



# Workforce Training and Education Coordinating Board

## 2015 Workforce Training Results

### Workforce Investment Act Title I-B Program for Youth

#### Program Details

The WIA Youth program prepares youth for academic and employment success. To receive services, youth must be 14 through 21 years old, low income, and meet other criteria such as needing additional assistance to complete an education program or to secure and hold employment. To be considered low income, potential participants must be a welfare or food stamp recipient, homeless, a foster child, or in a family with income below 70 percent of the lower living standard income level.

Eligible youth are assessed to determine academic, skill level, and support service needs. Strategies are developed for each person based on the assessment results. They may receive:

- Counseling.
- Tutoring.
- Job training.
- Mentoring.
- Work experience.

Other strategies include summer employment, study skills training, or instruction in obtaining a GED or equivalent. Youth may access information services through WorkSource, the state's one-stop career center system. Youth ages 18 through 21 may be co-enrolled in WIA Adult programs. At least 30 percent of the WIA Youth funds must be used to provide activities for eligible out-of-school youth.

The Employment Security Department administers the program at the state level. Twelve local workforce development councils, in consultation with chief local elected officials, oversee WIA activities in local areas. Local youth councils assist with the WIA program.

Every year, the Workforce Board measures the performance of key workforce programs. In this report, you'll find out more about the program and who is served, the metrics used to measure performance and how the program performed.



## **Workforce Innovation and Opportunity Act to replace WIA**

The Workforce Innovation and Opportunity Act passed in the summer of 2014 with broad bipartisan support. It's the first federal reform of the workforce system in 15 years. WIOA replaces and modifies the Workforce Investment Act (WIA), which started in 1998. WIOA provides a framework for better integration and seamless delivery of services across programs and funding streams, with a focus on improving economic outcomes for jobseekers and filling the skills gap for employers. The majority of WIOA provisions become effective on July 1, 2015, with additional requirements set for July 1, 2016. The Workforce Board has been designated by Governor Inslee to oversee planning and policy development for Washington's effective implementation of WIOA. The WIA program remains in effect as WIOA is implemented over the coming year.

## **Participant Profile**

For this 2015 report, researchers studied the results of 2,005 participants who left the WIA Youth program during the most recent reporting year.<sup>1</sup> The median length of time a participant was in the program was 12 months. There was, however, considerable variation in the amount of time participants spent in the program. One quarter enrolled for less than seven months, while another quarter enrolled for over 19 months.

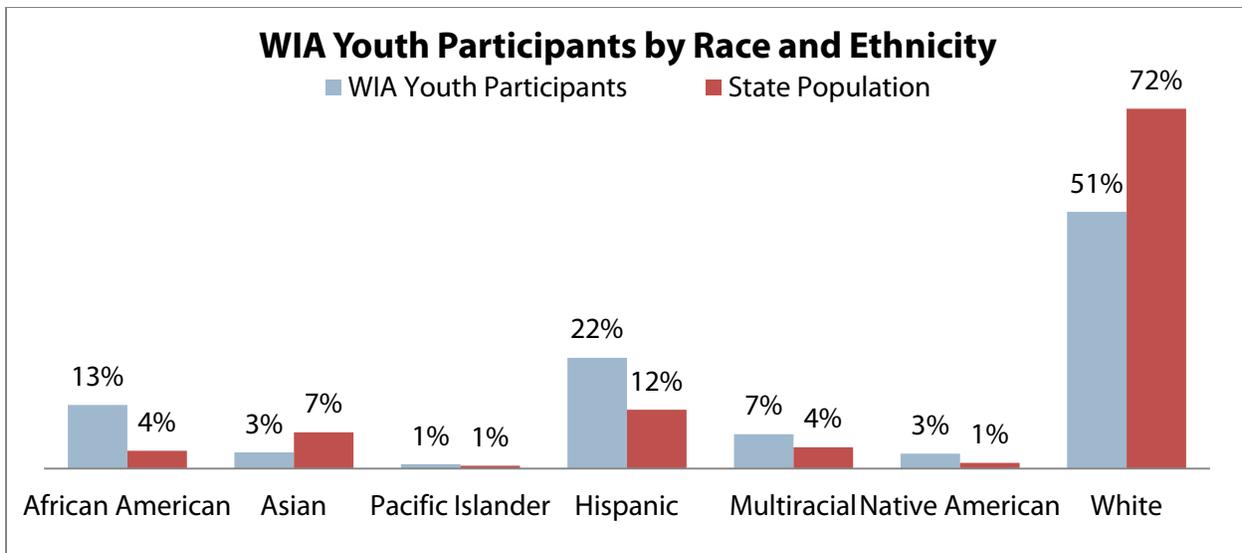
WIA Youth program participants were more racially and ethnically diverse than the general state population.<sup>2</sup> Among program participants, 51 percent were white, 22 percent were Hispanic, 13 percent were African American, 3 percent were Asian, 3 percent Native American and 1 percent were Pacific Islander.

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<sup>1</sup>The 2015 Workforce Training Results reports are based on data observed as recently as 2013-2014 for individuals exiting programs during 2012-13.

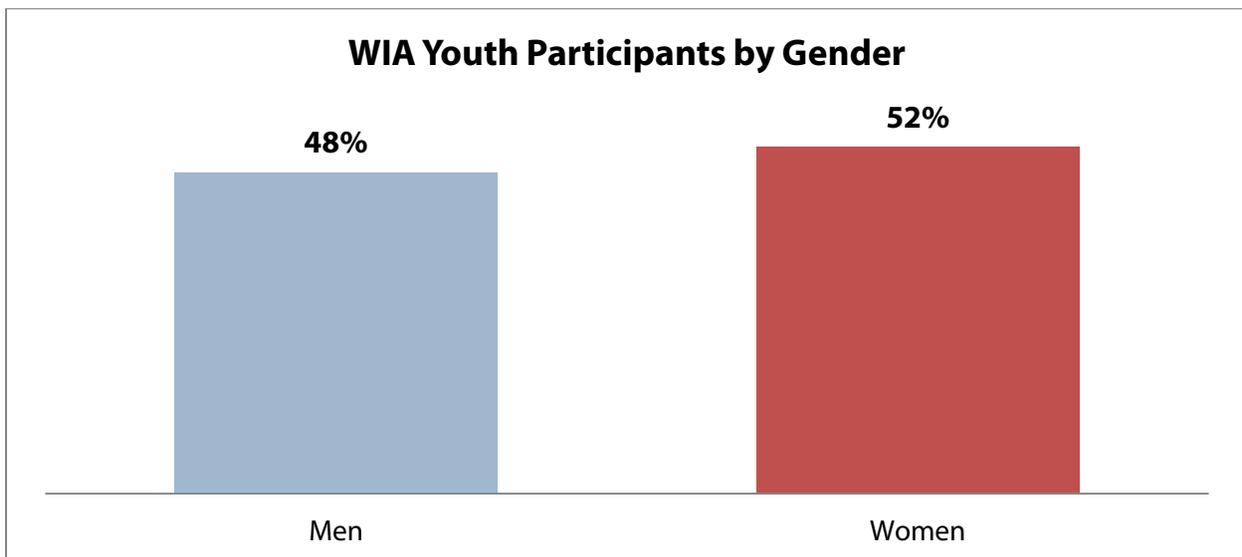
<sup>2</sup> In this report, unless otherwise stated, racial and ethnic minority groups are mutually exclusive; that is, an individual belongs to one group only. The groups include the following: Hispanics of any race (also referred to as Hispanics); non-Hispanic African Americans (also referred to as African Americans); non-Hispanic Asians (also referred to as Asians); non-Hispanic Pacific Islanders (also referred to as Pacific Islanders); non-Hispanic Native Americans and Alaskan Natives (also referred to as Native Americans); non-Hispanic multiracial (also referred to as multiracial); and non-Hispanic whites (also referred to as whites).





Source: WIA Standardized Record Data (WIASRD) and 2012 U.S. Census Data from the American Community Survey.

Among those leaving the program, 52 percent were female—four percentage points lower than last year. This was a higher percentage<sup>3</sup> than females made up in the total population (50.1 percent) and even more so among 15-24 year olds (48.6 percent).



Source: WIA Standardized Record Data (WIASRD).

Many WIA Youth participants faced substantial barriers to success in school and the labor market.

- 46 percent were high school dropouts when they entered the program.<sup>4</sup>

<sup>3</sup> 2012 one year estimate from the American Community Survey for Washington State.

