



Job Training That Works

**Initial Earnings and Employment Findings from
P/PV's Sectoral Employment Impact Study**

June 13th 2009

The Study

- ❖ 3 organizations selected from nominations from leaders in the workforce development field.
- ❖ Served over 100 people annually, had strong reputations, placed people above \$8 an hour.
- ❖ Organizations recruited double the participants who were randomly assigned to either to participate in the program or to the control group.
- ❖ Follow-up interview period began 24 months after baseline and could occur up to 30 months.

1. *A **membership organization** that brings together business, organized labor and workers to identify and meet industry needs.*
2. *An **industry coordinator** leads a **committee of employers and union representatives** to identify needs among member businesses. Classes are run based on commitments among employers of hiring needs.*
3. *Sector Focus: **Healthcare, construction and manufacturing** sectors; added training in truck driving and hazardous-material handling.*
4. ***Short-term technical (40-160 hours) training**, including an “essential skills” component focused on operating within the work/industry culture.*
5. *Technical training offered through a **range of service providers**, including member company employees who worked as trainers, community college instructors and industry experts.*
6. *Student supports and remedial education offered through a **network of public and community-based agencies**.*
7. *A combination of public funding, such as **WIA training vouchers, welfare-to-work** and workforce attachment and advancement resources.*



1. *A **community based nonprofit** that offers pre-employment training, incumbent worker training, ESL, literacy programming and micro-enterprise development; and operates a local One-Stop.*
2. *Target industries are **involved through employer advisory committees** and by building individual relationships with local businesses. An employer account management system is in place to identify and address employer needs and to cultivate and strengthen ties with employers.*
3. *Sector Focus: Medical, accounting.*
4. *A **21- to 25-week training program** that includes **core classes** in computer software, **specialized training** in medical or basic office skills or accounting, a **four- to six-week internship**, and job readiness and soft skills training. Staff provide case management services to address attendance, behavioral issues or challenges at home.*
5. *Students access instruction in basic skills or ESL if needed. Legal matters, childcare needs and transportation difficulties are handled through partnerships with other agencies and organizations.*

1. *A nonprofit social venture that operates both a computer refurbishing business and a training program.*
2. *Corporations, businesses and individuals bring their old computers and trainees refurbish the salvageable computers while preparing “end-of-life” computers for environmentally safe disposal. The business side helps staff foster close relationships with employers.*
3. *15-week, 500-hour computer technician training program, with “hands on” instruction and problem-solving and opportunity to work as part-time interns. Participants eligible to take the A+ exam.*
4. *An array of support services such as mentoring, counseling, employability workshops, assistance with work attire and job placement services were also available to participants through external organizations.*
5. *Funding for training came from private foundations, training reimbursements from other nonprofits and training vouchers.*

Common Elements

- ❖ Sector focus: A continuum of strategies designed to engage an industry or a small set of industries.
- ❖ Concern for candidates' career match: Recruitment, screening and intake processes aimed at making appropriate career matches.
- ❖ Integrated skills training: Technical job-specific training, job-readiness workshops, and support to strengthen basic English and math skills.
- ❖ Individualized services to support training completion and success on the job: Social supports, such as childcare, transportation, housing and financial assistance as well as job-specific assistance.
- ❖ Flexibility to adjust to a changing environment: Close connection to industry allowing for shifts in occupational/industry focus; ability to alter mix of services to respond to changes in partner agencies or available funding.

