Measure for Measure:

Assessing traditional and sectoral strategies for workforce development

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Executive Summary

This is the first in a series of three reports for the Sector Policy Project that will disseminate findings from The Aspen Institute's Sectoral Employment Development Learning Project (SEDLP). The reports will make the general concept of sector strategy and the particular outcomes of sector programs accessible in easy-to-understand terms to policy makers and to key actors in the field of workforce development policy. This first report presents SEDLP findings alongside the findings from other well-respected workforce development demonstration projects such as the National Job Training Partnership Act (JTPA) Study (NJS) by the U.S. Department of Labor. It assesses baseline characteristics of SEDLP and NJS and preliminary outcomes for a sub-sample of SEDLP.

The second report in the series will analyze the interim findings of SEDLP and NJS, using the SEDLP data for the participants' experiences 12 months after training, and NJS participant outcomes at 18 months after intake into the study. The final paper will consider the outcomes seen among SEDLP participants 24 months after training in the context of the 30-month outcomes from NJS. It will also conclude the assessment of the two studies and will present policy implications that this analysis offers.

The three primary sections of this report include:

- an introduction to NJS and SEDLP that looks at each study's purpose, methodology and other distinguishing features that limit cross-study comparisons,
- an analysis of the baseline characteristics of both study samples and of their demographic and economic context, and
- a presentation of two known sets of outcome data[1] from sectoral initiatives to provide readers with a preliminary indication of the type of results generated by this approach to workforce development for disadvantaged populations.

Part I. Key Differences between NJS and SEDLP

The NJS is the most comprehensive study of U.S. employment and training programs for the disadvantaged. As such, it was chosen as the benchmark against which to assess the results of SEDLP. The SEDLP and NJS have a number of differences, however, that need to be understood to present an informed assessment of SEDLP results. Differences include purpose, methodology, scale, time frame and site location.

***Purpose**:* The main purpose of NJS was to measure the difference that JTPA-funded employment and training services made in the employment and earnings of disadvantaged adults and out-of-school youths. The study did not address any qualitative aspects of employment and training services provided under JTPA. In contrast, SEDLP is a comprehensive learning evaluation designed to identify the strengths and weaknesses of a particular approach to workforce development, that is, the sectoral strategy.

[1] One of the data sources referred to here comes from a 1995 case study of Project QUEST, a sectoral employment training program in San Antonio, Texas. The other data are taken from SEDLP and reflect participant employment and earnings data gathered from participants directly following training.

Methodology: The NJS employs randomized controls (i.e., it compares results between a treatment and a control group) to isolate the employment and earnings impacts that can be attributed solely to the program intervention. SEDLP uses reflexive or self-referenced controls to measure the changes in its sample's employment and earnings at four discrete points in time. Due to the absence of separate control or comparison groups, SEDLP findings cannot be attributed entirely to the program intervention. This design difference means that the findings from the two studies are not strictly comparable. However, a great deal of insight still can be gained about the effectiveness of sector programs by looking at program outcomes in terms of the documented impacts of the NJS and other workforce development demonstration projects.

Scale: The NJS comprised 16 sites and 20,601 individuals who were monitored over a 30-month time span. SEDLP involves 6 sites and 732 individuals monitored from the time of program intake until 24 months after program entry.

Time Frame: The NJS collected data during the late 1980s to early 1990s, while the SEDLP is collecting data from the late 1990s to the early 2000s. This difference changes the economic and political context in which participants make decisions about training, work and welfare. In today's expansive economy and tight labor market, it would seem that SEDLP participants who complete training would have access to job opportunities unlike those experienced at any time in the United States since World War II. But the flush economic conditions also raise the opportunity cost of enrolling in a training program. Thus, SEDLP may have a difficult time attracting candidates, and those who do participate may be from a "harder to serve" population than that found in other employment and training studies such as NJS.

Location of Study Sites: The NJS included 16 rural and small urban JTPA sites across the United States, while all of the SEDLP programs are situated in large urban areas. This difference affects the demographics and possibly the wage and subsidy rates of the populations included in the two studies. There also may be differences between the types of economic opportunities and barriers to employment faced by residents of large metropolitan areas compared with those faced by residents of rural or smaller urban areas.

Part II. Characteristics of SEDLP and NJS Samples

Baseline comparisons between the two study samples show that both populations are clearly disadvantaged, although the population characteristics of the SEDLP and NJS survey samples differ in terms of demographic characteristics, personal earnings and barriers to employment.

Demographic Characteristics: Only 8 percent of the SEDLP sample is white, non-Hispanic compared to 54 percent of the NJS sample. In addition, the SEDLP sample contains a higher proportion of women and sample members who are, on average, older than those in the NJS group. SEDLP participants also are more likely to have children, and their average household size is apt to be slightly larger than that of NJS sample members.

Income and Wage Levels: EDLP participants earned more than twice as much as NJS sample members in the 12 months prior to training. The greater earnings among SEDLP participants is due to their working a greater number of hours and to their receipt of a higher hourly wage than

the NJS sample members. This differential decreases when incumbent workers (those who are already employed full time) in the SEDLP sample are omitted. For both the SEDLP sample without incumbent workers and the NJS sample, average individual earnings alone would be insufficient to raise a household of one above the poverty line.[2]

Barriers to Employment: Barriers to employment include education levels, English language skills, receiving public assistance and weak employment histories. The NJS and SEDLP sample members clearly face barriers to employment.

- Education: On average, SEDLP sample members have more years of formal education than NJS sample members.
- Language: SEDLP sample members are far more likely to face language barriers in seeking employment. At the time the NJS was conducted, only 4 percent of JTPA participants nationwide had limited English language abilities. By contrast, 30 percent of SEDLP sample members face this barrier.
- Public Assistance: 21 percent of both samples reported receiving Aid to Families with Dependent Children (AFDC) or Temporary Assistance to Needy Families (TANF) in the 12 months prior to participation. The SEDLP sample had a slightly higher proportion of individuals who reported ever having received assistance.
- Poor Work History: While SEDLP and NJS sample members experienced some job shifting and periods of unemployment prior to starting a training program, these issues were somewhat more prevalent among NJS sample members.

Part III. Preliminary Indications of Sectoral Program Outcomes

Two information sources are available that can serve as preliminary indicators of the types of outcomes that sector programs can generate. The first is a 1995 case study of Project QUEST,[3] a sectoral workforce development program in San Antonio, Texas (and one of the six programs currently participating in SEDLP). The other indicator comes from SEDLP's own preliminary data collection efforts and reflects the changes in participants' employment and earnings from baseline to the time immediately following completion of their training programs. Findings are summarized below:

Project QUEST: The authors of the 1995 Project QUEST case study found that, following training completion:

- Participants' wages increased by between 22.7 and 40.4 percent
- Participants' annual earnings increased by between 105 and 159 percent

In addition to participant outcomes, the study's authors found that Project QUEST's intervention changed relationships among labor market actors in ways that allow the labor market in San

[2] Based on the eligibility criteria for Title II-A JTPA-funded programs, it was determined that the incumbent workers included in SEDLP training programs would not generally be candidates for JTPA Title II-A programs, thus justifying their exclusion from the SEDLP data set for the purposes of baseline earnings assessment.

[3] The 1995 Project QUEST case study was conducted by Paul Osterman and Brenda A. Lautsch of the M.I.T. Sloan School of Management. The study preceded and is unaffiliated with The Aspen Institute's SEDLP study.

Antonio to function more efficiently. For example, through Project QUEST's mediation, the human resource managers from San Antonio financial institutions began to talk to each other about their needs, and they began working with the community college to implement a certificate program that trained people for specific financial occupations.

SEDLP Post-training Assessment: The data analysis in this section was conducted on a subsample of SEDLP participants which excluded incumbent workers and participants from one sector program that had not completed the post-training surveys of its members. The resulting outcomes show a general increase in employment, hours worked, wage rates, and benefits received among participants, although these outcomes varied among the study sites.

