

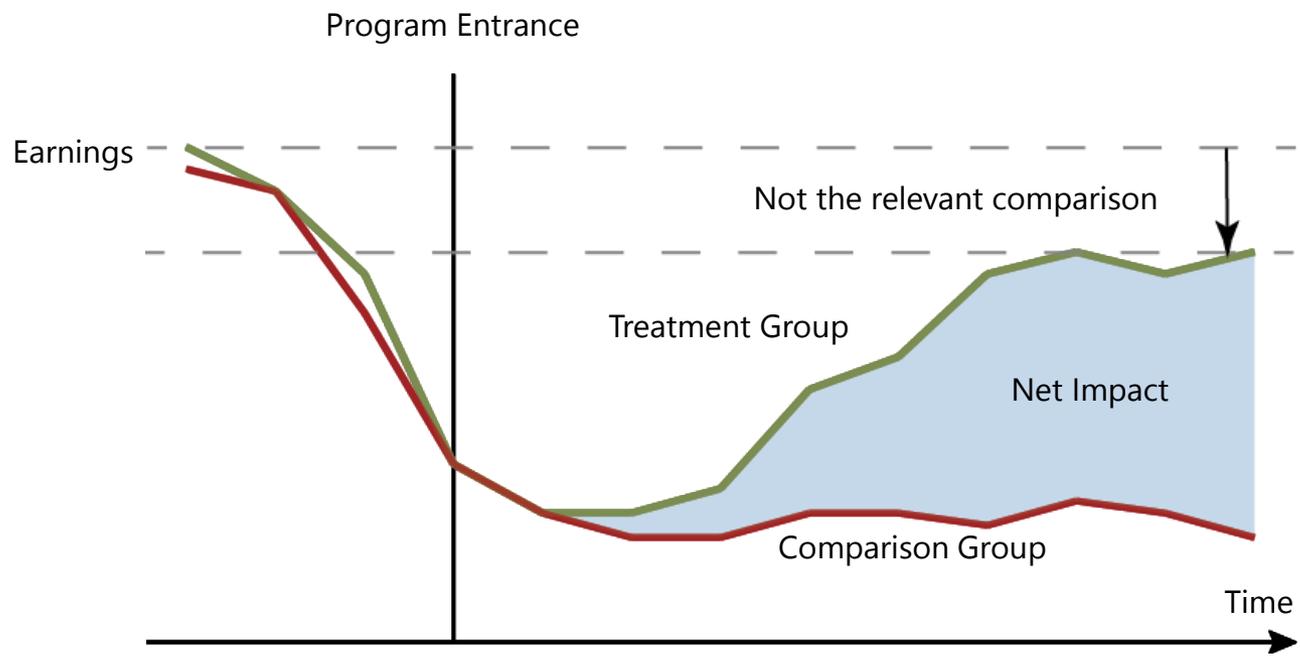
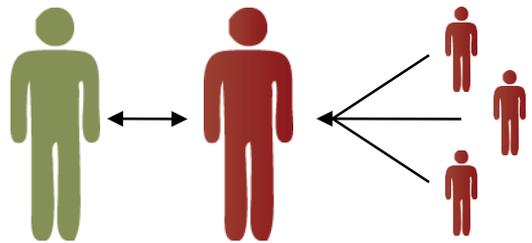
The Net Impact Initiative

Pilot Evaluation Findings

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November 2015



Workforce Investment Act (WIA) Adult Program and the **WIA and Minnesota Dislocated Worker Program**

Common Goals

- To increase employment
- To increase retention in unsubsidized employment
- To increase earnings received in unsubsidized employment
- To enhance customer satisfaction for participants and for employers

Workforce Investment Act (WIA) Adult Program and the **WIA and Minnesota Dislocated Worker Program**

Services

Core services: outreach, job search and placement assistance, labor market information; *available to all job seekers*

Intensive services: more comprehensive assessments, development of individual employment plans, counseling and career planning

Training services: both occupational training and training in basic skills; participants use an "individual training account" to select an appropriate training program from a qualified training provider

"Supportive" services such as transportation, childcare, dependent care, housing and needs-related payments are provided under certain circumstances to allow an individual to participate in the program.

Workforce Investment Act (WIA) Adult Program

Who is Served

Provides employment and training assistance to adults who face significant barriers to employment.

- individuals who receive public assistance
- individuals living with low incomes
- veterans within these groups

The System

The Adult program provides services through a network of 48 WorkForce Centers

TABLE 1: DEMOGRAPHIC BREAKDOWNS OF TREATMENT COHORTS

	WIA Adult 2007-2008		WIA Adult 2009-2010	
	N	%	N	%
OVERALL TOTAL	745	100%	1,093	100%
AGE				
18-24	97	13.0%	231	21.1%
25-44	308	41.3%	548	50.1%
45-54	128	17.2%	201	18.4%
55-64	38	5.1%	66	6.0%
Other or No Data	174	23.4%	47	4.3%
GENDER				
Female	396	53.2%	596	54.5%
Male	349	46.8%	497	45.5%
RACE				
African American	115	15.4%	220	20.1%
White	414	55.6%	735	67.2%
Other or No Data	216	29.0%	138	12.6%
GEOGRAPHY				
Greater Minnesota	536	71.9%	687	62.9%
Seven-County Metro	209	28.1%	406	37.1%
EDUCATIONLEVEL				
Less than HS	113	15.2%	127	11.6%
HS Diploma or Equivalent	313	42.0%	466	42.6%
Some Postsecondary	259	34.8%	386	35.3%
AA, BA, and Above	60	8.1%	114	10.4%
AVERAGE ANNUAL EARNINGS (at Baseline)				
	\$10,551		\$9,730	

Outcomes Analyzed

1. Changes in **average annual earnings**
2. Changes in the **likelihood of employment**
3. Changes in the amount of **quarterly cash benefits (MFIP and SNAP) received**

Control groups

1. Unemployment Insurance Applicants
2. Individuals who set up a user account at a WorkForce Center or online at www.MinnesotaWorks.net