Characteristics of Study Participants

- ❖ 81% were either African American or Latino
- ❖ 47% male and 53% female
- ❖ Age
 - ❖ 18 to 24 – 28%
 - ❖ 25 to 54 – 70%
 - ❖ 55 and over – 2%
- ❖ 37% ever on welfare
- ❖ Education
 - ❖ More than high school diploma – 18%
 - ❖ High school diploma – 53%
 - ❖ GED or high school equivalency – 22%
 - ❖ Less than high school – 7%
- ❖ Worked an average of 6.8 months in the year prior

The Analysis

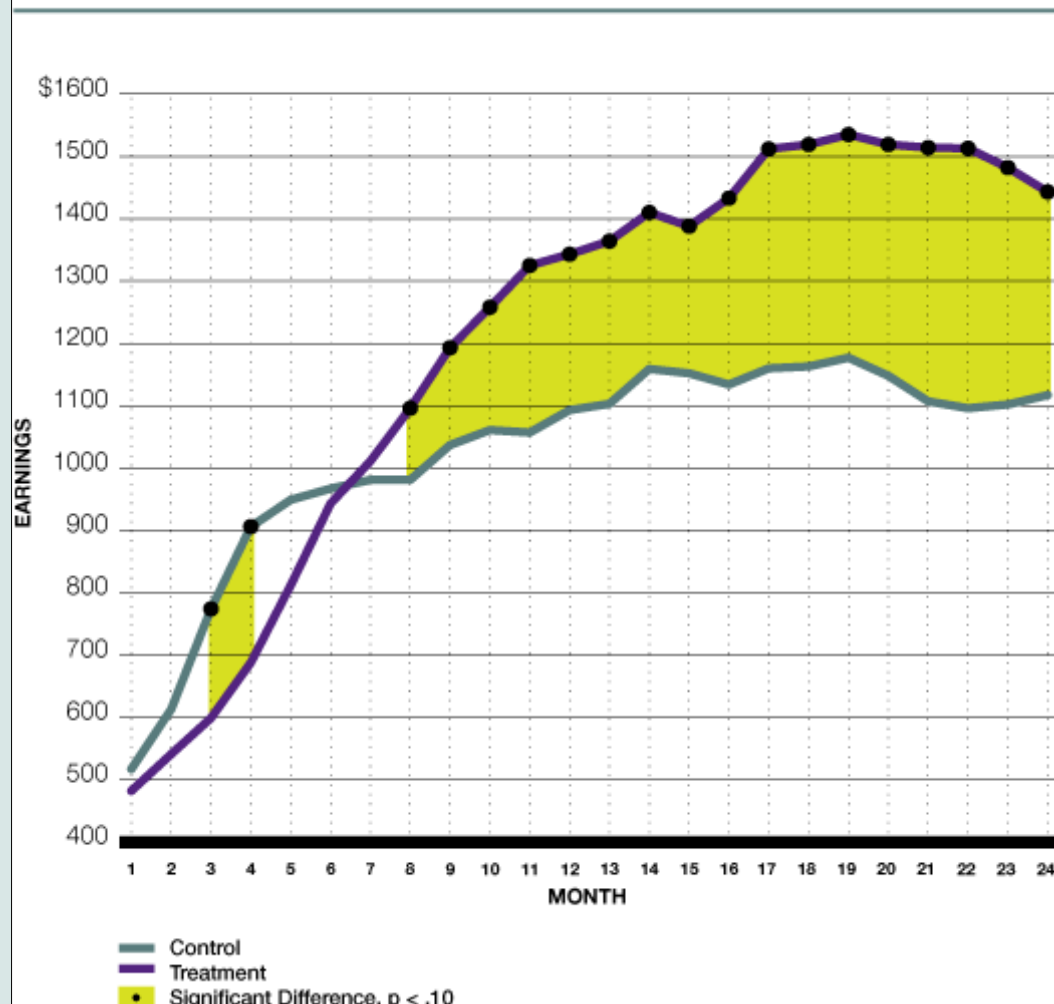
- ❖ 1,014 respondents in the follow-up sample
- ❖ 79% response rate
- ❖ Regression analysis was performed on all outcomes controlling for baseline characteristics
- ❖ All outcomes analyzed over the entire 24 month follow-up period, in the second year of follow-up, and in each of the 24 months

Earnings

- ❖ Program participants saw significant earnings gains, about \$4,500, when compared with controls over the entire follow-up period.
- ❖ Earnings gains were particularly strong during the second year, about \$4,000.
- ❖ Impacts began around the eighth month and continued throughout the follow-up period.