What becomes clear from looking at the post-training outcomes is that sector programs have two primary strategies. Both strategies involve working with participants to improve their skills. Beyond this, some programs work with an industry's employers to find ways of retaining jobs and improving access to good jobs. Other programs focus on improving the quality of the jobs that are available in an industry. The outcomes that are relevant to measuring the success of a program shift somewhat depending on the sectoral strategy that is being pursued.

- Employment: On average, 87 percent of participants who successfully completed training were employed immediately after training. However, training completion rates and employment rates varied across sectoral programs. **In all cases, higher percentages of participants were employed immediately after training than were employed immediately before training.** The spread ranges from 25 percent more at Focus: HOPE to 70 percent more at the Paraprofessional Healthcare Institute (PHI).

- Hours Worked: Average hours worked per week remained steady at about 35 hours per week for employed participants. Working hours increased for participants at two sites, and decreased at two sites. In one case, the decrease in hours is explained by the employer policy to guarantee a minimum of 28 hours per week for all students who complete the training program.

- Wages: **Wages increased by an average of 13 percent over pre-training wages.** Given that one of the objectives of sector strategies is to increase the quality of jobs within a targeted occupation *and* to improve the opportunity for job advancement, **it will be important to follow wage rates over a longer span of time to determine the effectiveness of the sectoral strategy.**

- Benefits: More SEDLP participants are working, and more are working in jobs with benefits than was the case prior to training. In one program with a sectoral strategy designed to improve the qualitative nature of jobs within the home health care industry, benefits have been extended to all participants who complete training.

Part IV. Conclusion

Due to methodological and other differences between the studies, the comparisons that can be made between NJS and SEDLP outcomes are rather limited. NJS's findings are more robust in

terms of ability to attribute outcomes to program participation. But where NJS is a "black box" methodology that is unable to offer insight into how and why JTPA programs generated particular outcomes, SEDLP has the advantage of being able to include analysis that identifies some key operational and organizational reasons for certain outcomes. This type of information is critical to state and local level policymakers who are now responsible for implementing the Workforce Investment Act, and who are looking for promising approaches to employment and training for disadvantaged populations.

At this preliminary stage in the SEDLP study, few results-oriented statements can be made about the effectiveness of sectoral strategies as an approach to workforce development for disadvantaged populations. The early indicators, however, show that a large percentage of the SEDLP participants have improved their economic status since participating in training. These improvements include a 13 percent hourly wage increase over pre-training wages and a notable increase in the percentage of jobs that offer benefits, such as health care and paid sick leave. An overall improvement in the rate of employment among participants also was noted. It is expected that as the study continues and more data becomes available, it will be possible to see how these initial improvements and other outcome measures change over time.

The Sectoral Employment Development Learning Project And the National Job Training Partnership Act Study

The Job Training Partnership Act has been the primary source of funding for training services targeted to the unemployed and economically disadvantaged in the United States since 1983. The National JTPA Study effectively evaluated the federal government's performance in providing training opportunities to the disadvantaged and, as such, is one of the most important and influential studies in the employment training literature. The NJS was, therefore, the obvious choice for a benchmark to determine whether the findings from research conducted under the Sectoral Employment Development Learning Project point to a more promising approach to workforce development and training for the disadvantaged than that which had been widely used under JTPA.

The SEDLP and NJS have a number of differences, however, that need to be understood in order to usefully contrast the two studies. The SEDLP, which is designed to explore a new and promising approach to job training, addresses a much broader set of questions than NJS. Because sector strategies address labor supply and demand aspects of workforce development, the SELDP study seeks to gain information on more than participant outcomes. SEDLP also seeks to learn about and document the ways that participating programs affect other key actors in their local labor markets. In addition, SEDLP addresses questions of organizational strategy and practice.

The NJS, on the other hand, is an evaluation of a program that is primarily a funding stream to support workforce development for the disadvantaged, rather than an employment and training methodology. The NJS was designed to quantify the impact of a publicly funded program on the employment outcomes of program participants. It attempted to precisely measure the difference in earnings achieved by JTPA participants to meaningfully conduct a cost/benefit analysis of the JTPA system. Thus, while SEDLP focuses on labor supply and demand aspects of workforce development, NJS focused exclusively on characteristics of labor supply.

The NJS did not aim to examine and explain the training methodologies employed by JTPA administrators. Even if NJS designers had wanted to do this, it would have been a near-impossible task given that JTPA was administered by 640 separate, locally managed service delivery areas (SDAs) throughout the country—each with a different strategy, structure and level of organizational capacity to address workforce development issues. For purposes of the NJS evaluation, assumptions were made that all JTPA employment and training services were comparable across sites, and that services provided by non-JTPA-funded service providers are comparable to JTPA-supported training activities. The NJS sought to measure the incremental impact of having more training services available to low-income individuals than is made possible through JTPA funds. A more detailed examination of the key features of both studies is presented in the following sections.

Sectoral Employment Development Learning Project

The SEDLP study is designed to document and evaluate selected sectoral employment development programs in quantitative and qualitative terms. In particular, the study seeks to address the following key questions:

- What are the sectoral strategies of programs? How have projects evolved? How do they continue to evolve?
- What information is used to determine industry and employment needs, and how is information analyzed and translated into action?
- What are the costs associated with various strategies, and how do programs perform against selected cost measures?
- In what ways does the intervention benefit the industry?
- In what ways have the behavior, relationships, policies and practices of employers in the sector changed as a result of the intervention? How affected were other employment agencies, community colleges, unions and other actors in the sector? What were the key contributing factors to these changes and what were the leverage points?

The study collects data through three mechanisms--a longitudinal survey of participants, an ongoing collection of self-reported data from programs, and case studies of each of the six agencies participating in the study. The box below provides brief program descriptions of the six nonprofit organizations that are participating in SEDLP.

SEDLP Participating Organizations

- **Asian Neighborhood Design**, San Francisco, California is a community development agency that provides training in carpentry, cabinetry, furniture-making and other construction trades. It also runs a specialty furniture and wood products manufacturing company that provides a work-oriented training environment and transitional employment opportunities for their trainees.
- **Paraprofessional Healthcare Institute**, South Bronx, New York is a sectoral employment advocacy organization that supports the training of low-income women in paraprofessional healthcare skills. It links them with Cooperative Home Care Associates, a worker-owned agency designed to provide full-time employment with benefits for home health aides.
- **Garment Industry Development Corporation**, New York, New York is a non-profit organization supported through the collaboration of union, industry and government entities. GIDC provides training for employed and unemployed individuals in a range of occupations in the garment industry and provides technical assistance and marketing services to garment industry firms.
- **Focus: HOPE**, Detroit, Michigan is a civil and human rights organization that offers training in precision machining and metalworking to inner-city youth and young adults. It also operates a series of businesses that provide hands-on learning for students and produce parts and services for the automobile and related industries.

- **Jane Addams Resource Corporation**, Chicago, Illinois is a community development organization established to retain and grow local industry, to provide community residents with educational services and to offer job training in the metalworking industry for incumbent and unemployed workers.
- **Project QUEST**, San Antonio, Texas is an organization developed through a collaborative community effort which engages employers, community colleges and others in coalitions to develop training projects that prepare low-income individuals for good jobs in a range of selected industries, most notably healthcare.

The survey employs a repeated-measurement reflexive design that measures the changes in its participants' employment status and earnings at three distinct points in time: (1) within 2 months of enrolling in training; (2) 12 months after the first survey—in most cases this would be after graduation; and (3) 24 months after the first survey. The study also includes an interim data collection point between the first two surveys in which participating programs report the immediate post-training situation for survey respondents. This information is gathered within 90 days of the SEDLP survey respondents' termination of training. The repeated measurements allow for assessment of participant performance in the labor market over time.