WIA Adult

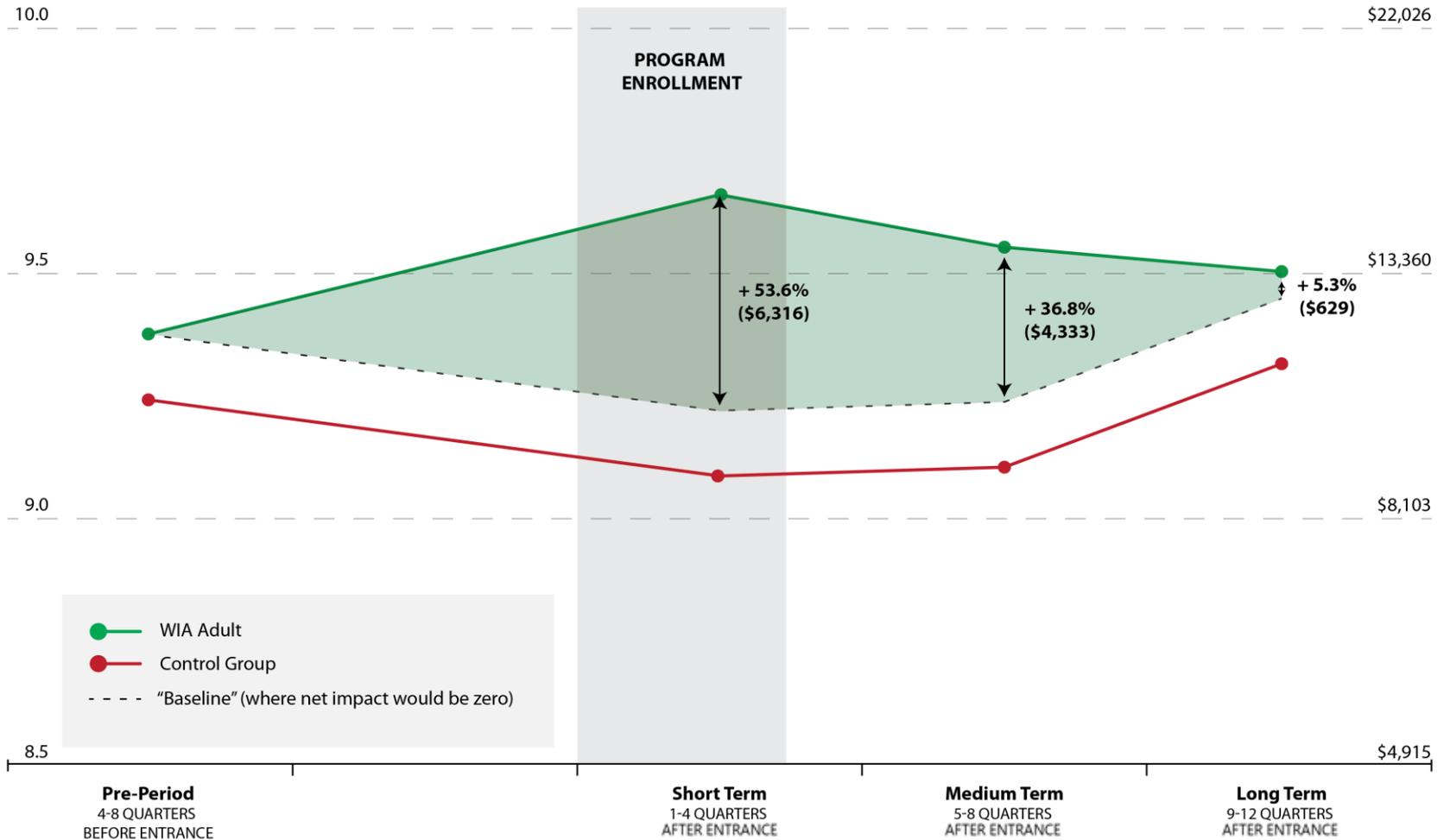
Cohort	Follow-Up Periods			
	<u>Baseline</u>	<u>Short-Term</u>	<u>Medium Term</u>	<u>Long Term</u>
	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings
<u>WIA Adult 2007-2008</u>	9.375 (0.056)	9.651 (0.042)	9.553 (0.052)	9.503 (0.059)
Control Group	9.237 (0.016)	9.084 (0.032)	9.102 (0.037)	9.314 (0.035)
<i>Difference</i>	0.138 (0.058)	0.567 (0.053)	0.451 (0.064)	0.189 (0.069)