<sup>4</sup> These are defined as youth who had no high school diploma and who were not enrolled in school at registration.



- 17 percent had records of arrest or conviction.
- 11 percent reported a disability.
- 53 percent lived in households that were receiving public assistance.

## Tracking WIA Youth Progress

The Workforce Board routinely measures the performance of our state’s largest workforce programs. As a customer-focused advocate for Washington’s workers and employers, the Workforce Board strives to provide performance accountability, verifying whether worker education and training programs provide a return on investment for participants and taxpayers.

The Workforce Training Results report seeks to answer five core questions:

- Did participants get the skills they needed?
- Did participants get a job and how much were they paid?
- Were employers satisfied with the preparation workers received?
- Has the program made a difference in the participant’s success?
- Did participants and the public receive a return on their investment?

Turn to page 18 for the Net Impact Study. Conducted every four years, this in-depth report adds extra value to 2015 Workforce Training Results. The study provides a side-by-side comparison of participants vs. similar non-participants, answering the question of whether the program is making a difference.

## Data Comes From State Wage Files, Employer Survey

The 2015 Workforce Training Results includes information obtained from Employment Security Department wage files in Washington, Idaho, and Oregon, and federal employment records for 2013-14. Information on employer satisfaction among firms that hired new employees recently completed a WIA program was assessed through the Workforce Board’s 2012 Employer Survey.<sup>5</sup>

## Net Impact Study Adds More Insight into Program Performance

In addition, the report includes a comprehensive Net Impact Study. Conducted every four years, this in-depth, detailed study provides a head-to-head comparison of participants and non-participants to help answer a central question: How much of a workforce participant’s success in obtaining a job, or a higher wage, is due to the workforce program? By comparing program participants with similar individuals who did not participate in a workforce training program, the Net Impact Study indicates whether employment and earnings gains are due to workforce programs, or if workers could have made this progress on their own. This research

<sup>5</sup> The Employer Survey includes employers who hired a participant who completed at least one of the three WIA programs: Adult, Dislocated Worker, or Youth.



also allows for a more detailed analysis as to whether the participant and the public received a return on their investment in the program.

### **Did Participants Get the Skills They Needed?**

Promoting academic success is an objective of the WIA Youth program. Administrative records provide information on school enrollment and high school completion.<sup>6</sup> Among younger participants,<sup>7</sup> data indicate nearly the same level of school enrollment and completion as last year.

### **Educational Status of WIA Youth Upon Leaving the Program**

<b>Educational Status</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Obtained a High School Diploma	28%	30%	30%	31%	29%
Obtained a GED	28%	25%	26%	25%	27%
Still Enrolled in High School at Exit	6%	12%	11%	11%	12%
Not in School, no Diploma or GED	38%	33%	34%	33%	32%

Source: WIA Standardized Record Data (WIASRD).

### **Did Participants Have a Job and How Much Were They Paid?**

To find out about the participants' post-program employment and earnings, participant records were matched with Employment Security Department wage files from Washington and neighboring states.<sup>8</sup> The study looks at employment and earnings of participants who left the program during the most recent reporting year. Some 52 percent of all participants were employed. The employment rate goes up to 53 percent when the 12 percent of the WIA Youth participants still enrolled in high school upon exiting the program were removed from consideration. Of WIA participants who were employed, 30 percent of participants were working full time.

### **Were Participants Enrolled in Higher Education?**

When it comes to young people, a measure of success isn't only employment, but whether they continued with their education. As can be seen in the following chart, 58 percent of WIA Youth were either employed or enrolled in higher education.<sup>9</sup> Of those participants who were not enrolled in high school or higher education and were employed, 32 percent were working

<sup>6</sup> These records are collected through the Service, Knowledge, and Information Exchange System (SKIES) maintained by the state's Employment Security Department.

<sup>7</sup> These youth were ages 14 to 18 when registering in WIA.

<sup>8</sup> These files contain quarterly earnings and hours worked information on those individuals with employment reported for unemployment insurance (UI) benefits purposes (approximately 90 percent of in-state employment, with self-employment, active duty military, and those working for religious nonprofit organizations being the major groups of employers not included).

<sup>9</sup> Higher education enrollment figures obtained from data matches with the State Board for Community and Technical Colleges and National Student Clearinghouse.



full time. Median annualized earnings for WIA Youth participants who were not in school were \$11,952, on an inflation-adjusted basis down a little from the 2014 results.

## 2014 Employment and Earnings for WIA Youth Participants

Performance Measure	Results
Employment or Higher Education*	58%
Full-Time Employed**	32%
Median Hours Worked Quarterly	296 hours
Median Hourly Wage***	\$10.35
Median Annualized Earnings***	\$11,952

\* These figures apply to those with employment reported to state employment agencies six to nine months after leaving the program. Rate does not include self-employment, employment outside the Northwest, or military service and thus understates total employment by approximately 10 percent.

\*\* Full-time employment averages 30 or more hours per week for those not enrolled in high school or higher education.

\*\*\* Earnings/wages are for those not enrolled in high school or higher education and are expressed in first quarter 2014 dollars in order to account for inflation.

## Earnings of WIA Youth Participants

The next table shows employment and earnings over the course of five study periods.

## Employment and Earnings Trends for WIA Youth Participants

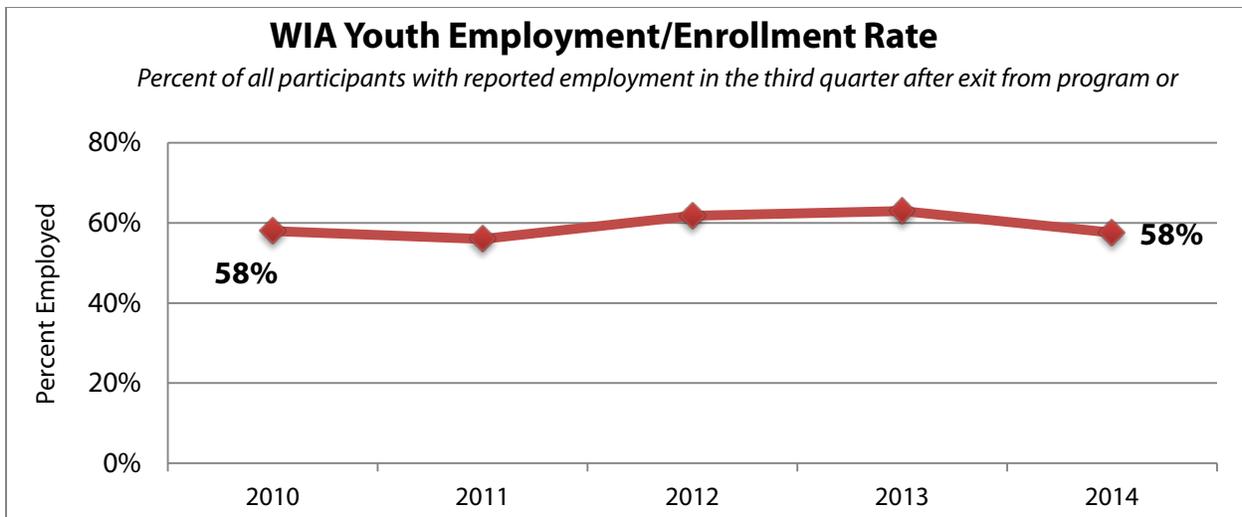
Performance Measure	2010	2011	2012	2013	2014
Employment or Higher Education*	58%	56%	62%	63%	58%
Percentage Employed Full-Time**	32%	29%	36%	35%	32%
Median Quarterly Hours	281	306	306	303	296
Median Hourly Wage***	\$10.58	\$10.42	\$10.43	\$10.28	\$10.35
Median Annualized Earnings***	\$11,312	\$12,341	\$12,439	\$12,253	\$11,952

\* These figures apply to those with employment reported to the state's Employment Security Department six to nine months after leaving program, and is not limited to those who completed a program. Rate does not include self-employment, employment outside the Northwest, or military service and thus understates total employment by approximately 10 percent.

\*\* Full-time employment averages 30 or more hours per week for those not enrolled in high school or higher education.