A total of 732 interviews for the first round of the survey were conducted from February 18, 1998 to March 8, 1999. The results from this survey are provided in *SEDLP Research Report: Methodology and Findings from the Baseline Survey of Participants*. It also provides more detail about the survey methodology and the characteristics of the survey sample than is presented in this document.

In addition to the survey, the SEDLP asks each of the six participating programs to report key data about their training program every year for three years. This component, the "Monitoring Profile," includes a demographic profile of the year's participants as well as information on graduation, placement, job retention rates and on the costs of the training program.

The final component of SEDLP, the Sectoral Studies, is a series of in-depth case studies of each of the participating programs. These case studies are designed to answer questions about how sectoral programs are implemented, the types of systemic impacts programs can achieve and the ways programs benefit the industry in which they work. Attention is paid to how the programs evolved over time, in addition to providing a full picture of present program operations.

The National Job Training Partnership Act Study (NJS)

The NJS was commissioned by the U.S. Department of Labor in 1986 to study the effectiveness of programs funded under Title II-A of the Job Training Partnership Act. The goal of the study was to provide estimates of the program's impacts on the employment, earnings, and welfare receipt of people served by a wide spectrum of locally administered JTPA programs. The NJS draws its sample from a group of 16 JTPA service delivery areas that agreed to participate in the study. The sample

population was selected over the period November 1987 through September 1989, and then this sample was followed for 30 months to track outcomes and determine program impacts.

The NJS employs a randomized-experiment approach to assess impacts. This design was adopted because it was judged to be the best means of isolating the programs' impacts (i.e., the difference between what happened to people who were given the option to participate in the program and what would have happened to them if they did not have this option[4]). Using this approach, two-thirds of the individuals who applied for JTPA services during the sample selection period were randomly assigned to a treatment group, and were allowed to receive JTPA services. One-third were assigned to a control group, whose members were not allowed to receive JTPA services during the 18-month period following their random assignment.

In addition to collecting background information at the time of applications and conducting follow-up surveys of the individuals included in the NJS sample, the NJS was able to access earnings data from state unemployment insurance (UI) agencies and, in four states, state AFDC and/or food stamp records. In addition, the SDAs provided data from their tracking systems. The total NJS experimental sample included 20,601 members.

A key point to understand about NJS is that control group members could obtain employment and training services from other local non-JTPA providers. In addition, treatment group members who were allowed to receive JTPA services might subsequently, for various reasons, not actually receive such services.[5] Thus, not all treatment group members actually received services, and not all control group members went without services. Administrative records from the JTPA sites indicate that within the 18-month period following random assignment, 65 percent of treatment group members had received JTPA services. The self-reports of treatment group members, however, show that only 48 percent reported receiving treatment during that period. In addition, according to the self-reports for control group members, 32 percent of this group received training services from other, non-JTPA sources.[6] Thus, the NJS "...estimated the impact of the *incremental* services provided by JTPA, relative to the level of non-JTPA services available to the control group. It did not estimate the full impact of JTPA relative to no services."[7]

Not only were a considerable number of control group members involved in some sort of training, it is quite possible that the training they received was identical to that received

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[4] James J. Kemple, et al., *The National JTPA Study: Site Characteristics and Participation Patterns*. (Manpower Demonstration Research Corporation: New York, NY, 1993), 46.

[5] The reasons provided for treatment group members not receiving treatment include the possibility that SDA staff may be unable to find a service provider willing to accept the person or a personal decision on the part of the applicant. See Orr, et al., 67–68.

[6] James J. Heckman and Jeffrey A. Smith, "Assessing the Case for Social Experiments," *Journal of Economic Perspectives,* 9(2) (Spring 1995), 106.

[7] Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study.* (Washington, D.C.: Urban Institute Press, 1996), 214.

by NJS treatment group members. JTPA programs often contract out training to local service providers. These providers also have additional non-JTPA funding sources that subsidize training for individuals. To clarify, it would be entirely possible to find a member of NJS's treatment group and a member of its control group in the same typing class at a community college, receiving identical instruction. The only difference would be the source through which their training was funded. The point is that the incremental impacts that the study can quantify reveal nothing of the qualitative effectiveness of different approaches to employment and training. They speak only to the cost-effectiveness of publicly funded employment and training services.[8]

The NJS is one of the most thorough and widely cited studies of employment training programs. It has served as a useful piece of research and as a model for the conduct of experimental studies. A full explanation of the intricacies of the NJS design is available in several texts.[9]

Key Distinctions between NJS and SEDLP

There are differences between the NJS and SEDLP study designs that may have some impact on each study's respective findings. While a full discussion analyzing the outcomes of the two studies will be completed after SEDLP data is available, some preliminary indications of differences in findings are presented in the final section of this document. Some discussion of design factors that may have influenced the findings of the two studies is offered here.

The obvious distinction between the NJS and the SEDLP is that NJS employs an experimental approach, while SEDLP uses a reflexive control or "pre/post" design, where outcomes measure self-referenced changes in a person's employment and earnings status over time. The primary difficulty with a reflexive control design is that changes seen in participants' situations over time may, in part, be due to participants' natural development or other environmental influences. This approach is contrasted with the random experimental approach, which is structured with randomly assigned control and treatment groups in an attempt to minimize environmental factors that influence outcome measurements (thus isolating true program effects).[10]

The SEDLP study has no way to eliminate external factors as a possible explanation for before-and-after differences in program participants. Consequently, results will be less robust than those of the NJS and will reflect "gross outcomes" and not "net impacts" of

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[8] The NJS did disaggregate program impacts for its treatment group participants in terms of the type of service received—classroom training, on-the-job training, or other services. Beyond this distinction, it was not possible to identify specific approaches to employment and training that were more or less successful in raising participant employment and income levels.

[9] For example, see Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study.* (Washington, D.C.: Urban Institute Press, 1996), 16.

[10] Even with careful design and implementation of a randomized experimental study, there are ways in which participant recruitment, selection and randomization can result in unmeasured but important differences between treatment and control groups. A helpful and detailed explanation of this problem can be found in Heckman, et al., "Assessing the Case for Social Experiments," *Journal of Economic Perspectives*, 9(2) (Spring 1995), 85–110.

program intervention. That said, the repeated measures taken over time in the SEDLP study make its findings more valid and insightful than a simple pre/post test design. If results from repeated measurements of SEDLP participant employment and income data consistently show substantial gains, there will be a strong indication that some true program effect is occurring as part of the observable gross outcomes. The evidence suggesting that improved performance outcomes are attributable to the program intervention will be even more persuasive if they occur across multiple programs employing a similar intervention in different locations.

Findings from the two studies may also differ for reasons that do not relate exclusively to the characteristics of NJS and SEDLP program design or sample traits. Other important factors include the difference in site characteristics between NJS and SEDLP service delivery areas, and the 10-year gap that separates the studies and alters the political and economic milieu—and hence the choices and opportunities—of program participants. Selected site characteristics that were included in the NJS were researched for SEDLP programs. Table 1.1 on page 13 presents the comparison.

The NJS, for administrative reasons, was unable to include very large urban areas in its study. SEDLP programs, however, almost exclusively serve populations in large urban areas with heavy concentrations of both wealth and poverty. NJS findings did not report the average poverty rates for the 16 sites in its study, but the average poverty rate in the country at the time of NJS in 1987 was 13.4 percent.[11] The poverty rate for the six SEDLP program delivery areas in 1996 averaged 19.8 percent, with a high of 31.4 percent in the Bronx and a low of 11.8 percent in San Francisco and Oakland. In comparison, the national poverty rate average for 1996–98 was 13.2 percent. It should be noted that even in areas such as San Francisco, where the poverty rate is below the national average and median incomes are quite high, there are still neighborhoods with concentrated poverty and economic distress. Barriers to employment persist for residents of these neighborhoods despite the economic prosperity of the larger metropolitan area.