WIA Adult

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LOG Annual Earnings

Annual Earnings

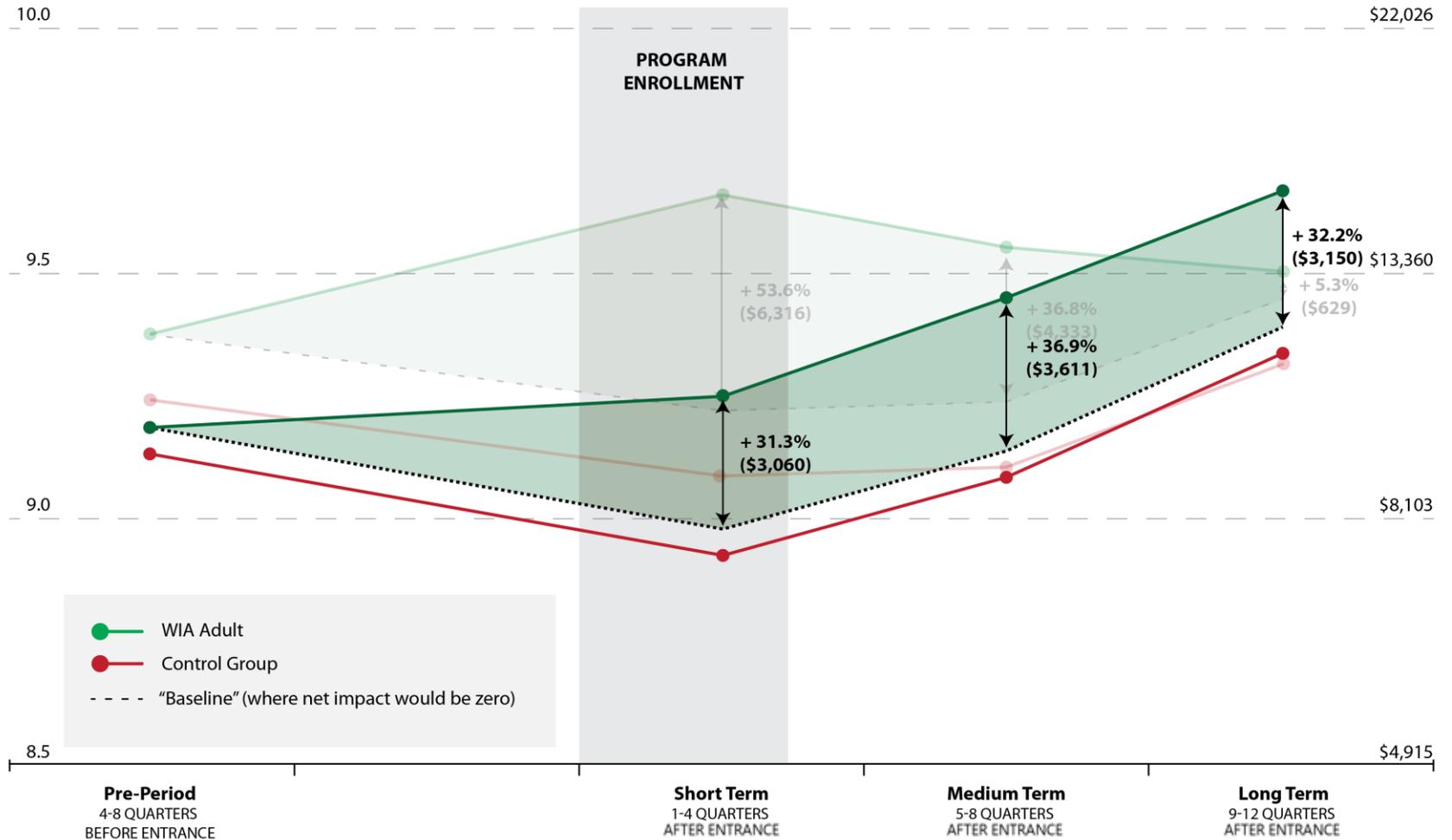


WIA Adult

Cohort	Follow-Up Periods			
	Baseline	Short-Term	Medium Term	Long Term
	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings
WIA Adult 2009-2010	9.189 (0.042)	9.253 (0.037)	9.455 (0.039)	9.674 (0.039)
Control Group	9.135 (0.013)	8.927 (0.029)	9.087 (0.032)	9.341 (0.028)
<i>Difference</i>	0.054 (0.044)	0.326 (0.047)	0.368 (0.050)	0.333 (0.048)

LOG Annual Earnings

Annual Earnings



LOG Annual Earnings

10.0

WIA Adult

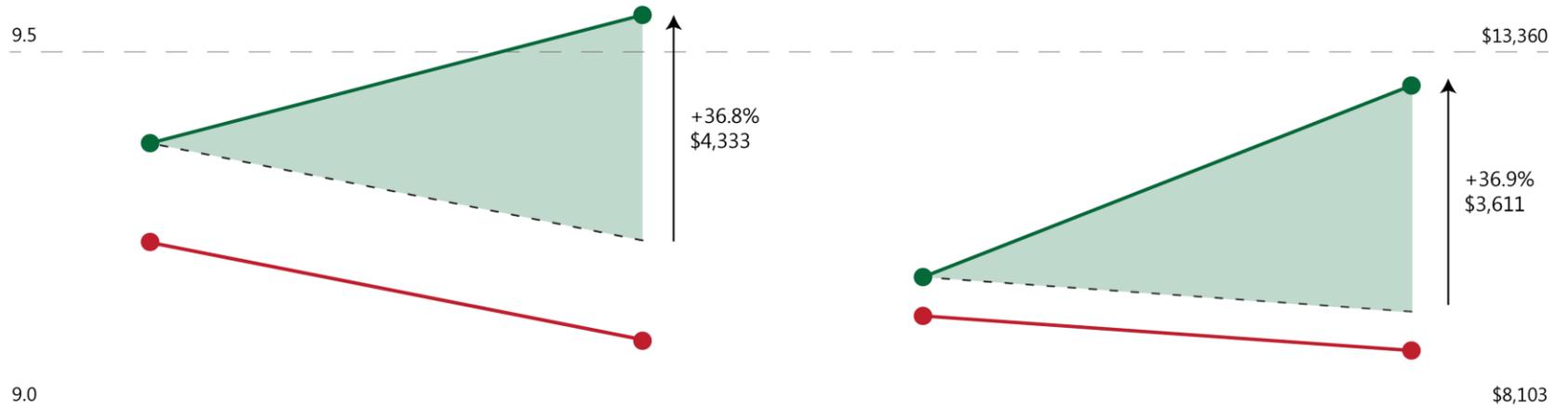
Annual Earnings

\$22,026

OVERALL

2007-2008

2009-2010



- WIA Adult
- Control Group
- - - "Baseline" (where net impact would be zero)

8.5 | | | | 4,915

Pre-Period
4-8 QUARTERS
BEFORE ENTRANCE

Follow-Up
4-8 QUARTERS
AFTER ENTRANCE

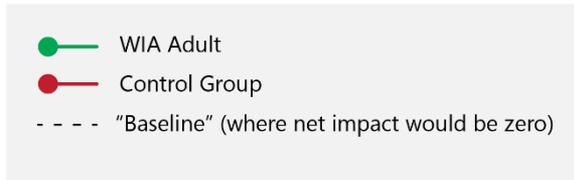
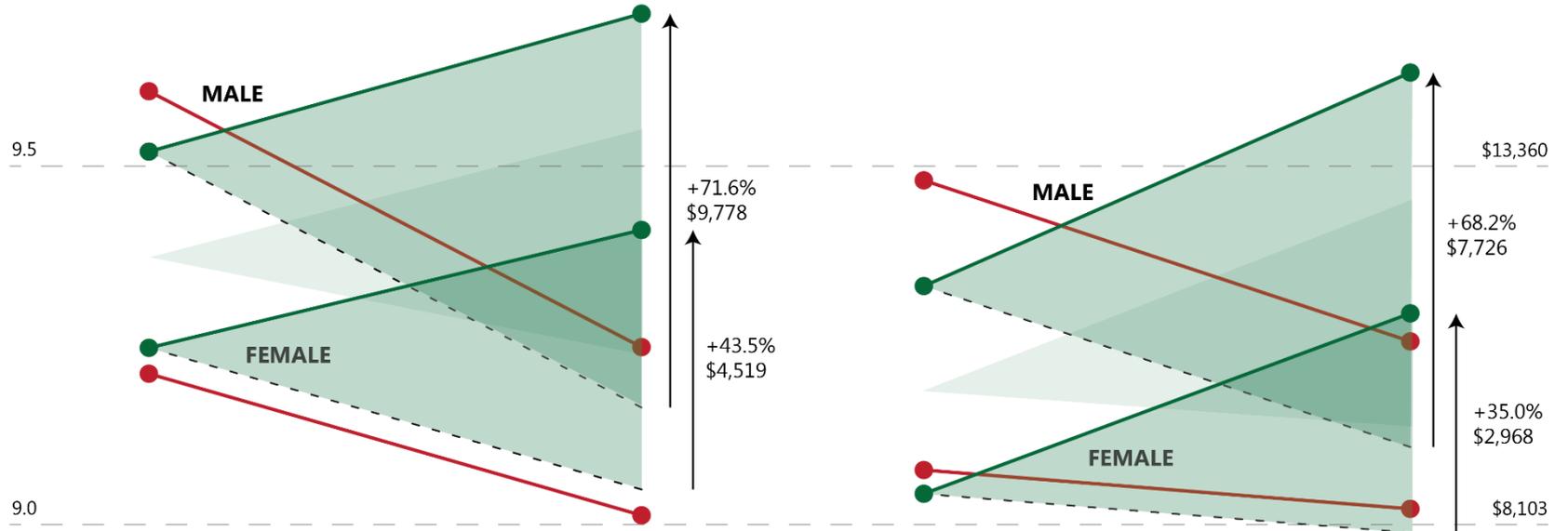
Pre-Period
4-8 QUARTERS
BEFORE ENTRANCE