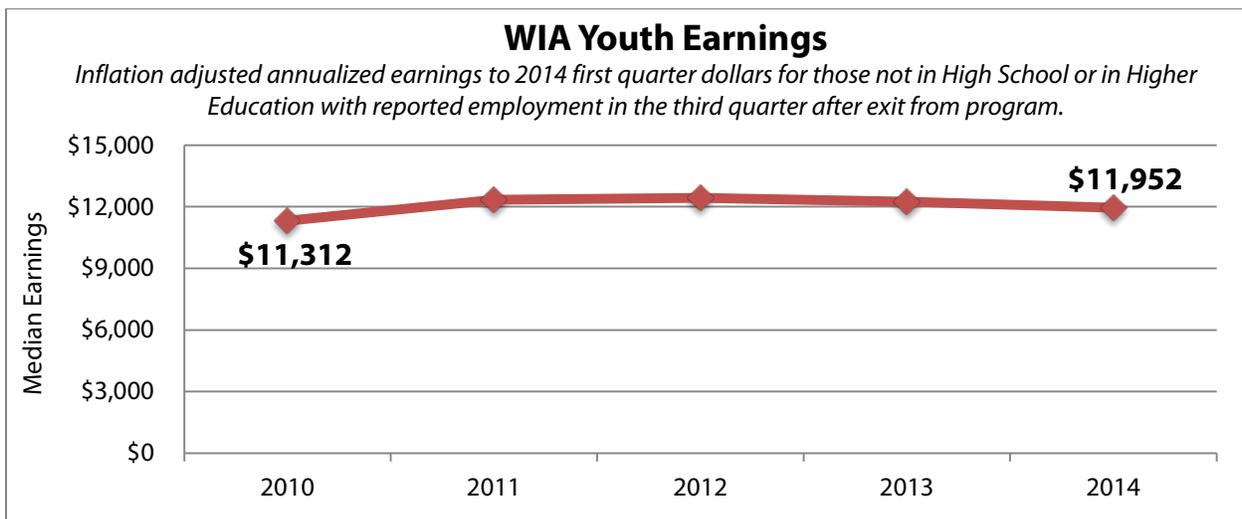
\*\*\* Earnings/wages are for those not enrolled in high school or higher education and are expressed in first quarter 2014 dollars in order to account for inflation.





*Note: Rate does not include self-employment, employment outside the Northwest, or military service and thus understates total employment by approximately 10 percent.*

After peaking at 63 percent in last year’s report, the employment/enrollment rate dropped to 58 percent. Median annual earnings were down to \$11,952 for youth, the lowest since 2011. This was largely due to a drop-off in quarterly hours to 296, also the lowest level since 2011.



*Note: This chart shows annualized earnings in 2014 first quarter dollars to account for inflation.*

Among those not enrolled in high school or higher education, the median hourly wage was \$10.35, and median annualized earnings were \$11,952.<sup>10</sup> These earnings levels are low, but need to be considered within the proper context: these participants were young, entry-level workers, and faced substantial barriers to success in the labor market.

<sup>10</sup> Annual earnings are calculated as third quarter earnings multiplied by four. Quarterly earnings are the result of hourly wage rates and the number of hours worked in a calendar quarter. All wages and earnings are stated in first quarter 2014 dollars.



<b>Distribution of Hourly Wages of WIA Youth in the Third Quarter After Leaving Program</b>	
<b>Quartile</b>	<b>Hourly Wage</b>
Highest	Above \$11.61
Third	\$10.27 – \$11.61
Second	\$9.67 - \$10.26
Lowest	Below \$9.57

Wage rates among WIA Youth participants reflected less variation than programs serving adults. One quarter of participations had median hourly wages above \$11.61, while another quarter had wages below \$9.57—a little above the 2014 state minimum wage of \$9.32.

### **WIA Youth Participant Employment by Industry**

Employment among WIA Youth continues to be concentrated in services (61 percent) and retail trade (21 percent). Participants who worked in Services mostly worked in Accommodation and Food Services.

<b>Industry Group</b>	
61%	Services (see breakout below)
21%	Retail Trade
4%	Manufacturing
3%	Natural Resources and Mining
3%	Construction
2%	Transportation and Warehousing and Utilities
2%	Financial Services
2%	Wholesale Trade
1%	Public Administration
1%	Information
<b>Services Industry</b>	
25%	Accommodation and Food Services
11%	Admin., Support, Waste Management and Remediation Services
11%	Health Care
6%	Social Assistance
3%	All Other Services
2%	Arts, Entertainment, and Recreation
2%	Education Services
1%	Professional, Scientific, and Technical Services

Source: Matches with Employment Security Department data in third quarter after exiting program. Industry groups based on North American Industry Classification System (NAICS) codes.



## Relationship of Training to Employment

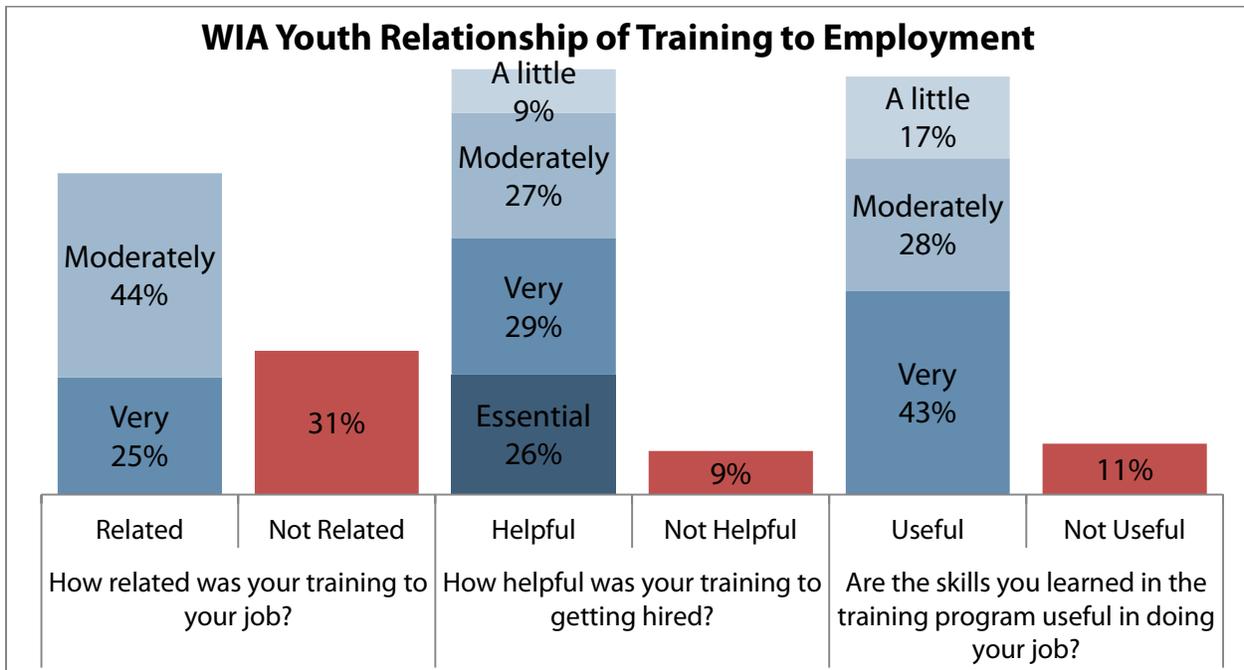
In 2013, the Workforce Board surveyed WIA Youth participants who had left their program in 2011-12. The Participant Satisfaction Survey provided data on employment and documented how satisfied participants were with the training. The survey was conducted by telephone and was completed by 200 participants.

To measure the extent to which a participant’s education program and training related to employment, we asked participants three questions:

1. How related was the program to their job?
2. How important was the training in getting hired?
3. Are the skills they learned useful in their job?

Asking about the relationship between training and employment in different ways can produce more complete information. For example, some participants said their training was not related to their job, but nevertheless found the skills acquired were useful on the job.

Among participants employed six to nine months after leaving a program, 25 percent said their training was “very related” to their job. A further 44 percent reported the training was “moderately related” to their job. Compared the 2011 survey, a lower percentage of employed participants reported their training was “very related” to their job (down from 35 percent), while a higher percentage indicated the training was “moderately related” (up from 25 percent).



Source: Workforce Board’s Participant Satisfaction Survey 2013.