Unemployment rates for the NJS and SEDLP service delivery areas were calculated to be 6.6 percent in their respective study years. The average NJS site unemployment rate in 1987 was comparable to the national unemployment rate at the time (6.2 percent). The average SEDLP unemployment rate in 1996 was higher than the national unemployment rate of 5.4 percent.[12] The highest unemployment rates in the SEDLP study are seen in New York. The unemployment rates for other geographic areas that are served by SEDLP programs are on par with national averages.

Unemployment was growing over the NJS time period, but the United States has been experiencing annual unemployment rate decreases since 1992. The 5.4 percent national unemployment rate seen at the beginning of the SEDLP has continued to fall. The January 2000 unemployment rate was 4.0 percent and the labor force participation rate is at an all-time high.

[11] U.S. Census Bureau.
[12] U.S. Department of Labor, Bureau of Labor Statistics.

Table 1.1 **Comparison of Selected Economic Conditions—SEDLP and NJS Sites**

Sectoral Employment Program	Service Area	1996 Poverty Rate (%)	1996 Unemployment Rate (%)	1996 Median Household Earnings ($)	1997 Employed in mfg., mining, agriculture (%)
Asian Neighborhood Design	San Francisco/ Oakland (San Francisco, Alameda Co.)	11.8	4.9	41,254	9
Paraprofessional Healthcare Institute	New York (Bronx)	31.4	10.5	22,225	5.4
Garment Industry Development Corporation	New York (New York, Bronx, Queens)	21.0	9.0	28,695	6.9
Focus: HOPE	Detroit (Wayne, MI)	20.6	5.5	32,382	19.3
Jane Addams Resource Corporation	Chicago (Cook Co.)	14.7	5.5	37,824	14.0
Project QUEST	San Antonio (Bexar Co.)	19.4	4.5	29,815	6.7
SEDLP 6-site Average (1996 or 1997 data)		19.8	6.6	32,032	10.2
National Averages, 1996–98		13.2	5.4	37,025	14.0
JTPA 16-site Average* (1987–89)		n/a	6.6	22,111**	22.8
National Averages, 1987–89*		13.4	6.2	36,163	23.4

Source: Unweighted averages calculated from U.S. Census Bureau data and U.S. Bureau of Economic Analysis Regional Data Accounts

* Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study. (Washington, D.C.:* Urban Institute Press, 1996), 50.

** NJS study computed *mean* income, not median. Income has been adjusted from Orr, et al., 1987 mean income ($18,100) to real chained 1996 dollars.

The implications of employment trends are important to bear in mind as data from SEDLP become available. Recent studies conducted by the University of Chicago Joint Center for Poverty Research suggest that program outcomes such as wage rates and employment duration may actually fall when the economy is strong and labor markets are tight. As it becomes easier for individuals to find work, applicant pools for job training programs may tend to include more individuals "with unstable work histories, basic skills deficiencies, and multiple personal and family problems."[13] Thus, in times of prosperity and economic opportunity, training programs for the disadvantaged tend to include a greater proportion of individuals with serious barriers to employment than would otherwise be the case. Some of these barriers can be observed and measured, but many

[13] Carolyn J. Heinrich and Laurence E. Lynn, Jr., "Governance and Performance: The Influence of Program Structure and Management on Job Training Partnership Act (JTPA) Program Outcomes," (Working Paper: University of Chicago, 1999), 30.

others cannot. Changes in the characteristics of the applicant pool can influence the degree of success a program has in matching clients with viable employment situations.

The ten-year gap that separates the NJS and SEDLP studies also changes the economic and political circumstances that characterize these periods and that influence study findings. The gross domestic product grew at similar rates in both time periods, 3.5 percent in 1987 and 3.7 percent in 1996.[14] Even so, after a long economic expansion, the overall size of the economy and the number of jobs available in the late 1990s was much greater than in the late 1980s. The Department of Labor recently reported that more than 20 million net new jobs were created between 1993 and 1999.[15] The increased number of jobs is somewhat reflected in labor force participation rates, which have reached an all-time high in recent months as discussed above.

In addition to economic changes, the differences in political and public policy circumstances between the two time periods also are important. The SEDLP study is occurring alongside sweeping welfare reforms that have fundamentally changed the way government assists the economically disadvantaged. The new emphasis on work that was ushered in with the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 may play a significant role in changing the incentives and choices of America's low-income population. The five-year (or shorter) lifetime limit on welfare receipt, the aggressive work-first strategies of many state TANF programs, the hot labor market, and the work incentives of the Earned Income Tax Credit may all combine to push more people into the labor market than ever before, including those with minimal job skills. The recent enactment of the Workforce Investment Act, which replaces JTPA and changes eligibility and funding formulas for public employment and training programs, will also have important ramifications for workforce development initiatives.

The changing profile of the working poor has implications for training programs. Many new workers lack the skills they need to access a decent job and to progress in the working world. A recent study of women working after welfare found that those who began at a relatively low wage, between $5 and $6 per hour, made virtually no progress in increasing their wages in the five years after they left welfare, while those who began at a higher wage, around $8 per hour, saw their wages increase by more than $1 per hour over the five-year period.[16]

In a recent publication, Anthony Carnevale makes note of a tendency in U.S. employment policy to prioritize and fund training during economic downturns when jobs are less plentiful. The resulting relationship between employment and training can be perverse, and thus "when jobs do exist, when training would likely have significant positive effects, we retreat from training."[17] The market may have as much to do with this trend

[14] U.S. Department of Labor, Bureau of Economic Analysis.
[15] "20 Million Jobs: January 1993–November 1999," A report by the Council of Economic Advisors and the Office of the Chief Economist, (Washington, D.C.: U.S. Department of Labor, December 3, 1999).
[16] Daniel R. Meyer and Maria Cancian, "Life After Welfare: The Economic Well-Being of Women and Children Following an Exit from AFDC," (Poverty Discussion Paper No. 1101-96: Madison: University of Wisconsin Institute for Research on Poverty, 1998).
[17] Anthony P. Carnevale, "Beyond Consensus: Much Ado about Job Training," *Brookings Review*, (Fall

as employment policy. It is unclear whether training programs wane in times of economic prosperity because of a lack of political will, or because of less individual demand. For example, while conducting the national JTPA study, program operators observed that SDAs with low unemployment levels had more difficulty recruiting applicants for JTPA-funded training programs.[18] The SEDLP is occurring during a time of unprecedented economic expansion which will provide useful information about the benefits and challenges of conducting training during times of low unemployment.

Finally, it is important to remember two things while considering NJS and SEDLP results. First, the JTPA was never a homogenous methodology. It was a funding stream that local SDAs and Private Investment Councils (PICs) administered in very different ways to address the workforce development needs of their communities. Second, even as a funding tool, the JTPA has changed significantly since the time of the NJS. For example, the types of job placement outcome measures that were favored during the early years of JTPA were found to lead to recruitment strategies that favored outreach and assistance to the most job-ready members of the population. Amendments to Title II-A of JTPA in subsequent years reoriented the program and performance measures to prevent "creaming" and to encourage more effective employment and training strategies for the disadvantaged.

It is often thought that the main result from the NJS was to find that "training doesn't work." This phrase does seem to summarize the results of the NJS for youth, where they found very little or even a negative impact of JTPA on participants. For adults, however, the results were more positive, as indicated by the following:

> *"Overall, we found that JTPA worked reasonably well for adults. Although the program-induced gains in earnings were relatively modest—less than $900 per year in the postprogram period—the incremental cost of the program was even smaller. Thus, for every $1.00 invested by society in JTPA training for adults, the program returned approximately $1.50 in earnings gains to enrollees. This does not mean that the program could not be improved, but it does suggest that the adult program was basically sound."*[19]

Given that there are relatively few youth participating in SEDLP programs, it would not be surprising to find, in light of NJS findings, that sectoral programs, which tend to make a more substantial and targeted investment per individual than did JTPA programs at the time of NJS, achieve a greater impact per participant than was observed in the NJS study.