Follow-Up
4-8 QUARTERS
AFTER ENTRANCE

BY GENDER

2007-2008

2009-2010



8.5 | | | | 4,915

Pre-Period
4-8 QUARTERS
BEFORE ENTRANCE

Follow-Up
4-8 QUARTERS
AFTER ENTRANCE

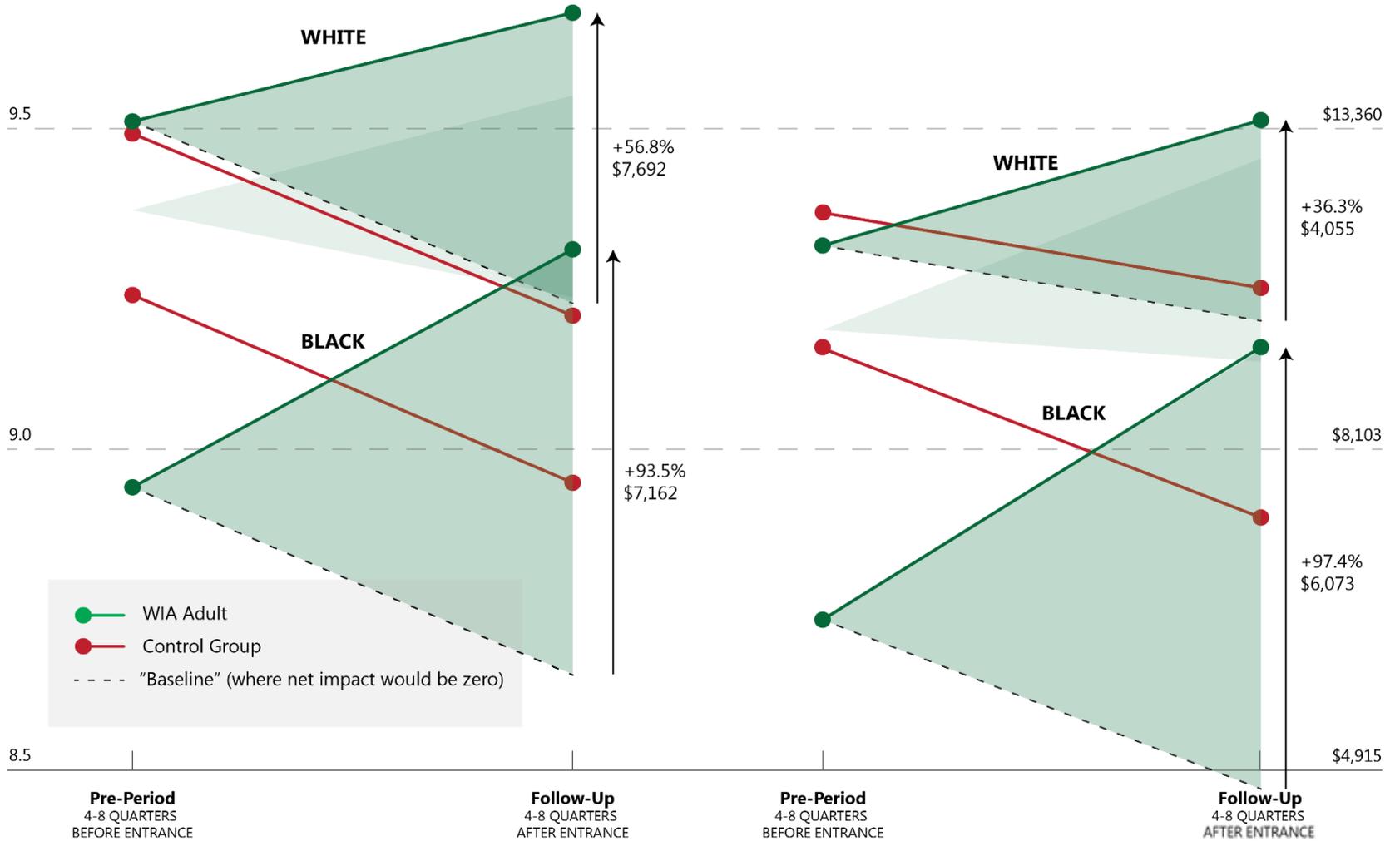
Pre-Period
4-8 QUARTERS
BEFORE ENTRANCE

Follow-Up
4-8 QUARTERS
AFTER ENTRANCE

BY RACE

2007-2008

2009-2010



Additional Earnings Findings

Geography

In the post-recession cohort (2009-2010), impacts on earnings and employment were greater for individuals in the seven-county metro (compared to Greater Minnesota).

Education Level

Earnings impacts appear greatest for those with either no high school diploma or those with an AA or above compared to “middle-skilled” individuals (those with a high school diploma, its equivalent, or some postsecondary education).

Age

No patterns emerged across age groupings.