Participants interviewed in 2013 also indicated the training was helpful to them in getting their job. Of those participants, 26 percent indicated their training was an “essential



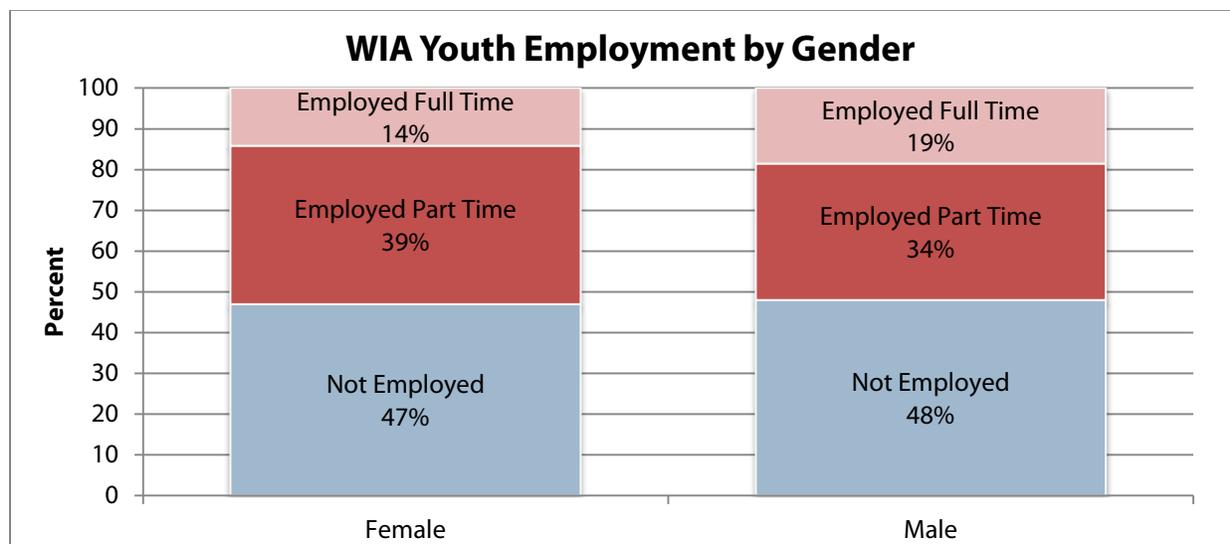
requirement,” another 29 percent indicated it was “very important,” and 27 percent reported it was “moderately important.” Nine percent said it was “a little helpful.” Only 9 percent indicated their training was “not important at all” to getting their job.

Most participants said the skills they learned in their training program were useful in doing their job. Some 43 percent of participants indicated the skills were “very useful,” 28 percent said “moderately useful,” and 17 percent “a little useful.” Only 11 percent of participants who were employed indicated the skills were “not useful at all.”

When combining two of the questions about the program’s relationship to the job and about whether the skills acquired were helpful, a small percentage of participants answer negatively to both. Just 4 percent of participants employed the third quarter after exit said the training they received was *neither* helpful in their job nor related to the job they obtained.

### Wages and Employment Results Vary by Population

Employment and earnings outcomes by gender, race/ethnicity, and disability status were less likely to be significant for WIA youth participants than for participants in other programs.<sup>11</sup> In the third quarter after exit, 14 percent of females were employed full time, and 39 percent part time for an overall employment rate of 53 percent. This is a slightly higher employment rate than males, who had an overall employment rate of 52 percent. However, women were less likely to work full time than men (14 percent versus 19 percent). Of those employed, women had median hourly wages of \$10.24 compared to \$10.44 for men, and median annualized earnings of \$11,864 compared to \$12,005 for men. The hourly wages for women were 98 percent of men’s wages. Women’s annualized earnings were also 98 percent of men’s earnings.



Source: Matches with Employment Security Department data and WIASRD.

<sup>11</sup> These employment and earnings group comparisons were based on data from youth who were not in high school at exit.

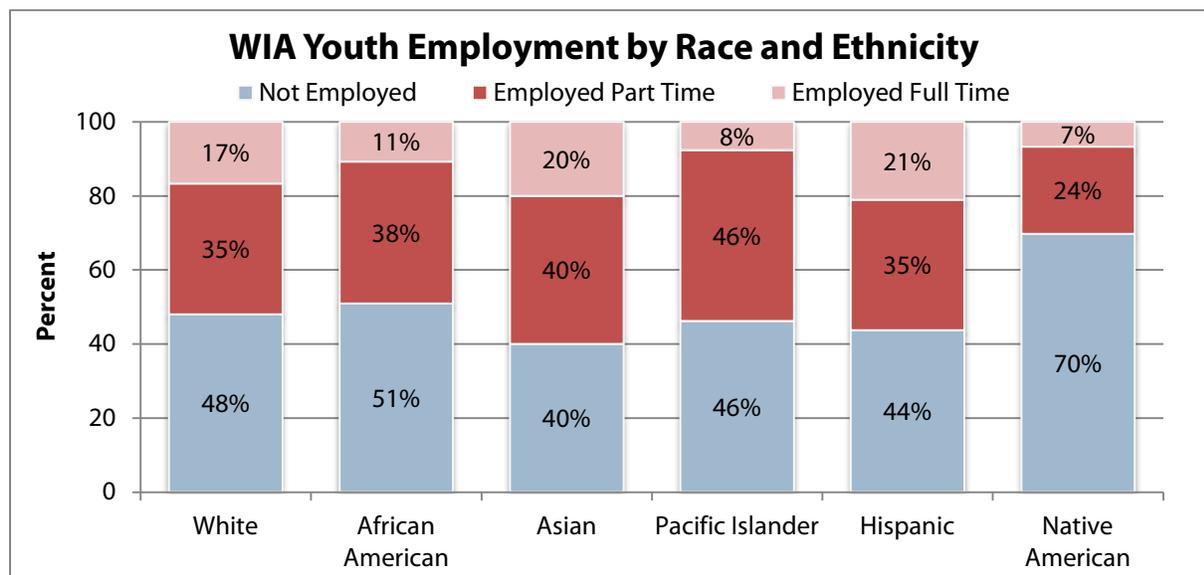


## Race and Ethnicity Play a Role

Twenty percent of Asians were employed full time, and 40 percent part time, for the highest overall employment rate (60 percent) among different race/ethnic groups. Hispanics followed with an employment rate of 56 percent, then Pacific Islanders (54 percent), whites (52 percent), and African Americans (49 percent). Native Americans had the lowest employment rate at 30 percent.

Among those working, Hispanics had the highest rate of full-time employment (21 percent), followed by Asians (20 percent), whites (17 percent), and African Americans (11 percent). Pacific Islanders (8 percent) and Native Americans (7 percent) had the lowest rates of full-time employment.

Asians had the highest median hourly wage at \$11.04, followed by whites at \$10.42, Native Americans at \$10.41, Pacific Islanders at \$10.39, and Hispanics at \$10.26. African Americans at \$10.08 had the lowest median hourly wage. There was more variation in the median annual earnings than there was with hourly wages. Again, Asians earned the most, with median annual earnings of \$14,657, followed by Hispanics (\$13,545), Native Americans (\$13,120), Pacific Islanders (\$12,999), whites (\$12,475), and African Americans (\$10,397).



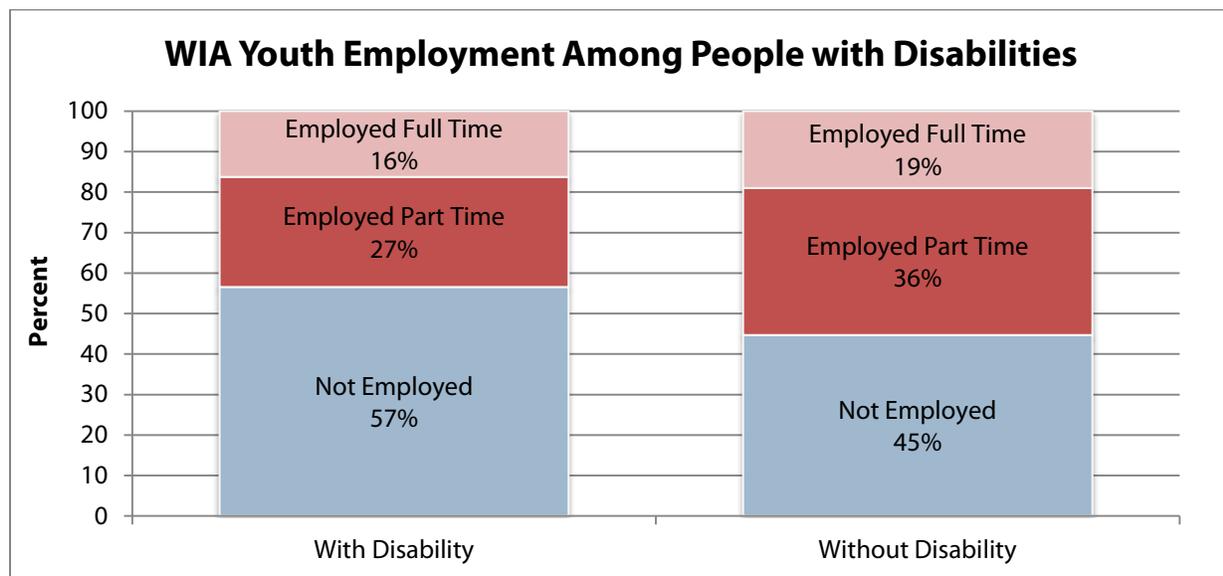
Source: Matches with Employment Security Department data and WIASRD.

