projects focuses on four measures:

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

Using participant data supplied by Workforce Solutions, researchers identified each participant's Texas Unemployment Insurance (UI) wage and claim records. It should be noted that the UI wage records that form the basis of the evaluation have known coverage issues in construction and trucking, industries which rely heavily on independent contractors and the self-employed and are therefore not part of the UI system. Given that truck driving and construction were among the top three

¹ Formerly known as *WorkSource*.

² An updated impacts analysis is not included with this report. Based on new data, a statistically appropriate matched comparison group could not be established.

occupations in the REM project, it is likely that the labor market outcomes reported here underestimate the actual level of post-service employment and earnings³.

Beyond employment and earnings, however, the outcomes evaluation also examines two measures related to UI benefits. In the first measure, monetary qualification for UI benefits, researchers examined 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 (i.e., monetary eligibility). This measure is significant as it looks at the stability of an individual's employment. Prior to entering the REM project, participants often had a history of unstable employment. After their participation, many of these individuals moved into stable employment that qualifies them for benefits through the UI program, the nation's first-tier safety net for laid-off workers that is funded by both employers and workers.⁴ In the second measure, UI benefit claims filed, researchers examined UI claims in both the pre- and post-service period to determine if REM participants reduced their reliance on UI benefits.

Organization of this Report

This report includes three sections beginning with this introduction. The second section provides updated outcomes for 2006-2008 REM participants. The final section offers a summary of findings and documents next steps in the evaluation of local workforce demonstration projects.

³ See Stevens (2007) for a review of employment that is not covered by state unemployment insurance laws.

⁴ Employers pay taxes that directly support the UI program; economists point out that workers also contribute to the program indirectly in the form of somewhat lower wages.

The Rapid Employment Model Evaluation

The Rapid Employment Model (REM) project provides pre-employment and life skills training, short-term (up to 6 weeks) occupational training, and structured job search assistance to disadvantaged residents of Travis County. The 2011 evaluation update of outcomes for the Rapid Employment Model includes participants from the first three years of the project (2006-2008). Participants in those years were drawn heavily from the county's Project RIO (Re-Integration of ex-Offenders) population, representing approximately 78% of participants. Choices clients, individuals receiving Temporary Assistance for Needy Families (TANF) funding, were the next largest share of participants at 19%. The remainder were drawn from participants in the Food Stamp Employment & Training (FSET) program.⁵ While the mix of occupational training shifted somewhat over the first three years of the project, the majority of participants were involved in one of three programs: construction (36%), truck driving (32%), and office administration (17%).

Labor Market Outcomes

The evaluation of the REM project is following three separate cohorts: 99 participants from the 2006 REM cohort, 85 from the 2007 cohort, and 81 from the 2008 cohort. The outcomes presented below are quarterly averages (means) for the identified time period, and all dollar figures are nominal. Employment, earnings and UI benefit eligibility are based on UI wage data through March 2010. The outcome on UI claims filed is based on UI claims data through September 2010.

Quarterly Employment

Table 1 below presents quarterly employment outcomes for REM 2006-2008 participants. For each cohort, employment is highest in the second quarter (6 months) after service and dropped to fewer than 50% in the sixth quarter (1.5 years) after completing REM. Participants in the 2008 cohort show the program's highest

⁵ This program is now known as the Supplemental Nutrition Assistance Program (SNAP).

employment rate (69.1%) in the second quarter after service in the midst of the recent recession. While rates decline for all cohorts over the post-service period, quarterly employment among participants remains higher in all quarters after service (48.8%) than the pre-service period (22.2%).

Table 1. Quarterly Employment for REM 2006-2008 Participants

Cohort	Total Participants	4 Qtrs before service	Last Qtr of service	2 nd Qtr after service ends	6 th Qtr after service ends	10 th Qtr after service ends	14 th Qtr after service ends	All Qtrs after service ends
2006	99	16.4%	53.5%	58.6%	47.5%	45.5%	40.6%	49.3%
2007	85	22.1%	30.6%	55.3%	47.1%	28.2%	.	43.3%
2008	81	29.3%	49.4%	69.1%	47.0%	.	.	57.0%
Overall	265	22.2%	44.9%	60.8%	47.2%	37.5%	40.6%	48.8%

Note: A dot indicates no data to report.