Impacts on Employment

	<u>WIA Adult 2007-2008</u> Difference-in-Difference (% Change in Employment Likelihood)	<u>WIA Adult 2009-2010</u> Difference-in-Difference (% Change in Employment Likelihood)
OVERALL	+14.5%	+15.0%
BY AGE		
18-24	+17.2%	+24.2%
25-44	+13.6%	+13.7%
45-54	+16.7%	+21.6%
55-64	+17.6%	+23.1%
BY GENDER		
Female	+12.7%	+15.2%
Male	+16.3%	+17.1%
BY RACE		
African American	+19.7%	+21.9%
White	+12.7%	+12.6%
BY GEOGRAPHY		
Greater Minnesota	+16.0%	+13.1%
Seven-County Metro	+16.0%	+20.2%
BY EDUCATION LEVEL		
Less than HS	+21.1%	+22.9%
HS Diploma or Equiv.	+15.7%	+14.6%
Some Postsecondary	+12.4%	+15.0%
AA, BA, and Above	+16.4%	+11.0%

• Timeframes: Baseline 4-8 quarters before entrance; medium-term 5-8 quarters

MFIP and SNAP Usage

We found far fewer statistically significant results, in large part because of the smaller number of individuals receiving these benefits in the first place. That said:

For the 2007-2008 cohort, it appears that program participation decreased benefits usage, albeit by small amounts. African American participants bucked this trend, however.

For the 2009-2010 cohort, it appears that program participation increased benefits usage, by larger amounts. This trend was particularly pronounced among men.

WIA and Minnesota Dislocated Worker Program

Who is Served

Provides employment and training assistance to workers who lose their jobs through no fault of their own, which also includes:

- Self-employed individuals who lose their jobs due to economic conditions
- Veterans leaving active duty with the armed forces
- Certain individuals leaving active duty with the National Guard or armed forces reserves

The System

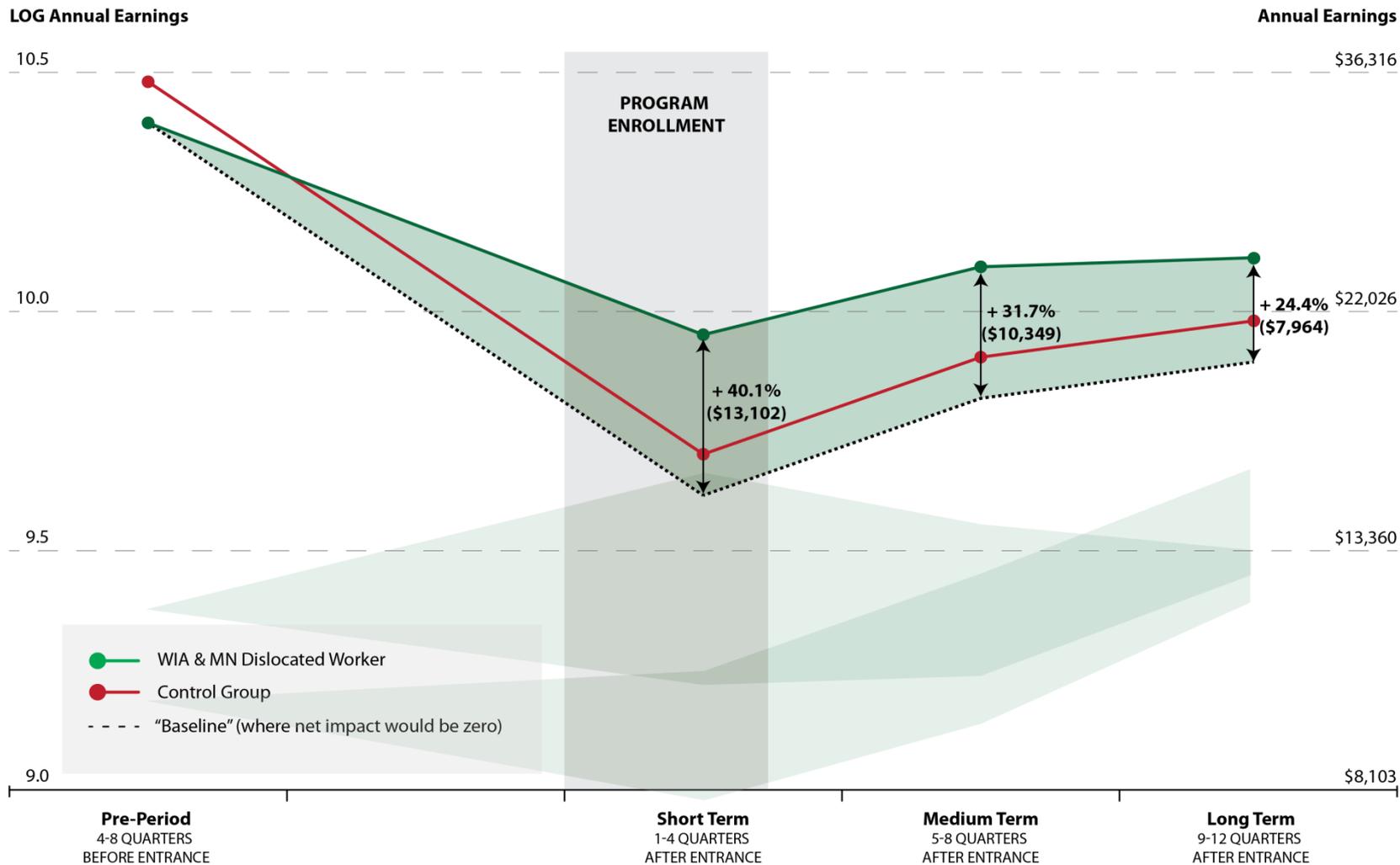
The Adult program provides services through a network of 48 WorkForce Centers and several independent non-profit organizations

TABLE 1: DEMOGRAPHIC BREAKDOWNS OF TREATMENT COHORTS

	Dislocated Worker 2007-2008		Dislocated Worker 2009-2010	
	N	%	N	%
OVERALL TOTAL	6,977	100%	10,199	100%
AGE				
18-24	137	2.0%	298	3.1%
25-44	2,145	30.7%	4,031	41.7%
45-54	2,009	28.8%	3,545	36.7%
55-64	1,035	14.8%	1,795	18.6%
Other or No Data	1,651	23.7%	530	5.2%
GENDER				
Female	3,391	48.6%	4,508	44.2%
Male	3,586	51.4%	5,691	55.8%
RACE				
African American	495	7.1%	811	8.0%
White	4,321	61.9%	8,763	85.9%
Other or No Data	2,161	31.0%	625	6.1%
GEOGRAPHY				
Greater Minnesota	3,370	48.3%	3,478	34.1%
Seven-County Metro	3,607	51.7%	6,721	65.9%
EDUCATIONLEVEL				
Less than HS	290	4.2%	370	3.6%
HS Diploma or Equivalent	2,161	31.0%	2,770	27.2%
Some Postsecondary	2,771	39.7%	3,743	36.7%
AA, BA, and Above	1,755	25.2%	3,316	32.5%
AVERAGE ANNUAL EARNINGS (at Baseline)				
	\$32,112		\$38,716	