## Disability Impacts Employment and Earnings

Youth with disabilities had an overall employment rate of 43 percent (16 percent full time and 27 percent part time), which was more than 10 percentage points lower than the overall employment rate of youth without a disability (55 percent). Youth with disabilities were employed full time at 16 percent compared to youth without disabilities at 19 percent. Disabled youth had median hourly wages 95 percent of those without a disability (\$9.84



versus \$10.39) and median annual earnings that were 92 percent of youth without disabilities (\$11,035 versus \$12,014).



Source: Matches with Employment Security Department data and WIASRD.

### Were Employers Satisfied with the Preparation Workers Received?

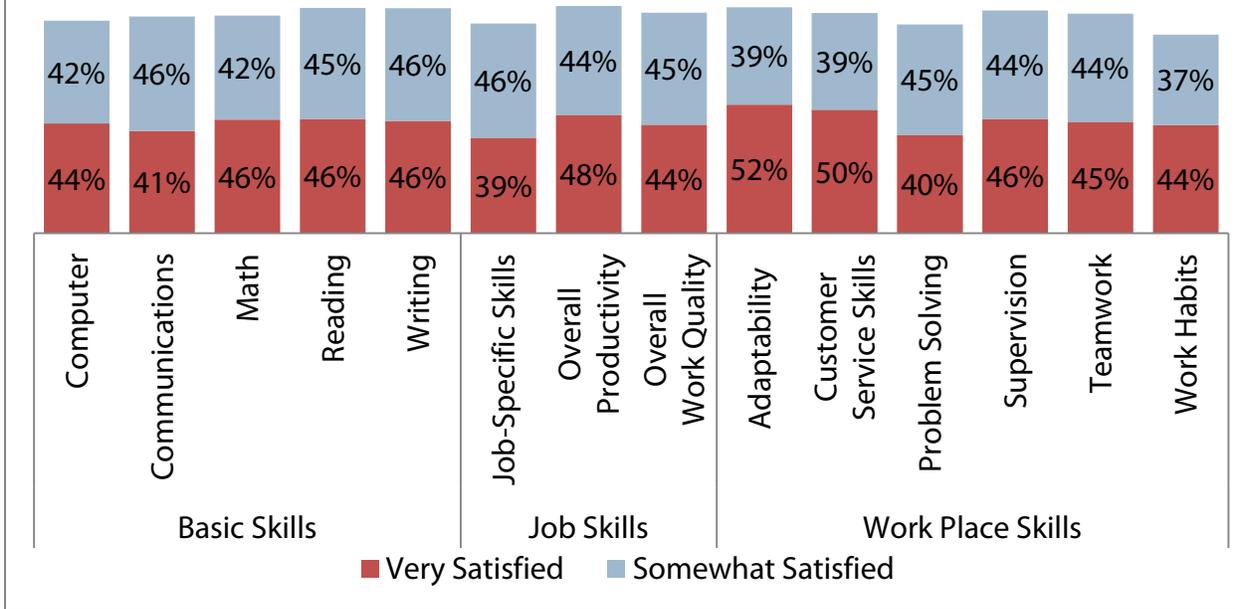
The Workforce Board’s Employer Survey, administered during 2012, asked firms to evaluate new employees who had recently completed a WIA program. All three WIA Title I programs (Adult, Dislocated Worker, and Youth) were grouped together because there are relatively few participants in each category and employers would find it difficult to distinguish one from another. This section presents findings on employer satisfaction with new employees who completed *any type* of WIA program. Some 89 percent of employers said they were either “somewhat satisfied” or “very satisfied” with the overall work quality of these new employees.

Employer satisfaction is broken down into three categories: Basic Skills, Job Skills and Work Place Skills. Basic skills refer to reading, writing, math, communication, and computer skills. Job skills refer to skills specific to the job, as well as overall work quality and productivity. Work place skills refer to the skills necessary to get along in the workplace, such as the ability to accept supervision, the ability to adapt to changes in duties and responsibilities, teamwork, customer service, problem solving or critical thinking skills, and having positive work habits and attitudes.

In 2012, employers reported highest overall satisfaction in the basic skills category with reading, and writing. For job skills, their highest overall satisfaction was with overall productivity. Among work place skills, employers were most satisfied with WIA participants’ adaptability.

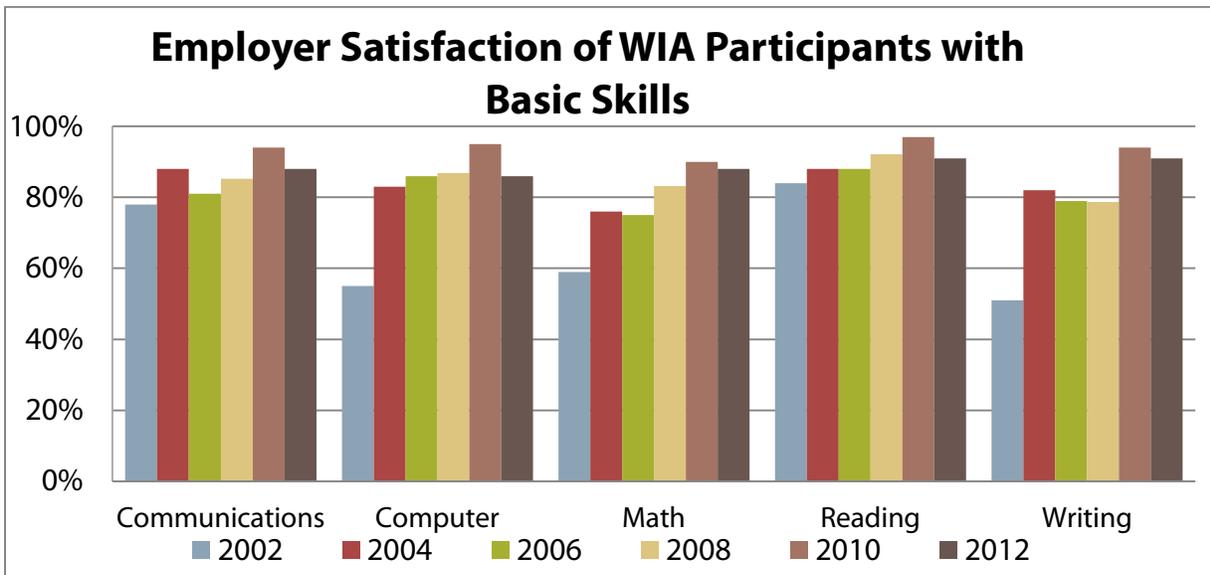


## Employers Very or Somewhat Satisfied With New Employees who Completed a WIA Program



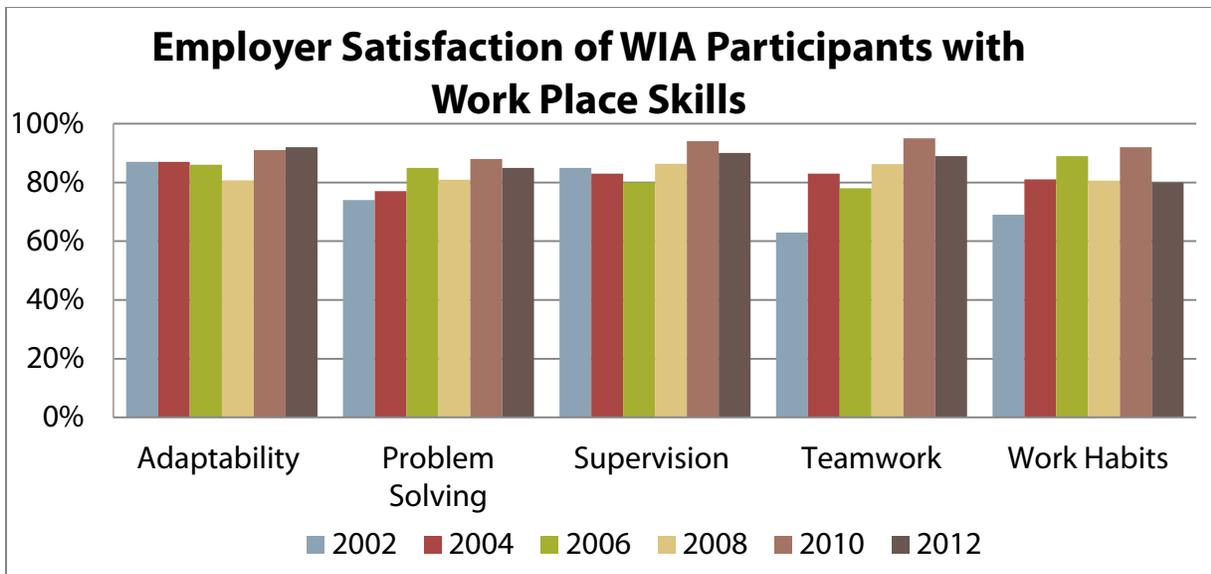
Source: Workforce Board Employer Survey conducted in 2012.