Quarterly Earnings

Table 2 presents average (mean) quarterly earnings of employed REM participants through March 2010. Participants show strong earnings gains from the pre- to post-service period (35% on average). For the 2006 cohort, earnings were highest in the sixth quarter (1.5 years) after completing REM training. While the earnings of those who were employed declined over the subsequent two years, they remained higher in all quarters after service (\$4,490 on average) than earnings in the pre-service period (\$2,000 on average). Earnings for employed 2007 REM participants remained essentially flat at the sixth and tenth quarter (1.5 and 2.5 years) after service. The 2008 cohort exhibited the highest average quarterly earnings in the post-service period, with those employed earning an average \$6,175 in the sixth quarter (1.5 years) after completing REM.

Table 2. Average Quarterly Earnings of Employed REM 2006-2008 Participants

Cohort	Total Participants	4 Qtrs before service	Last Qtr of service	2 nd Qtr after service ends	6 th Qtr after service ends	10 th Qtr after service ends	14 th Qtr after service ends	All Qtrs after service ends
2006	99	\$2,000	\$1,598	\$3,272	\$5,329	\$5,121	\$4,780	\$4,490
2007	85	\$2,360	\$1,141	\$3,191	\$4,060	\$4,065	.	\$3,694
2008	81	\$4,574	\$2,981	\$4,447	\$6,175	.	.	\$4,496
Overall	265	\$3,155	\$1,963	\$3,657	\$5,121	\$4,754	\$4,780	\$4,266

Note: A dot indicates no data to report.

Eligibility for Unemployment Insurance Benefits

Table 3 presents the share of REM 2006-2008 participants who met the monetary eligibility requirements for Unemployment Insurance (UI) benefits in the event of a job loss. Because an individual must have sufficient earnings in two of the four quarters prior to separation to meet the monetary eligibility requirements, this measure also provides a look at the stability of an individual's employment. The share of REM 2006-2008 qualified for UI benefits in the event of a job loss based on their earnings histories peaked at 48.4% in the sixth quarter (1.5 years) after service. In all quarters after service, the share meeting UI monetary eligibility (42%) is more than double that of the pre-service period (16%).

Table 3. Share of REM 2006-2008 Participants Meeting UI Monetary Eligibility Requirements

Cohort	Total Participants	4 Qtrs before service	Last Qtr of service	2 nd Qtr after service ends	6 th Qtr after service ends	10 th Qtr after service ends	14 th Qtr after service ends	All Qtrs after service ends
2006	99	10.1%	.	.	53.5%	42.4%	39.6%	43.4%
2007	85	19.7%	.	.	41.2%	36.5%	.	38.1%
2008	81	19.4%	.	.	50.0%	.	.	46.7%
Overall	265	16.0%	.	.	48.4%	39.7%	39.6%	42.0%

Note: A dot indicates no data to report.

Unemployment Insurance Claims Filed

The share of REM 2006-2008 participants who have filed a claim for UI benefits through September 2010 is presented in Table 4. For 2006 REM participants, the greatest percentage (4.2%) filed claims in the 14th quarter (3.5 years) after completing the program. For 2007 and 2008 participants, the greatest percentage (4.7% and 3.0%) filed claims in the sixth quarter (1.5 years) after completing the program.

Table 4. Share of REM 2006-2008 Participants Filing a Claim for UI Benefits

Cohort	Total Participants	4 Qtrs before service	Last Qtr of service	2 nd Qtr after service ends	6 th Qtr after service ends	10 th Qtr after service ends	14 th Qtr after service ends	All Qtrs after service ends
2006	99	0.3%	0.0%	0.0%	0.0%	1.0%	4.2%	1.8%
2007	85	0.9%	0.0%	0.0%	4.7%	1.2%	.	1.7%
2008	81	1.2%	2.5%	1.2%	3.0%	.	.	2.0%
Overall	265	0.8%	0.8%	0.4%	2.4%	1.1%	4.2%	1.8%

Note: A dot indicates no data to report.

Summary and Next Steps

The investments that Travis County has made in workforce demonstration projects are fairly unique in the country; few local governments put local tax dollars into education and training for disadvantaged adults. The County's partnership with Workforce Solutions – Capital Area Workforce Board has allowed it to leverage the resources and knowledge of the federally-funded workforce system while still tailoring the program to local needs and opportunities. The demonstration nature of the investments has allowed the project to change over time in response to the mix of clients, the needs of education and training providers, and the labor market.

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

The County extended the REM model in 2009 into intermediate-training opportunities through the Gainful Employment Model demonstration. This further underscores the importance the County and Workforce Solutions place on connecting individuals to employment at above the living wage as longer-term training is more likely to prepare individuals for those types of job opportunities.

In the next update report, Ray Marshall Center researchers will introduce the GEM demonstration and present outcomes for the 2009-2010 cohorts of GEM participants. The evaluation will also add the 2009 cohort of REM participants and extend the follow-up on all REM cohorts for an additional four quarters.

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