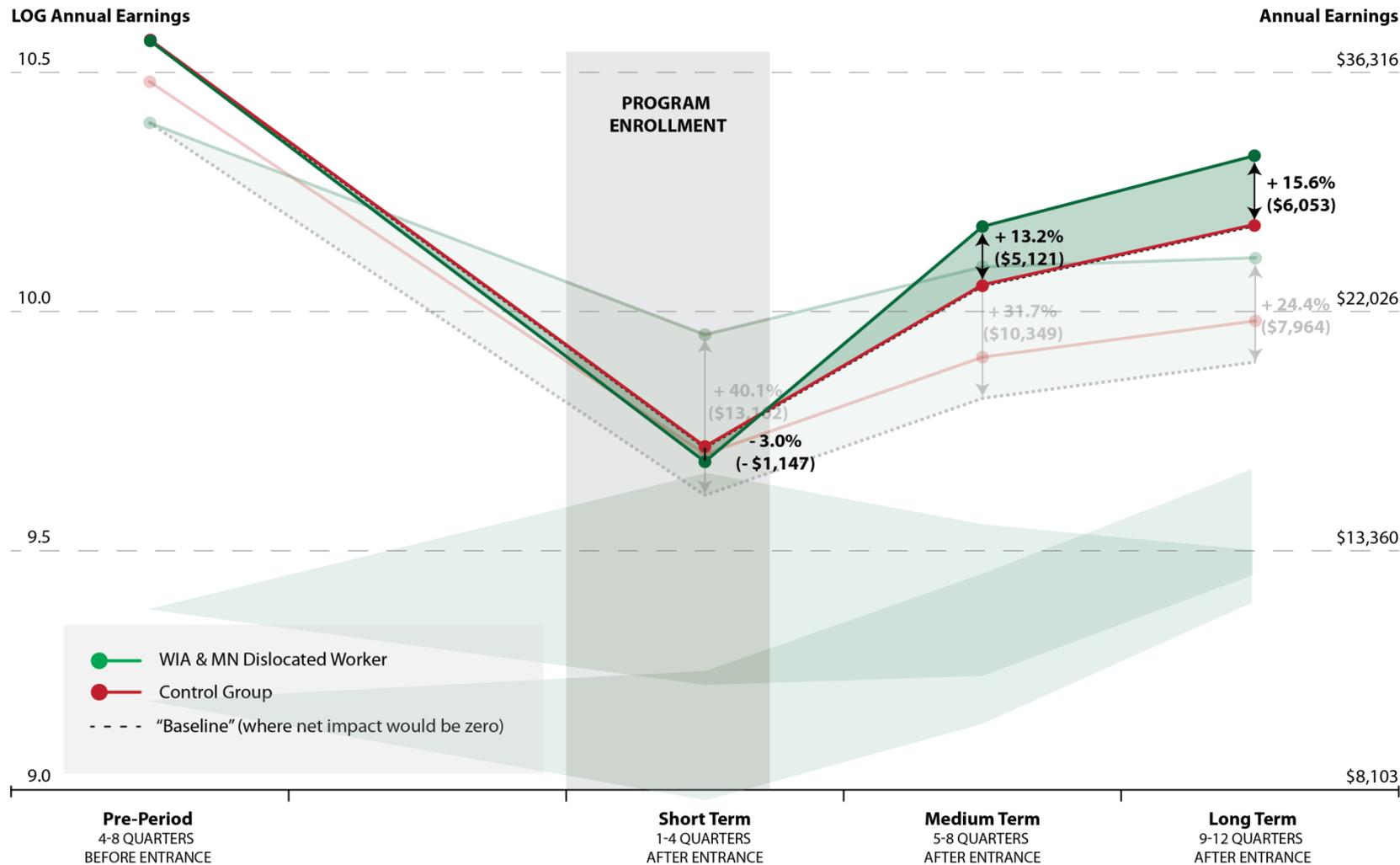
Dislocated Worker

Cohort	Follow-Up Periods			
	Baseline	Short-Term	Medium Term	Long Term
	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings
Dislocated Worker 2007-2008	10.395 (0.011)	9.952 (0.015)	10.094 (0.016)	10.113 (0.017)
Control Group	10.481 (0.008)	9.702 (0.020)	9.905 (0.018)	9.981 (0.017)
<i>Difference</i>	-0.086 (0.014)	0.25 (0.025)	0.189 (0.024)	0.132 (0.024)