1999), Washington, D.C.: The Brookings Institution.

[18] James J. Kemple, et al., *The National JTPA Study: Site Characteristics and Participation Patterns*. (New York: Manpower Demonstration Research Corporation, 1993), 49.

[19] Orr, et al., 215.

Characteristics of SEDLP and NJS Samples

Baseline comparisons between the two study samples show that both populations are clearly disadvantaged, although the population characteristics of the SEDLP and NJS survey samples differ in terms of demographic characteristics, personal earnings and barriers to employment.

Demographics

There are some significant differences in the demographic characteristics of the population involved in the National JTPA Study and that involved in the SEDLP. As shown in Table 2.1, participants in the SEDLP programs are much more likely to be members of minority groups than are members of the NJS sample. This difference is most likely because all the SEDLP programs are located in large, urban areas.

In addition, Table 2.1 also shows that the SEDLP sample has a higher proportion of women than the NJS sample. This difference could be due to the smaller sample size of the SEDLP compared to NJS. While the SEDLP study includes 6 sites and 732 participants, the national JTPA study included 16 sites and over 20,000 participants. In addition, the sectoral strategies of two of the participating SEDLP programs target industries that predominantly employ women, thus weighting gender representation in SEDLP more heavily toward females.

The SEDLP sample has a much higher representation of individuals for whom English is not their first language, because it has a greater proportion of minorities.

Table 2. 1 Demographic Characteristics of NJS and SEDLP Samples

	NJS Sample[20] (%)	**SEDLP Sample (%)**
Gender		
Female	54	65
Male	46	35
Ethnicity		
White, non-Hispanic	54	8
Black	31	37
Hispanic	12	35
Other minority	3	20
Primary Language		
English	96	70
Spanish	3	19
Other	1	11

[20] Howard S. Bloom, et al., *The National JTPA Study: Baseline Characteristics of the Experimental Sample*. (Bethesda, Md: Abt Associates, Inc. September 1991), 49-50.

Another difference between the two populations is that the SEDLP sample includes a slightly older population than the NJS sample, as illustrated in Table 2.2 on the next page. While JTPA includes programs particularly targeted toward disadvantaged youth, most sectoral programs do not explicitly target this group. Because SEDLP participants tend to be older, they are more likely to have children. This is also shown in Table 2.2.

Table 2. 2 Participant Characteristics

Characteristic	NJS Sample[21]	SEDLP Sample
Age		
< 19 years old	10%	2%
19–21	17%	7%
22–29	32%	32%
30–44	32%	40%
45–54	6%	15%
> 54	3%	4%
Mean	29	34
Number of Children		
0	54%	35%
1	18%	25%
2–3	23%	34%
>3	5%	6%
Mean	0.9	1.3
Mean Household Size	3.3	3.5

The differences highlighted in Table 2.2 between SEDLP and NJS populations create mixed expectations for employment success among SEDLP participants compared to the NJS sample. In general, one would expect that the older average age of SEDLP participants would imply increased opportunity to gain work experience and skills, which normally translates into greater income-earning potential and economic mobility for Americans.[22]

But the fact that more SEDLP participants are likely to be minorities and/or immigrants creates barriers to success in the labor market. Recent research has shown changing patterns in immigration trends, including a change in the skill-level profiles of immigrants that differ sharply from those of the rest of the population.[23] This may in part explain the increasing number of immigrant households living in poverty in the United States. Between 1980 and 1990, the number of immigrant households in poverty grew by 42 percent, while native households in poverty grew by 11 percent.[24]

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[21] Ibid., 49, 51.
[22] Isabel V. Sawhill and Daniel P. McMurrer, *Economic Mobility in the United States*. (Washington, D.C.: The Urban Institute, 1996) (http://www.urban.org/oppor/opp_031b.html).
[23] William H. Frey, "Immigration and the Changing Geography of Poverty," *Focus* 18(2), (Madison, University of Wisconsin Institute for Research on Poverty, 1997).
[24] The Andrew W. Mellon Foundation, *Immigrant Policy Program Report*. (1994) (www.mellon.org/arip94.html).

The greater number of SEDLP participants who have children also changes the type of outcomes one might expect from the current study. In a recent study by the Urban Institute, researchers found that only 25 percent of women with one or more children were employed in "good jobs" by their late twenties. In contrast, 60.4 percent of women without children had good jobs by ages 26 and 27.[25]

Income and Wage Levels

In general, SEDLP respondents appear to be financially better off than the population sampled in the NJS. For the NJS, researchers estimated that about four-fifths of the sample had a total family income below the official poverty level[26], while among respondents to the SEDLP survey, 40 percent of those reporting all components of household income live below the poverty level and 58 percent live below 150 percent of the poverty level. The difference in household income between the two study samples could be an accurate reflection of true population differences, but it is quite likely that at least part of the difference is due to the different approaches to measurement employed by each study. For the NJS, household income data was derived using estimation techniques rather than direct measurements. The SEDLP did attempt to gather household income data from participants using the survey tool, but obtaining complete records of household income for all participants was problematic.[27] Because of the different techniques used to gauge household income, it seems more appropriate and valid to focus on individual earnings of participants than on household characteristics.

Individual earnings of SEDLP participants were also higher than those of NJS participants. In the NJS sample, researchers found that mean individual earnings of sample members were $2,811 for all sample members, and $4,040 for all sample members with non-zero earnings.[28] The bulk of the NJS data were collected in 1988, while the bulk of the SEDLP data were collected in 1998. Thus, adjusting the NJS results to 1998 dollars, these figures become $3,873 and $5,567, respectively. Of the SEDLP sample, 26 percent of respondents did not work at all in the 12 months prior to program participation, and thus had zero earnings. Table 2.3 on the next page compares the earnings and wages for NJS and SEDLP sample members who had positive earnings in the 12 months prior to their application to a training program. Since the SEDLP sample includes training programs that are designed to serve incumbent workers, a category of worker not included in the JTPA sample, SEDLP figures are presented with and without the inclusion of this subset of participants.

[25] LaDonna Pavetti and Gregory Acs, "Moving Up, Moving Out or Going Nowhere? A Study of the Employment Patterns of Young Women." A Report to the Annie E. Casey Foundation, (Baltimore, Md, 1997).
[26] Ibid., 38.
[27] Only 59 percent of SEDLP respondents reported all components of household income.
[28] Pavetti and Acs, 38.

Table 2. 3 Participant Earnings and Wages in NJS and SEDLP Samples

Earnings		NJS Sample (1998 $)	SEDLP Sample	SEDLP Sample minus Incumbent Workers
Earnings in the Past 12 Months				
	Average	$5,567.00	$12,295.00	$7,895.00
	Median	n/a	$8,859.00	$5,785.00
Hourly Wages				
	Average	$6.72	$8.63	$7.54
	Median	n/a	$7.50	$7.00
Weekly Earnings				
	Average	$222.00	$318.00	$248.00
	Median	n/a	$263.00	$210.00

While SEDLP study participants seemed to earn more than NJS sample members, it is important to keep in mind that SEDLP sample members live in large urban areas, in which the cost of living is generally high relative to the national average, while NJS sample members live in smaller cities or rural areas, and thus are likely to face a lower cost of living. This cost of living differential is unlikely to account for the entire difference in earnings and income level between the two groups, but it may account for a substantial proportion of it. Unfortunately, it is impossible to estimate the effect.

Barriers to Employment

The NJS identified 10 types of barriers to employment[29] among the population it surveyed, as follows:

1. having been employed 15 or fewer weeks during the 26 weeks before application to JTPA,
2. lacking a high school diploma,
3. having reading skills below the seventh-grade level,
4. being an ex-offender,
5. having a physical handicap,
6. being a war veteran,
7. being a long-term AFDC recipient,[30]
8. being over 55 years old,
9. having a limited English speaking ability, and
10. being a displaced homemaker.