Earnings

Figure 1: Total Earnings by Month

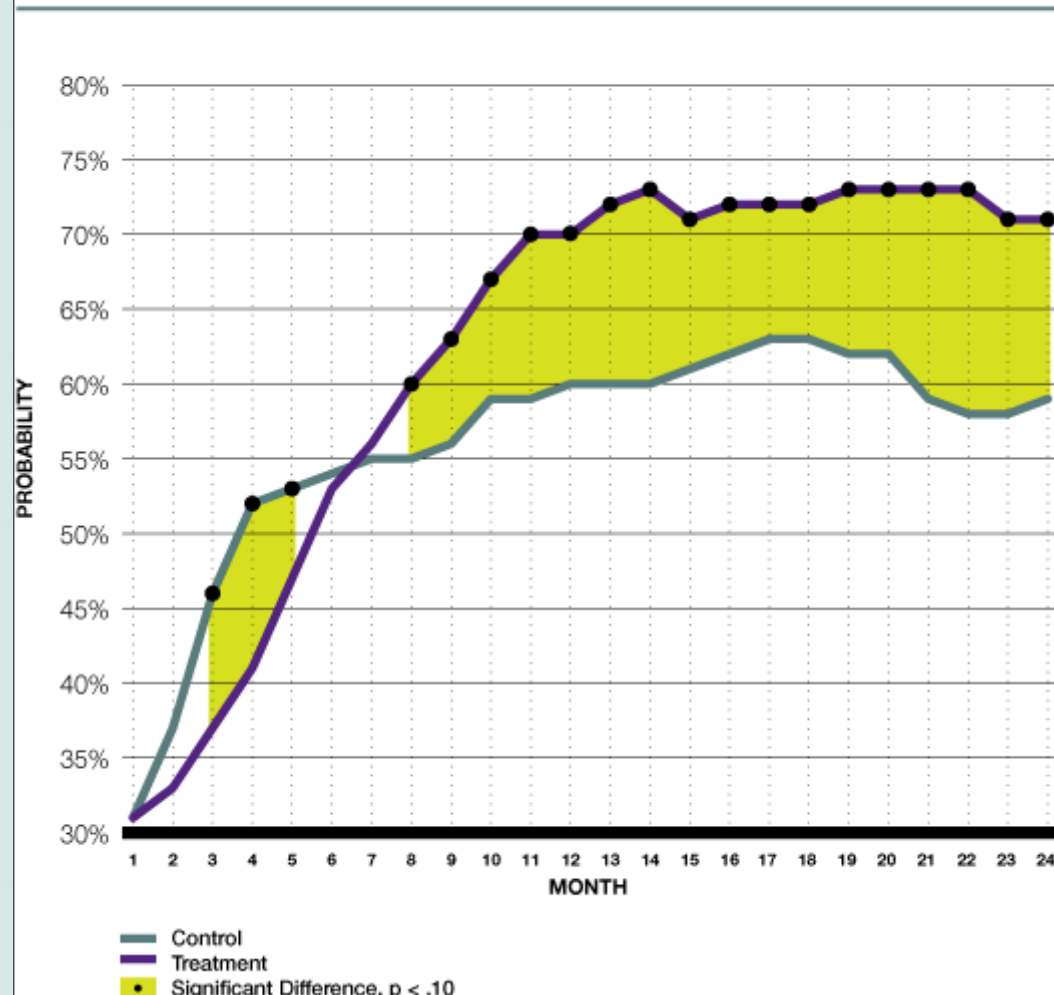


Employment

- ❖ Program participants were more likely to work and worked more consistently than controls.
- ❖ Over the 24-month follow-up period, program participants worked about 1.5 months more than controls.
- ❖ By Year 2, employment rates for program participants averaged about 70%, versus 60% for controls.