Overall, the levels of employer satisfaction (91 percent) reported in the Workforce Board's 2012 Employer Survey were lower than on the previous survey, conducted in 2010. The following three charts show the trends in satisfaction of employers with new employees who recently completed a WIA program.

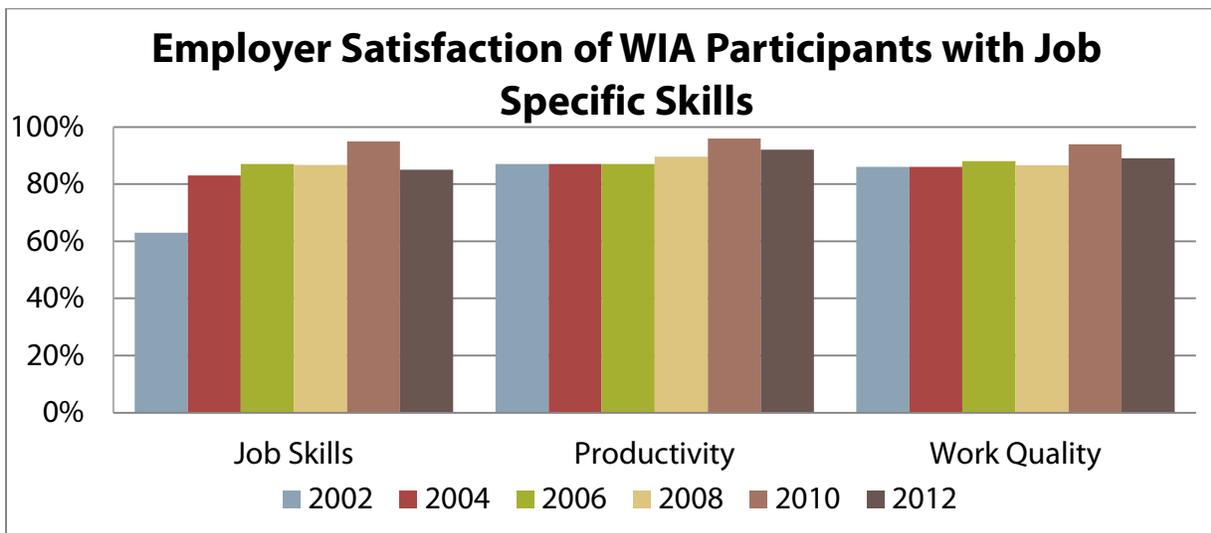


Source: Workforce Board's biennial Employer Surveys from 2002 through 2012.





Source: Workforce Board's biennial Employer Surveys from 2002 through 2012.



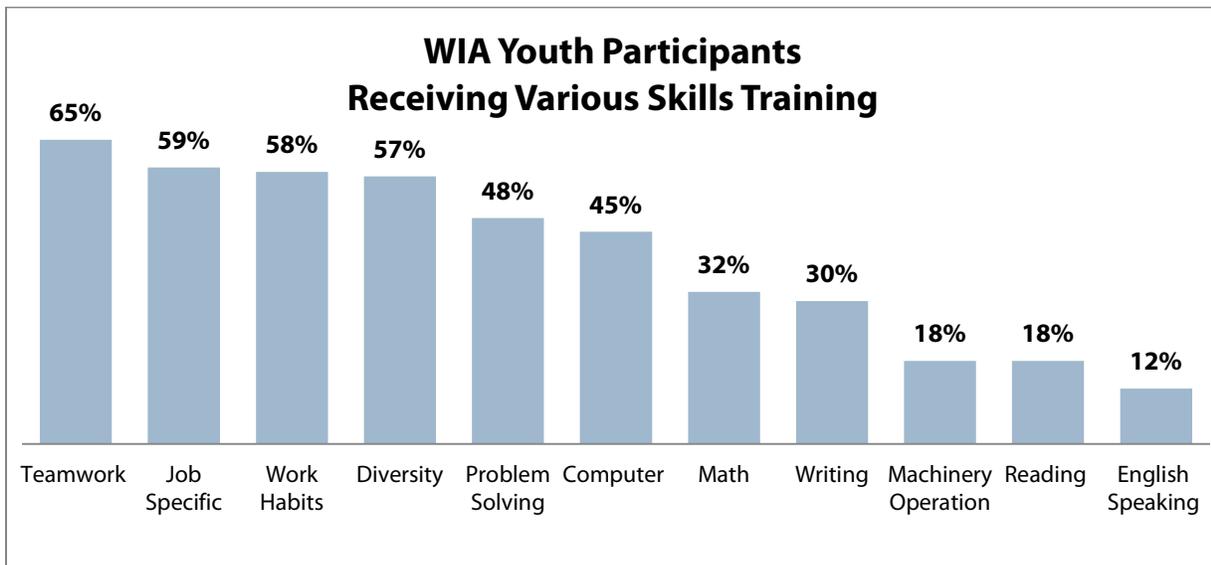
Source: Workforce Board's biennial Employer Surveys from 2002 through 2012.

## Participant Survey

Based on Participant Survey results, most WIA Youth participants entered the program for employment-related reasons; 85 percent enrolled to get work experience and 81 percent to learn skills for a new job. Some 89 percent also enrolled for personal improvement.

The majority of WIA Youth participants reported they received some type of training (59 percent). As in the previous study, the two most common types of training received were teamwork (65 percent among those who received training) and job-specific skills (59 percent among those who received training). This is a decrease from the previous Participant Survey, when 76 percent received teamwork training, and 74 percent in job-specific skills. Similar to the previous survey, fewer participants received training in basic skills like reading and English speaking.



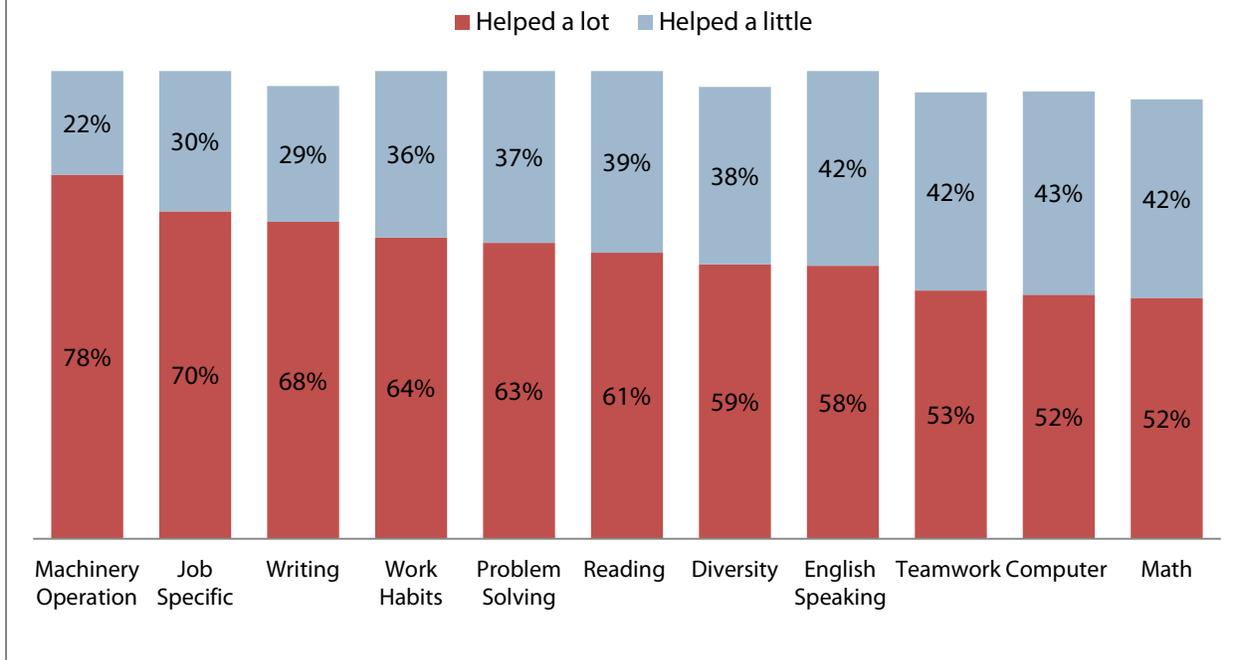


Source: Workforce Board's Participant Satisfaction Survey 2013.