Data on the incidence of these barriers are derived from JTPA intake forms and thus are presented for those individuals who enrolled in JTPA programs during the intake period. For the NJS sample, which included both enrollees and non-enrollees, data are presented on a somewhat different set of barriers from those listed above. These barriers include welfare receipt, limited education, and limited work experience.[31] Due to differences in

[29] Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study.* (Washington, D.C.: The Urban Institute Press, 1996), 20.
[30] Defined as receiving AFDC for any 24 or more of the 30 months preceding determination of JTPA eligibility.
[31] Ibid., 69–73.

survey design and the types of data collected, not all of these barriers can be directly compared with findings from the SEDLP survey. Comparisons among the SEDLP population, the NJS sample, and the JTPA population at the time of the NJS[32] are discussed according to selected categories of barriers below.

Employment History: Among enrollees in Title II-A JTPA programs nationally, 67 percent[33] were employed for 15 weeks or fewer during the 26 weeks prior to application to JTPA. In the NJS sample itself, 29 percent had not been employed at all in the past 12 months, while in the SEDLP sample, 26 percent had not been employed during the 12 months prior to enrolling in training. The two studies asked participants somewhat different questions about employment. SEDLP asked respondents to discuss how many weeks they had been employed at the job which was their principal source of earnings during the past 12 months, their "main job," while the NJS study collected data on all jobs participants had held. Since, on average, SEDLP participants held 1.5 jobs during the 12 months prior to training and NJS participants held 1.9 jobs during that period, the question may yield somewhat different results. Table 2.4 presents data on the number of weeks of employment experienced by JTPA and SEDLP sample members.

Table 2.4 Employment Characteristics in SEDLP and NJS Samples

Employment		SEDLP Sample (at Main Job)	SEDLP Sample minus Incumbent Workers (at main job)	NJS Sample (All Jobs)[34]
Weeks Employed in the past 12 months				
	1–5	10%	12%	12%
	6–10	9%	11%	11%
	11–30	38%	48%	39%
	31–52	44%	29%	38%
	Mean	28.9	23.3	26.0
Number of jobs in the past 12 months				
	1	61%	57%	52%
	2	28%	29%	30%
	>2	11%	14%	19%
	Mean	1.5	1.6	1.9

The results in Table 2.4 confirm what was seen in the earnings comparison of the two groups; part of the reason that SEDLP participants earned more in the 12-month period prior to the survey is because they worked more. However, when incumbent workers are taken out of the SEDLP sample, then the number of weeks worked is somewhat lower. Given the difference in the questions between the two studies, however, this is probably

[32] The JTPA population at the time of the NJS study should have very similar characteristics to the NJS sample (see Bloom, 111–126), and thus is used as a proxy when data on the NJS sample itself are not available.
[33] Orr, et al., 20.
[34] Bloom, 54.

not significant. Both groups seemed to hold multiple jobs or shift between jobs, with this being somewhat more in evidence among NJS sample members than SEDLP sample members.

Interestingly, SEDLP participants report long work histories, but maintaining employment seems to have proven difficult for a substantial proportion of the SEDLP group. On average, SEDLP sample members have 12.3 years of work experience. When incumbent workers are removed from the sample, this number declines very slightly to an average of 11.8 years of work experience. Only 4 percent of the SEDLP sample report never having worked, a lower figure than the 14 percent of the NJS sample who report that they were never employed.[35]

Education Levels and English Language Skills: Among enrollees in Title II-A JTPA programs, 35 percent lacked a high school diploma or a GED certificate, and 22 percent had reading abilities below the seventh-grade level during the period in which the NJS study was conducted.[36] In the NJS sample itself, 39 percent lacked a high school diploma or a GED certificate, and only 14 percent had received schooling beyond the twelfth grade.[37] Among SEDLP participants, 28 percent lacked a high school diploma or GED certificate, while 32 percent had received schooling beyond the twelfth grade. Although, there is considerable variation across SEDLP programs, SEDLP participants in general appear to have received more formal education than NJS sample members.

During the time of the NJS, 22 percent of JTPA enrollees had reading abilities below the seventh-grade level.[38] It is impossible to assess what proportion of the SEDLP sample has reading difficulty, but two SEDLP programs report that over half of their participants read below the ninth-grade level, while two other programs have almost no participants with reading difficulties. Reading proficiency is likely to be a barrier for a significant portion of the SEDLP sample, but this barrier cannot be further quantified with available data.

An important point to note here, however, is that the SEDLP population includes many immigrants with limited English skills. Indeed, among Title II-A JTPA participants at the time of NJS, only 4 percent had limited English language abilities,[39] while 30 percent of SEDLP participants face this barrier to employment. This barrier is not discussed by the authors of the NJS, most likely due to its low incidence in their sample. Immigrants with limited language capabilities are often unable to reap the benefits of their education in the U.S. labor market. For example, over half the survey respondents from the Garment Industry Development Corporation (GIDC) report having received at least a high school diploma, but only 4 percent could speak English at a level that would allow them to be interviewed in that language.

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[35] Bloom, 54.
[36] Orr, et al., 20.
[37] Bloom, 58.
[38] Orr, et al., 20.
[39] Orr, et al., 20.

Public Assistance Receipt: As shown in Table 2.3, both the NJS[40] sample and the SEDLP sample had a similar proportion of individuals who had received AFDC or TANF benefits within the 12-month period prior to enrolling in a training program. The SEDLP sample, however, contains a somewhat higher proportion of respondents who had ever received such benefits, and also of those who had received benefits over a long term. This difference may be attributable to the SEDLP population having proportionately more women than the SEDLP sample, since women are much more likely to report receiving such benefits than men. In addition, the SEDLP sample participants are somewhat older than those in the JTPA sample, allowing for longer lifetime receipt of benefits.

Table 2.3 Receipt of Benefits by NJS and SEDLP Sample Participants

	NJS Sample (%)	SEDLP Sample (%)
Receiving AFDC / TANF		
In past 12 months	21	21
Ever	27	30
Lifetime receipt of over 60 months	22	29

Other Barriers: The other barriers listed at the beginning of this section are generally either not significant for these populations or are very difficult to quantify. Being over 55, for example, while easy to measure, was not a common situation for either JTPA applicants or SEDLP participants. Only 4 percent of the SEDLP sample was over 55 and only 3 percent of the NJS sample was over 54. It should be noted, however, that in SEDLP survey responses, older participants identified their age as a barrier to employment.

Being a displaced homemaker was not addressed in the SEDLP survey nor was it discussed in the NJS baseline report. Of JTPA enrollees nationally at the time of the NJS, only 3 percent were displaced homemakers. Thus this barrier also does not seem significant for these populations.

Being an ex-offender, however, may be a significant barrier for these populations, but unfortunately there is little data to quantify this issue. Among JTPA enrollees in the 1987–1989 period, 9 percent were ex-offenders. The NJS baseline report, however, does not address this issue directly, but does report that 1 percent of their sample was required to enter JTPA by the courts. The SEDLP survey also did not address this issue, but conversations with staff from the participating programs indicate that it may be a significant barrier for participants. For example, staff from one program estimate that more than half their trainees have had some contact with the criminal justice system, and numerous trainees are referred to them by their parole officers. Most programs do not

[40] Howard S. Bloom, et al., 61. The figures reported in the JTPA study are for case heads, gathered from the state data that were available for a subset of their sites. SEDLP data are based on survey responses where individuals reported that they personally received AFDC or TANF benefits.

systematically collect this information, however, so the prevalence of this barrier to employment within the SEDLP sample cannot be reliably estimated.