Employment

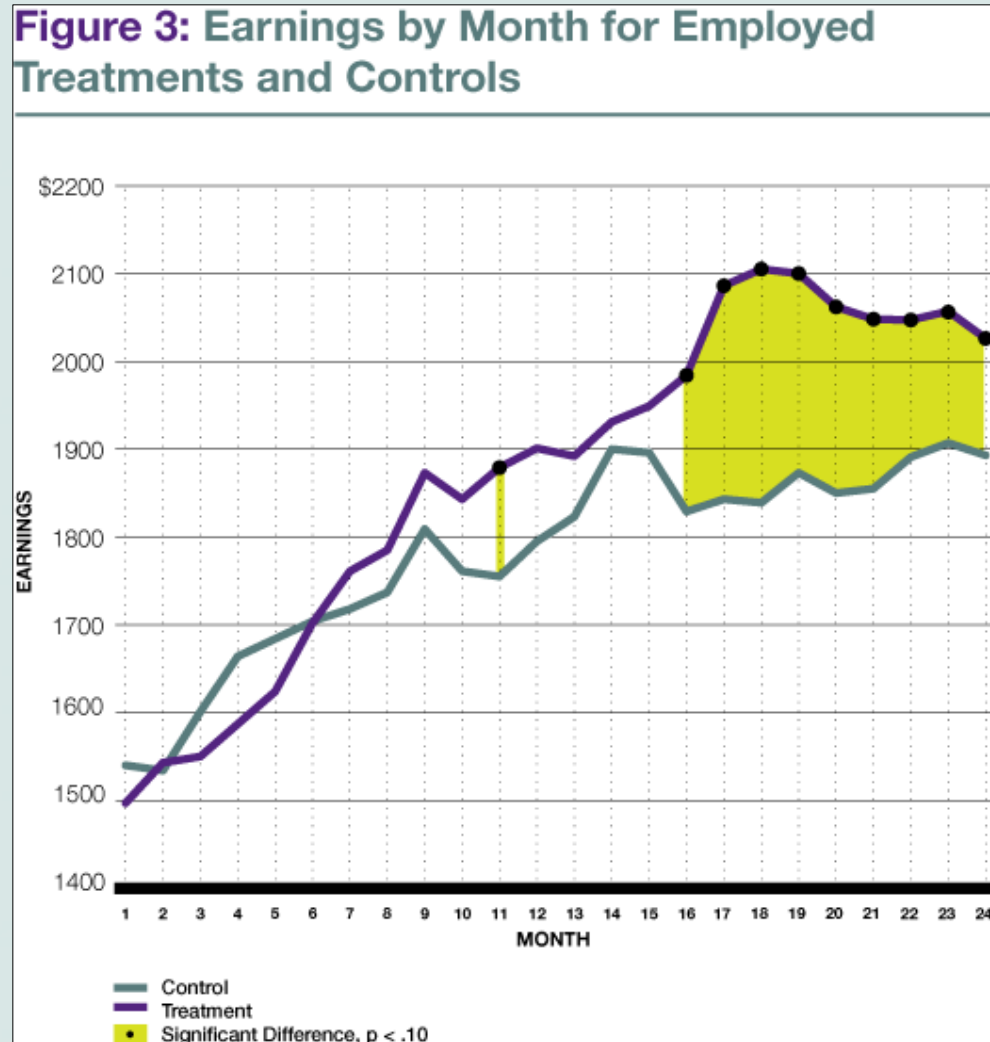
Figure 2: Probability of Employment by Month



Earnings for Those Employed

- ❖ Employment alone does not explain the difference in earnings between treatments and controls.
- ❖ Employed program participants earned about \$3,300 more than employed controls.
- ❖ All of these earnings gains occurred in Year 2.