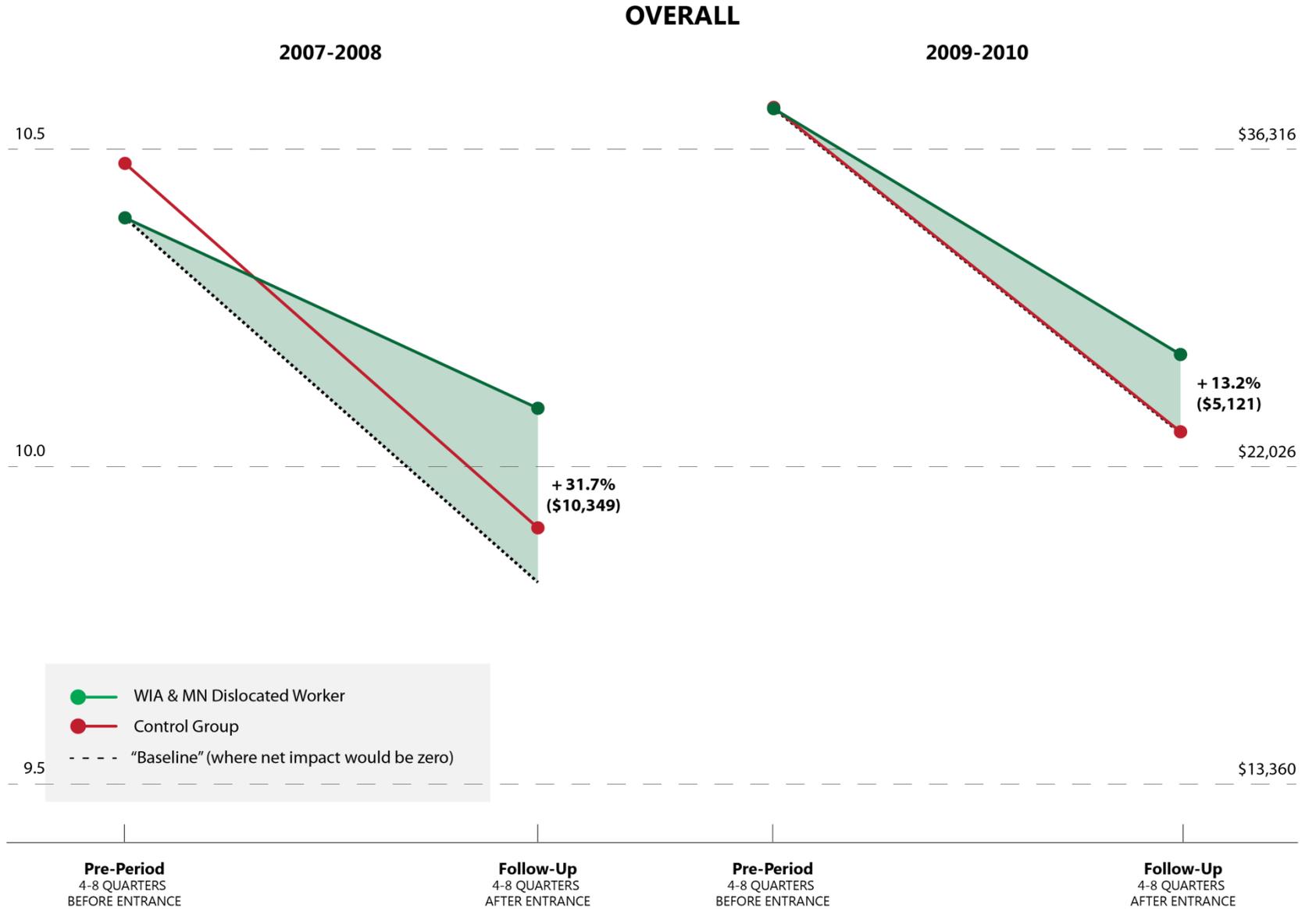


Dislocated Worker

Cohort	Follow-Up Periods			
	Baseline	Short-Term	Medium Term	Long Term
	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings	Log Annual Earnings
Dislocated Worker 2009-2010	10.566 (0.007)	9.686 (0.014)	10.178 (0.012)	10.326 (0.011)
Control Group	10.568 (0.004)	9.718 (0.012)	10.056 (0.010)	10.182 (0.009)
<i>Difference</i>	-0.002 (0.008)	-0.032 (0.019)	0.122 (0.015)	0.143 (0.014)