Among JTPA enrollees at the time of NJS, 9 percent were war veterans. No data on this barrier are provided for the NJS sample. Nor was this issue addressed in the SEDLP survey, although due to the 10-year difference in data collection periods, the participation of war veterans may have been less common at the time the SEDLP data was collected.

Finally, very little data are available on physical disabilities. At the time of NJS, 9 percent of enrollees in JTPA were reported to have a physical handicap.[41] No data on this issue are presented in the NJS baseline report. The SEDLP survey also did not directly address this issue. From the survey, we know that slightly more than 1 percent of those surveyed reported leaving a job for medical reasons in the 12 months prior to training, and that 2 percent of the sample reported receiving Supplemental Security Income, including Aid to the Blind and Disabled, and Old Age Assistance. Thus a few participants may struggle with a physical disability, but this issue does not often come up in conversations with program staff and therefore is not likely to be common among the SEDLP participants.

[41] Orr, et al., 20.

Preliminary Indications of Outcomes from Sector Programs

While the SEDLP project does not, at this writing, have the results from its Wave II survey, which will provide information about participants one year after participation in the training program, other sources do provide some indication of the types of outcomes one might expect. One of these is a case study of Project QUEST conducted in 1995 by Paul Osterman and Brenda Lautsch.[42] The other is data reported from the sectoral programs participating in the SEDLP study using the Post-Training Placement Tool (PTPT). The PTPT reports outcomes for participants immediately following training. A review of these two data sources will provide some preliminary indication of the ways in which participation in sectoral programs is having an impact on the economic status of the participants.

Findings from Project QUEST Case Study

During calendar year 1995, Paul Osterman and Brenda Lautsch conducted a case study of Project QUEST, an organization that employs a sectoral strategy to develop training projects that prepare low-income individuals for good jobs in a range of selected industries, notably healthcare. The results of their work provide an indication of the types of outcomes that one sectoral employment program, Project QUEST, has achieved since it first began enrolling students in January 1993. In their year-long study, Osterman and Lautsch conducted more than 50 interviews with Project QUEST staff, community college staff, local employers, community leaders, and others and a telephone survey of 541 Project QUEST participants. In addition, Project QUEST allowed the researchers access to their client tracking system, providing another valuable source of data on participants.

Introduction to Project QUEST and its Participants: Project QUEST is an intensive training program, lasting over 17 months on average for those who complete the program or have a "positive termination."[43] The program provides training in targeted occupations that were chosen based on an analysis of local labor market needs. QUEST then works with employers and community colleges to design a curriculum that will meet the needs of employers and will be appropriate for QUEST students.

All QUEST participants have a high school diploma or a GED certificate, and many (45 percent in the Osterman and Lautsch study) participants have some college experience.

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[42] Paul Osterman and Brenda A. Lautsch, *Project Quest: A report to the Ford Foundation*. (Boston: MIT Sloan School of Management, January 1996), Unpublished. The Osterman case study of Project QUEST is unaffiliated with The Aspen Institute. Dr. Paul Osterman is a professor at the M.I.T. Sloan School of Management.

[43] Osterman and Lautsch adopt the following definition for positive termination. "A positive termination is defined as one of the following outcomes: entered a job, entered the Armed Forces, entered a registered apprenticeship, entered non-JTPA training, completed a major level of education or passed the TASP educational achievement test. A negative termination is a program departure for any other reason." (p. 3 footnote).

Remedial courses, however, have been found to be necessary for many participants. At the time of the Osterman and Lautsch case study, 65 percent of QUEST's participants were women and the average age of participants was 30, with 75 percent of participants being 35 or younger. Sixty-nine percent of participants were Hispanic, 18 percent were white and 11 percent were black. Almost all participants were U.S. citizens, and 64 percent had children.

Osterman and Lautsch found that prior to participating in Project QUEST, 48 percent of participants were employed, 26 percent were looking for work, 10 percent were at home full-time, 8 percent were in school or another training program, and the remaining 8 percent were in some combination of the above categories. The average wage among those working was $6.02 per hour, with men averaging $6.43 per hour while women averaged $5.78 per hour.

Despite QUEST participants' relatively high levels of education, compared to many other job training programs, Osterman and Lautsch found that participants faced significant barriers to employment. These included lack of skills, poor education, inability to find a job that paid enough to be self-sufficient, lack of confidence, difficulty feeling comfortable or fitting in at the workplace, lack of affordable childcare, transportation difficulties, family care responsibilities, poor understanding of how to find a job, and miscellaneous personal difficulties including domestic abuse or other family problems.

The Impact of Project QUEST on Participant Outcomes: Table 3.1 shows the pre- and post-training situation for Project QUEST participants for wages, annual earnings, and receipt of public benefits. Dollar figures are 1995 dollars. For estimates of wages and annual earnings, a range is shown for post-training outcomes. This range results from the varied data sources used by Osterman and Lautsch and thus serves to provide an upper and lower bound for an estimate of the net impact of QUEST's training on participant outcomes.

Table 3.1
1995 Wages, Earnings and Benefits before and after Project QUEST Training

Characteristic	Pre-QUEST	Post-QUEST		
		Blended data	AIM data	Survey data
Average hourly wages	$5.99	$7.35	$7.82	$8.41
Average annual earnings	$4,706	$9,629	NA	$12,163
Receipt of AFDC or food stamps	44.5%	33.7%		

Thus, Osterman and Lautsch found that the participants' average hourly wages increased by at least 22.7 percent, and by as much as 40.4 percent, following training. Changes in annual income were even more dramatic, with average annual income per participant rising between 105 percent and 159 percent. These figure include outcomes for both positive and negative terminations. *Thus, by participating in Project QUEST, on average participants more than doubled their annual incomes.*

As with the SEDLP study, Osterman and Lautsch did not use a control group format, and therefore it is impossible to draw precise dollar estimates of the amount of the earnings change that is directly attributable to the program. Nonetheless, in the words of the authors, "...the impacts of the program appear to be so large and so linked to the program mechanisms that it is very hard to believe that they would be overturned by a more rigorous evaluation."[44]

The findings from the NJS show that adult women experienced an improvement in earnings of between 9.6 percent and 14.8 percent. The observed impact was due more to an increase in hours worked than to improvements in wages, with researchers estimating that JTPA produced an 8.6-percent increase in the total number of hours worked and a 2.2-percent increase in average hourly earnings among adult women. For adult men, NJS found that annual earnings improved by between 5.3 percent and 8.0 percent. Further, it was estimated that the number of hours worked by adult men increased by 3.9 percent and average hourly earnings increased by 2.7 percent. The NJS authors stress that gains in average hourly earnings are not necessarily a good indicator of impacts on wage rates.[45] These impacts are much more modest than the outcomes reported in the Osterman and Lautsch study. Even though the issue of non-comparability between net impacts and gross outcomes has already been discussed, the degree of observed difference between the earnings increases found in the JTPA programs in the late 1980s and the Project QUEST case study in the early to mid 1990s is noteworthy. It justifies further exploration of possible reasons why Project QUEST has been able to generate such positive results.

Osterman and Lautsch did attempt to get information on participants' perceptions of the relationship between the training they received and their degree of success in the workplace. They found that over 70 percent of participants reported using the skills they learned in training on the job and that 91 percent viewed their training program as high quality. In addition, a majority of participants reported that they have seen greater interest among their children or family members in education due to Project QUEST. More than 80 percent of participants felt that their job offered a future in terms of pay or promotion potential, and 74 percent planned to stay with their current jobs for the next several years. Thus, participants perceived that not only had their incomes improved substantially, but that they also had developed a viable career track with advancement potential.