As in prior surveys, nearly all WIA Youth participants reported their skills improved as a result of training. Higher percentages reported "a lot" of improvement in job-specific skills than in computer or math skills. The percentage of WIA Youth participants who reported that the machinery operation training helped "a lot" increased from 64 to 78 percent, and for writing increased from 52 to 68 percent in the 2013 survey. However, diversity training "helped a lot" fell from 66 to 59, teamwork fell from 65 to 53, and computer fell from 61 to 52 percentage points.



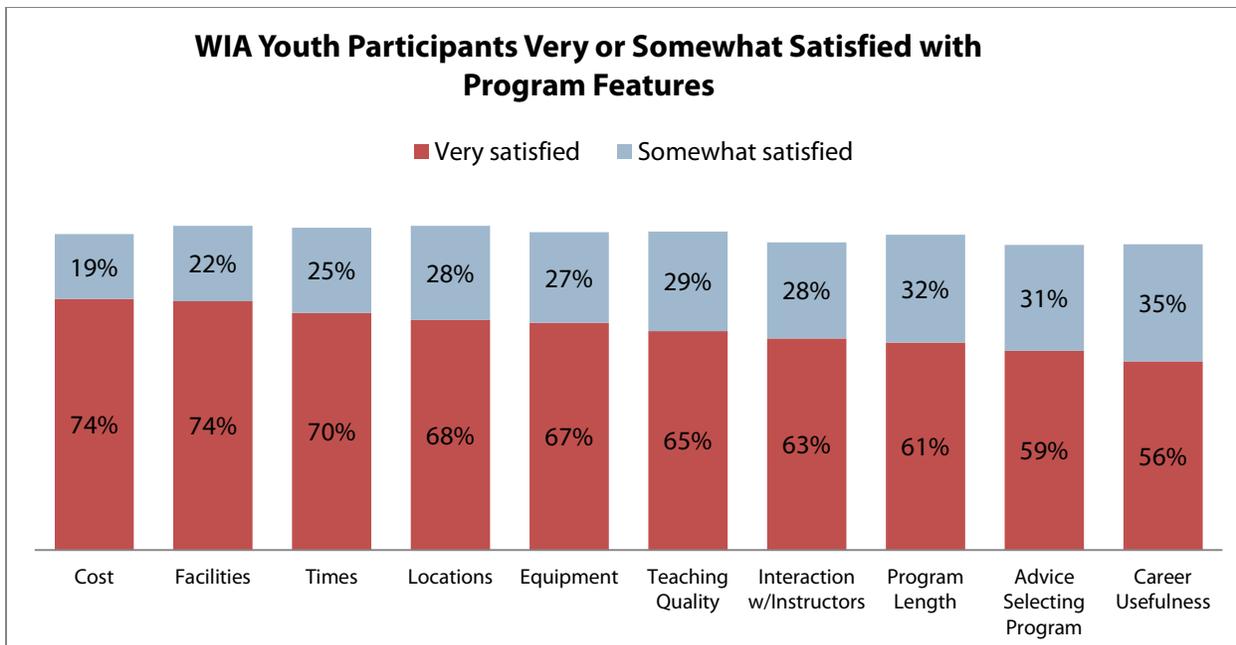
### WIA Youth Participants Receiving Various Skills Training who Reported Their Skills Improved a Little or a Lot



Source: Workforce Board's Participant Satisfaction Survey 2013.

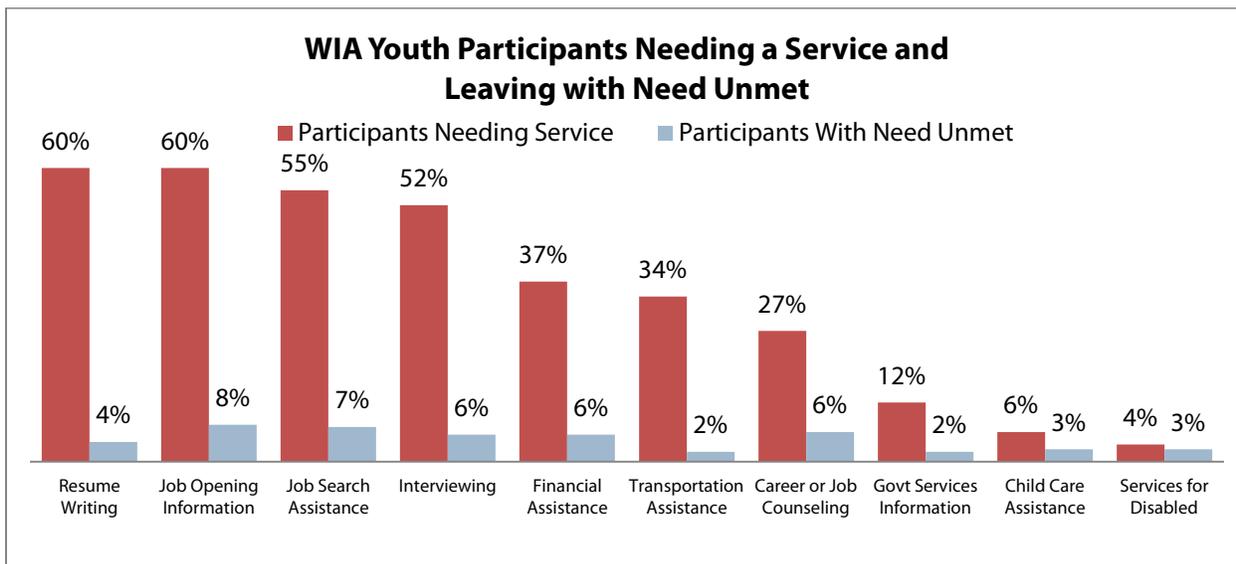
Survey results revealed participants were satisfied with the training and support services they received as part of their WIA Youth program. Some 90 percent of the participants surveyed said they had met their educational objectives in the program, down from 93 percent in 2011. Overall satisfaction with the program was nearly as high as in 2008 (95 percent compared to 96 percent). When asked about specific program features, satisfaction was highest with cost and program facilities, followed by times, location, equipment and teaching quality. Satisfaction was lower this year with career usefulness.





Source: Workforce Board's Participant Satisfaction Survey 2013.

Most of the participants who needed support services while enrolled received them. As in previous studies, participants said the services most frequently needed were information on resume writing and job openings, job search assistance, and assistance with interviewing. Most youth had their needs met in these areas. The greatest unmet need<sup>12</sup> remains job opening information (7 percent in 2011 vs. 8 percent in 2013).