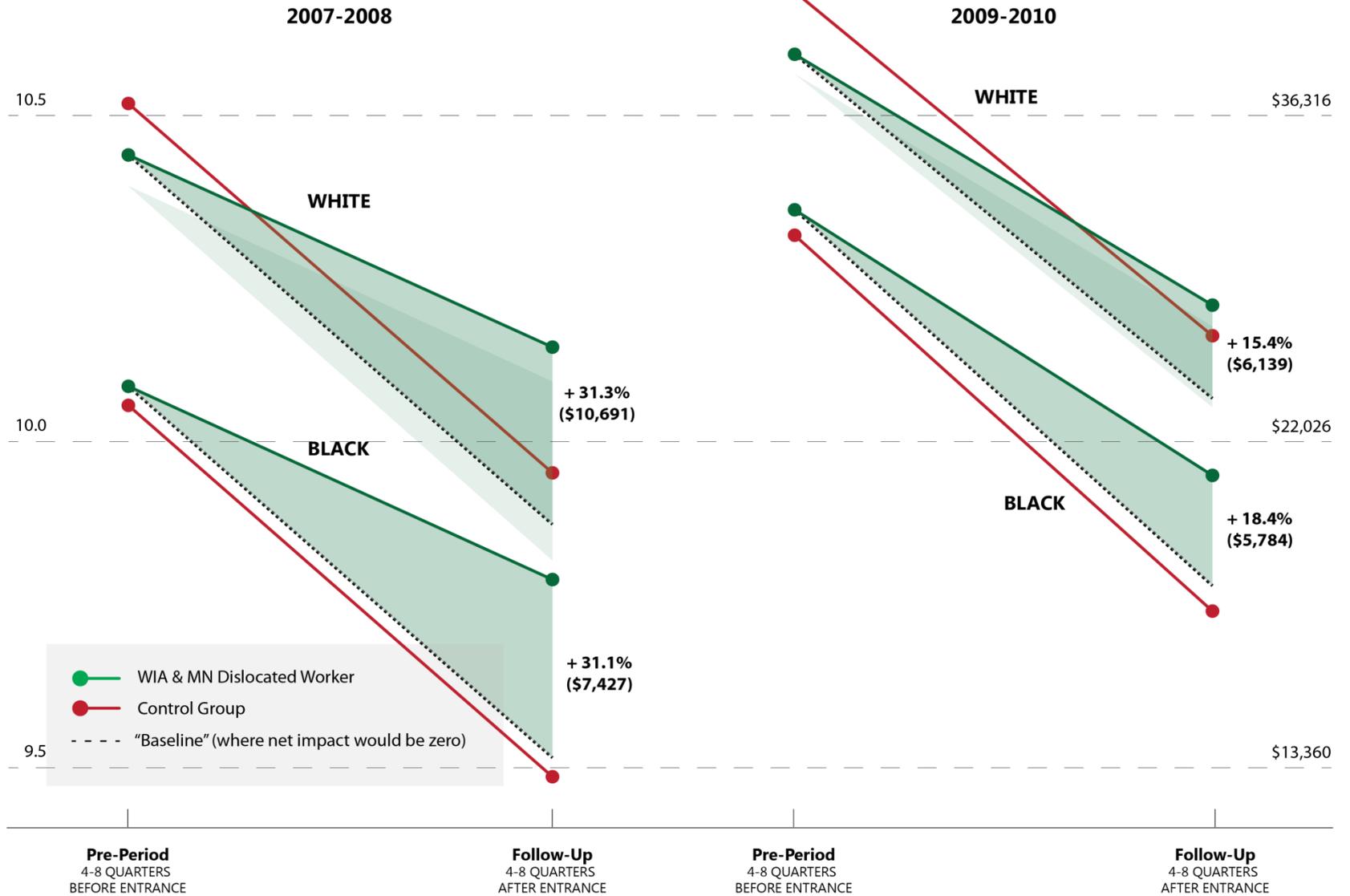


Dislocated Worker



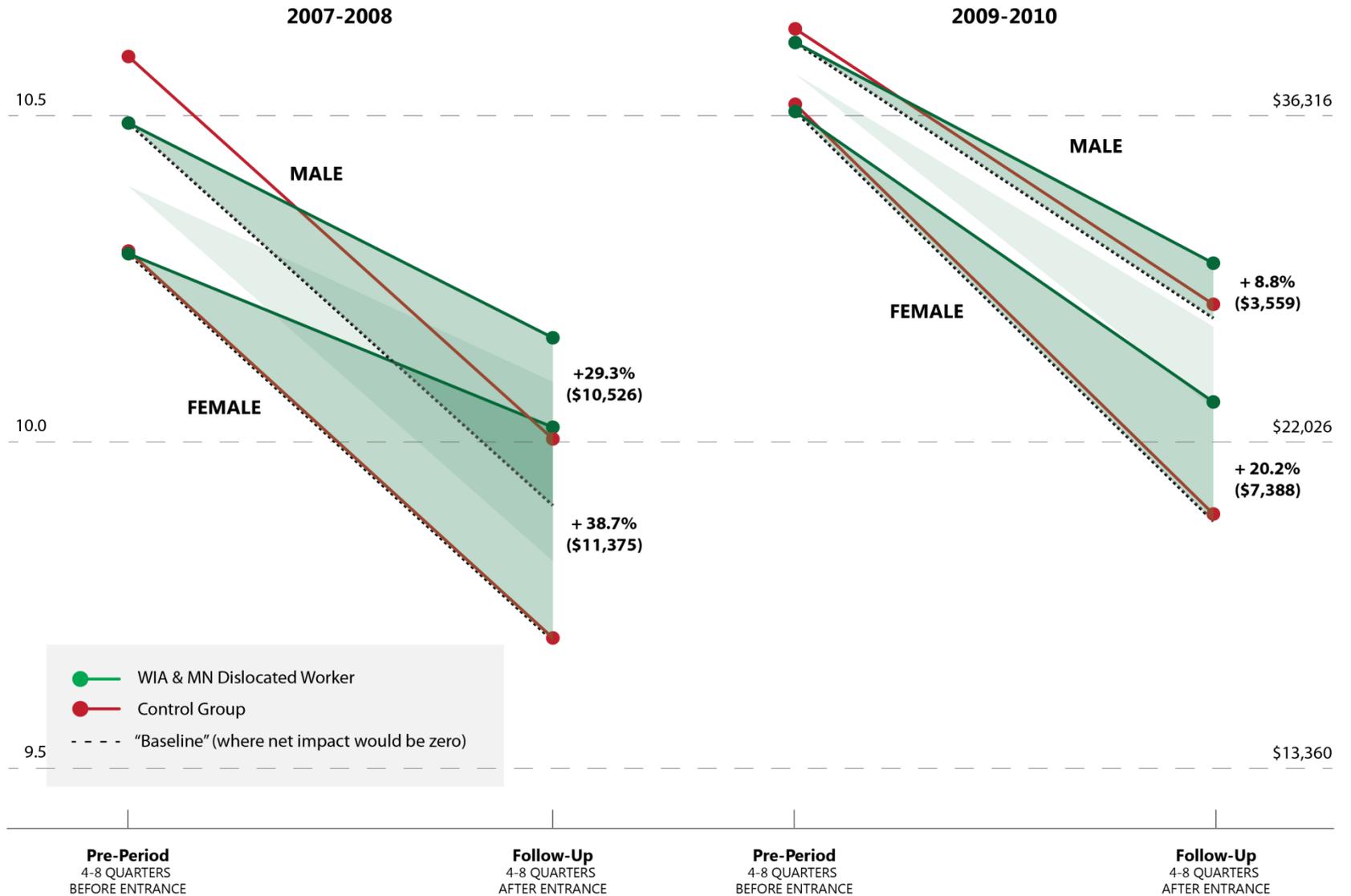
Dislocated Worker

BY RACE



Dislocated Worker

BY GENDER



Additional Earnings Findings

Geography

Impacts on earnings and employment were greater for individuals in the seven-county metro (compared to Greater Minnesota).

Education Level

Earnings impacts appear greatest for those with higher levels of education

Age

No patterns emerged across age groupings.

Impacts on Employment

	<u>Dislocated Worker 2007-2008</u>	<u>Dislocated Worker 2009-2010</u>
	Difference-in-Difference (% Change in Employment Likelihood)	Difference-in-Difference (% Change in Employment Likelihood)
OVERALL	+13.3%	+8.2%
BY AGE		
18-24	+18.2%	+14.1%
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45-54	+19.2%	+12.7%
55-64	+20.2%	+12.5%
BY GENDER		
Female	+16.2%	+8.5%
Male	+15.2%	+6.6%
BY RACE		
African American	+14.3%	+9.5%
White	+16.4%	+8.1%
BY GEOGRAPHY		
Greater Minnesota	+10.2%	+7.9%
Seven-County Metro	+16.8%	+8.4%
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Less than HS	+20.8%	+12.6%
HS Diploma or Equiv.	+10.5%	+11.9%
Some Postsecondary	+10.3%	+8.9%
AA, BA, and Above	+13.2%	+7.7%

- Timeframes: Baseline 4-8 quarters before entrance; medium-term 5-8 quarters
- Difference-in-difference estimates are based on matched samples, but have not been formally tested for statistical significance.

MFIP and SNAP Usage

We found far fewer statistically significant results, in large part because of the smaller number of individuals receiving these benefits in the first place. That said:

For both cohorts, it appears that program participation decreased benefits usage, albeit by small amounts. Older participants bucked this trend, however.

Further Areas for Exploration

1. Net Impact Results for a Wider Array of Programs & Populations

long-term unemployed, key industries/occupations, other races/ethnic groups, key program models

2. Studying Additional Types of Outcomes

healthcare, incarceration, longer-term effects

3. Analysis of Specific Services and Co-Enrollments

What Works?

4. Cost/Benefit Analysis and Social Return on Investment

5. Contextualized Program Benchmarks

good performance looks different for different programs

6. Leading Indicators

predictive of longer-term outcomes

More Information

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Texas A&M University, IZA, and
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www.gwdc.org/net-impact

See Also:

- *Building Partnerships to Overcome Barriers*
(recommendations available at www.gwdc.org)
- *Evaluation Report on Workforce Programs*
(Office of the Legislative Auditor, 2010)