Earnings for Those Employed

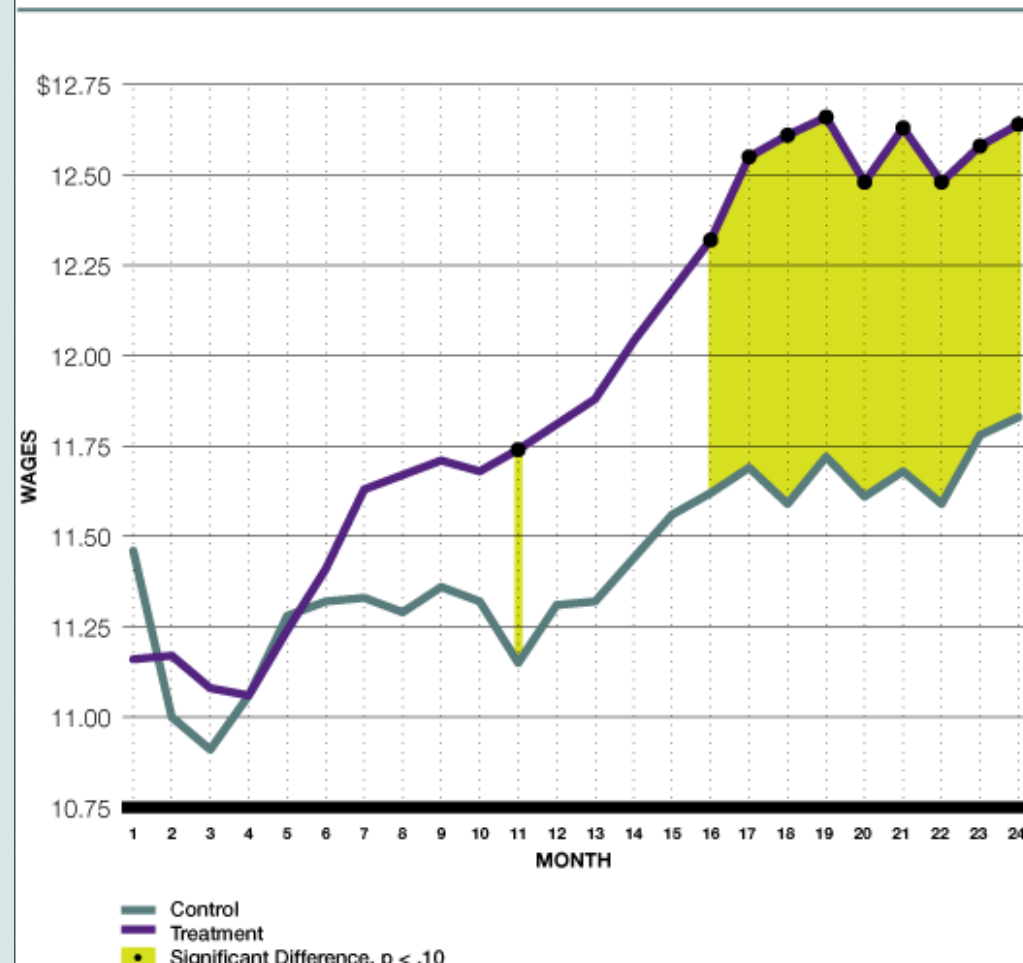


Hours, Wages and Benefits

- ❖ Employed program participants worked about 200 more hours than employed controls during Year 2.
- ❖ Employed program participants earned about 79 cents an hour more than employed controls in their most recent job.
- ❖ Program participants were significantly more likely than controls to work in jobs that offered benefits; participants spent an average of 11 months in these jobs—about 1.5 months longer than controls.

Hours, Wages and Benefits

Figure 4: Hourly Wage in Primary Job by Month for Employed Treatments and Controls



Recommendations

1. Invest in job training that is industry-focused or employer-linked.
2. Create flexible guidelines that enable programs to build on local knowledge and experience.
3. Invest in programs that integrate a range of trainings and supports.
4. Streamline funding regulations to support programs that serve people based on common career interests.
5. Measure longer-term outcomes and reward programs that achieve longer-term success for participants.



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