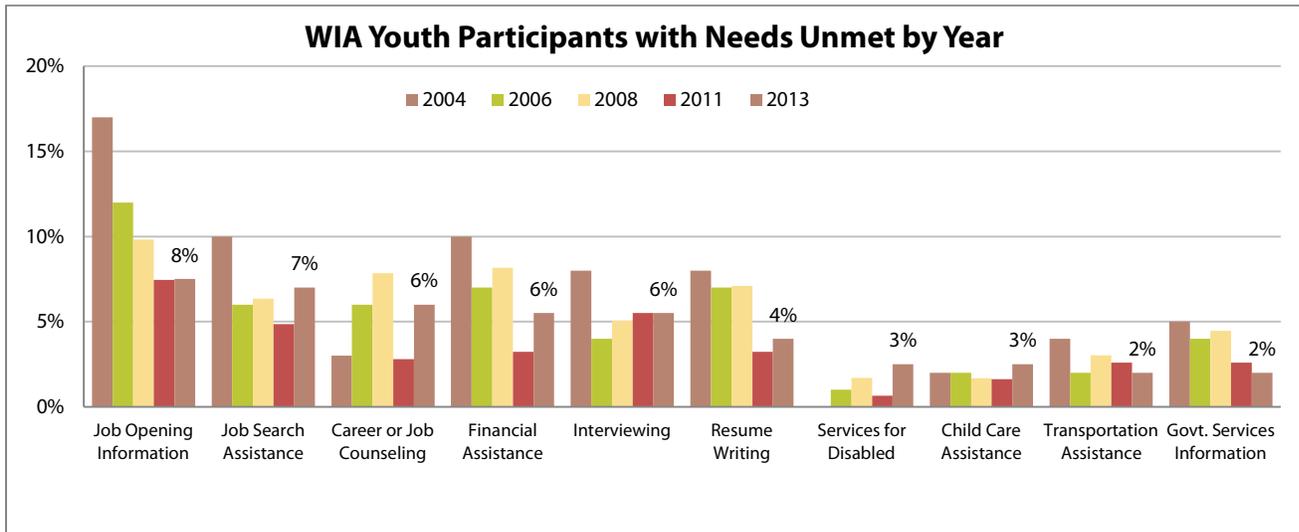


Source: Workforce Board's Participant Satisfaction Survey 2013.

<sup>12</sup> Unmet need refers to cases where the student reports that either they did not receive the required service or what was provided did not meet their needs.



The percentage of WIA Youth participants who left their program with an unmet need has declined since 2004, with the exception of child care assistance (one percentage point higher than in 2004). The largest declines since the 2004 Participant Survey were in job opening assistance and financial assistance. Most of the categories were up slightly since the 2011 survey, led by career counseling increasing by three percentage points.



Source: Workforce Board's Participant Satisfaction Surveys 2004-13

### Net Impact - Did the Program Make a Difference in Participant Success?

Every four years the Workforce Board conducts net impact and cost-benefit analyses of workforce development programs. This detailed study compares participants and non-participants. The net impact part of this study attempts to measure whether the program made a difference in the participant's success. Washington is the only state to periodically conduct rigorous net impact evaluations of its workforce programs.

The net impact analysis was conducted by the W.E. Upjohn Institute for Employment Research (Upjohn), a national leader in evaluating training programs. To do the analysis, Upjohn studies program participants to see what results they achieved and compared these results with a control group. Individuals who participated in a WIA Youth program were compared to individuals who had similar demographic characteristics, but who did not participate in any of the programs included in the study. The comparison group members were selected from among those who registered with WorkSource, Washington's one-stop career center system.

The WIA Title I-B Youth program has positive net impacts on employment, hours worked and earnings. Participation increases lifetime earnings.

The most recent net impact analyses examined experiences of participants who left the WIA Youth program through 2009. The short-term impact (Program Year 2007-08) was observed



in 2008-09, while the long-term impact (Program Year 2005-06) was observed from 2006-07 through 2008-09.

### Impact on Employment and Earnings: Participants vs. Control Group

In the next table, the WIA Youth participant employment rate in the short-term was 8 percentage points higher than the rate of those in the comparison group. WIA participants who received training achieved an employment rate that was 13.1 percentage points higher than their comparison group. Training included occupational skills training, skill upgrading and retraining, on-the-job training, and Basic Education for Adults when delivered in combination with career and technical education.

Similarly, the average annualized earnings of WIA participants who found jobs is higher (by the amounts listed below) than those non-participants who were employed.

WIA Youth	All WIA Youth Participants		Received Training	
	Short-term <sup>^</sup>	Long-term <sup>^</sup>	Short Term <sup>^</sup>	Long-term <sup>^</sup>
Net Employment Impact*	8.0 percentage points	4.3 percentage points	13.1 percentage points	4.5 percentage points
Net Hourly Wage Impact**	No significant positive impact	No significant positive impact	No significant positive impact	\$1.17
Net Hours Employed per Quarter Impact	46.5	30.8	52.2	50.5
Net Annualized Earnings Impact**	\$1,720	\$2,055	\$3,354	\$4,682

<sup>^</sup>Short-term is three quarters after program exit; Long-term is average across three years since program exit.

\*Percentages listed are employment percentage points above those of the control group of non-participants.

\*\*Wages and earnings, expressed in first quarter 2014 dollars, represent the average difference between WIA Youth participants who got jobs and those in the control group who were employed.

Participants report high levels of satisfaction with 90 percent saying they met their educational objectives and few leaving with unmet needs for support services. After participation, 58 percent were either in higher education, were working, or both, and among those employed virtually all said their program was either helpful in getting their job or related to their job.



## Benefits and Costs

The cost-benefit analysis estimates the value of the net impact on earnings, employee benefits (estimated at 25 percent of earnings), UI benefits, and certain taxes. Program costs include both direct costs and support payments borne by the state and the foregone earnings borne by program participants.

Benefits and costs are calculated for both the observed period of time and based upon a statistical model that estimated the benefits and costs out to age 65. In order to compare benefits and costs in terms of net present values, post-program benefits and costs are discounted by 3 percent per year and all figures are stated in 2014 Q1 dollars. The benefits and costs presented here are based on impacts estimated for youth participants leaving programs in 2005-2006 (observed from 2006-07 through 2008-09), because a longer-term follow-up is required for this analysis.

### Participant and Public Net Benefits and Costs per Participant in WIA Youth Programs

Benefit/Cost	First 2.5 years		Lifetime (until 65)		Sum of Costs and Benefits
	Participant	Public	Participant	Public	
<b>Benefits</b>					
Earnings	\$5,158	\$0	\$38,177	\$0	
Fringe Benefits	\$1,289	\$0	\$9,545	\$0	
Taxes	-\$671	\$671	-\$4,966	\$4,966	
Transfers					
UI	\$169	-\$169	\$1,600	-\$1,600	
<b>Costs</b>					
Foregone net earnings	-\$1,315	-\$152	-\$1,315	-\$152	
Program costs	\$0	-\$7,155	\$0	-\$7,155	
Benefits	\$5,945	\$502	\$44,356	\$3,366	
Costs	-\$1,315	-\$7,307	-\$1,315	-\$7,307	
<b>Total (Net)</b>	\$4,630	-\$6,805	\$43,040	-\$3,941	\$39,099

*Note: Benefits and costs are expressed in 2014 first quarter dollars.*

For each WIA Youth participant, the public (taxpayer) program cost is about \$7,155 over the length of enrollment, and the student cost is \$1,315 in foregone earnings while training. During the first two and one-half years after leaving the program, participation increases the average youth participant's earnings by \$5,158. During the course of working life to age 65, the average youth participant will gain about \$36,862 in net earnings (earnings minus foregone earnings) and about \$9,545 in employee benefits. These are net gains compared to



the earnings of similar individuals who did not participate in a program. Including program costs and the net impacts on taxes and unemployment insurance benefits, the total net benefit per participant is \$43,040.

Projected participant benefits to age 65 outweigh public costs for the WIA Youth program by a ratio of \$6 to \$1, or \$43,040 to \$7,155.

From the time of leaving the program to age 65, the public is expected to gain about \$4,966 per youth participant in net additional Social Security, Medicare, federal income, and state sales taxes. However, the public is expected to spend about \$1,600 per youth participant in Unemployment Insurance benefits. The estimated lifetime net cost to taxpayers is \$3,941 per participant. Projected taxpayer net benefits to age 65 are less than public costs invested in WIA Youth services by a ratio of \$0.47 to \$1 or \$3,366 to \$7,155.

### **Summary, Areas for Improvement, and Further Research**

The WIA Youth program prepares youth (14-21 years old) with substantial barriers for success in school and employment. These barriers are reflected in the program's outcomes. After participation, 32 percent still did not possess a high school diploma or GED and were not enrolled in school. The median earnings of those working and not enrolled in education was \$11,952 annually and \$10.35 hourly.

Given the barriers this population faces, these outcomes must be compared to those in similar circumstances. When compared to a control group with similar characteristics, the study found a positive net impact of 4.3 percentage points on the WIA Youth employment rate, and a \$2,055 net impact on annual earnings for those who participated in the program. In addition, the net impact on annual earnings for those who received training was \$4,682 (compared to \$2,055 for all participants).

The Workforce Development Councils indicate they will continue to work with school districts and community partners on re-engagement, retention, and completion strategies for out-of-school young adults; consortia-based service delivery approaches with multiple youth agencies; and strong connections with school staff to provide support services and address barriers to student completion.