Additional Impacts of Project QUEST: As with all sectoral programs, the impact of Project QUEST is seen not only through an analysis of participant outcomes, but also through the influence the program has had on the local labor market. In the case of Project QUEST, a number of important actors underwent significant shifts due to program intervention. For example, community colleges, upon seeing the success of training programs designed with the assistance of Project QUEST, began working more

[44] Brenda A. Lautsch and Paul Osterman, "Changing the Constraints: A Successful Employment and Training Strategy," in Robert P. Golith, ed., *Jobs and Economic Development*. (Thousand Oaks, Ca: Sage Publications, Inc., 1998), 216.

[45] Larry L. Orr, et al., *Does Training for the Disadvantaged Work? Evidence from the National JTPA Study*. (Washington, D.C.: The Urban Institute Press, 1996), 99–110.

closely with local employers to ensure that their programs were meeting employers' needs. In addition, employers saw new ways to address their human resource issues. Human resource people from local financial institutions began to talk to each other about their needs, and eventually, through QUEST's mediation, the community college implemented a certificate program that trained people for specific occupations in financial institutions. After the success of that effort, bank human resource administrators saw the value in continuing their dialogue with one another in order to find other areas of common concern that they might address jointly.

Project QUEST also mediated between employers and community colleges. In one instance, Project QUEST's analysis of the local transportation and trucking industry revealed that companies had a need for skilled diesel mechanics and could not meet their demand locally. In collaboration with employers and the community college, Project QUEST completely overhauled the local college's diesel mechanics program. Employers were then able to hire locally and send employees for local training rather than to an institute in Waco, Texas, which had previously been viewed as the nearest training program that met their needs. The success of the diesel mechanics program inspired the design of the hydraulic forklift program. In addition, community colleges are now more open to training partnerships with high schools or vocational training schools.

The changes brought about through the intervention of Project QUEST have allowed labor market information to flow more freely between various actors, particularly employers and local educational institutions. As a result, employers can now meet more of their human resource needs locally, rather than hiring from other cities, states, or even—in some cases—countries. In addition, community colleges better meet their mission of providing appropriate educational services. Community action agencies that were instrumental in the founding of Project QUEST also find that the needs of their constituents, who were low-income and unable to find decent jobs, are now being more appropriately addressed. For example, Project QUEST worked with community colleges to redesign the remedial education courses so that students could complete them within a semester or two and progress more quickly through a training curriculum. This change lessens the chance that students will become discouraged because of a lack of progress, and it also allows students to use their financial aid more efficiently. Thus, the intervention of Project QUEST appears to have improved the efficiency of the local labor market and the ability of low-income residents of San Antonio, Texas, to find viable, family-supporting employment.

Immediate Post-Training Situation of SEDLP Survey Respondents

As mentioned previously, the SEDLP study includes an interim data collection effort using the Post-Training Placement Tool (PTPT), which records each survey respondent's status after completing or leaving training. To gather these data, staff of the participating SEDLP programs were asked to provide some information on survey participants from their programs within 60 to 90 days following the participant's scheduled training completion date. These data provide some information on the immediate outcomes after training for participants.

Note that the data received are partial and preliminary. Due to the design and timing of the PTPT, two programs were unable to provide complete information on the status of their training participants. As a result, these two programs—the Jane Addams Research Corporation (JARC) and Project QUEST (PQ)—are omitted from the following analysis. In addition, calculations for the Garment Industry Development Corporation (GIDC) only include data from participants in the "Super Sewers" training program. JARC and non-Super Sewer GIDC participants are omitted from this analysis because they included predominantly incumbent workers whose employment history and purpose for receiving training are different from those of other low-income, low-skilled participants.

Table 3.2 Aggregated Post Training Preliminary Outcomes

Participants and Characteristics	Number	Percentage
Participants surveyed*	438	
Participants who completed training	312	71
Participants currently employed**	285	65
Training "completers" currently employed	271	87
Average wage rate	$8.61	
Average number of hours/week	35.1	
Number with jobs with medical insurance	301	64
Completers with jobs with medical insurance	237	83

* The 438 surveys included in this analysis represent 60 percent of all study participants in SEDLP.
**Regardless of whether they completed training.

As presented in Table 3.2, 71 percent of SEDLP participants included in the analysis successfully completed their training programs. Of those participants, 87 percent were employed immediately following training, and 83 percent of these new employees had medical insurance through their new jobs. The average wage rate for new employees was $8.61 per hour. The average number of hours worked was 35.1. To put these post-training outcomes in context, they are compared for AND, Focus: HOPE, PHI, and GIDC in Table 3.3 with information gathered during pre-training baseline interviews.

Table 3.3 Aggregated Pre- and Post-Training Comparison

Participants and Characteristics	Before	After*	Differential
Participants employed; "before" defined as any time in 12 months prior to training	70%	61%	-9%
Participants employed; "before" defined as immediately prior to training, at time of intake interview	17%	61%	44%
Average Weekly hours worked at main job	34.5	34.3	-0.2 hours
Average hourly wage rate for those who work	$7.75	$8.37	$1.62
Percentage of jobs with medical insurance	41%	79%	38%

*After training is defined as the time at which the participant was surveyed after training was completed.

We can see from the comparison that the number of participants employed after training is less than the number who were employed at some time during the 12 months preceding training (70 percent employed), but far greater than the number employed at a point-in-time measurement taken directly before training (17 percent employed). Based on previous research into workforce dynamics among disadvantaged populations, one would expect to see that a greater number of people are employed at some point over a 12-month period than are employed at any particular point in time.[46] Given this understanding, it is not surprising that the employment rate after training is lower than the pre-training 12-month average.

In addition to changes in employment rates, the aggregated pre- and post-training comparison also identifies a 21-percent increase in hourly wages, a one-half percentage-point decrease in weekly hours worked, and a 41-percent increase in the number of jobs that have associated health insurance benefits. These aggregated outcomes are useful in helping to shape an overall impression of the immediate post-training environment for SEDLP, but they also mask important differences between the participating programs. One of the advantages that a study such as SEDLP has over the NJS is that it is designed to enable researchers to remove the mask of aggregated statistics to reveal important differences among programs in terms of purpose and service-delivery methods. The following text and tables present selected income and employment characteristics of participants in the different SEDLP programs. In the course of analysis, some important aspects of the industries that SEDLP programs target will be discussed, as will some of the ways that sectoral workforce development strategies have been used to intervene on behalf of low-income workers.

Employment: Table 3.4 clearly shows that program-specific employment rates have a wider range of both pre- and post-training outcomes than indicated by the cross-program averages, and some outcomes do not adhere to the aggregated trends outlined above.

Table 3.4 Employment Rates

Employment	AND (%)	FH (%)	GIDC (SS only) (%)	PHI (%)	All (%)
Employed at time of entry to training	21	38	4	5	17
Employed at some time within 12 months prior to training	67	80	88	44	70
Participants employed immediately after training	59	63	54	75	61
Successful completers employed immediately after training	85	92	57	98	87

[46] Mary Jo Bane and David T. Elwood, *Welfare Realities:From Rhetoric to Reform*. (Cambridge: Harvard University Press, 1996), Chapter 2.

In all cases, there are higher percentages of participants employed immediately after training than were employed immediately before training. The spread ranges from 25 percent more in Focus: HOPE to 70 percent more in PHI. In all but one case, there are fewer participants employed immediately after training than in the pre-training 12-month time span. The exception is PHI, where 31 percent more participants are employed immediately after training than had been employed at any time in the 12 months prior to training.

This outcome highlights some of the special circumstances of PHI participants. First, as a whole, the PHI sample has far less recent work experience than participants in other programs. Second, for those participants who do successfully complete PHI's training, PHI is able to guarantee 28 hours of work per week, so the rate of post-training employment is quite high. PHI is able to guarantee work because it has organized its own for-profit, employer-owned business—Cooperative Home Care Associates (CHCA)—that hires all training program graduates into jobs that provide guaranteed hours, full benefits, access to a career ladder, and an opportunity after 90 days to become a worker/owner. This specific type of sector strategy is unique.

Most other programs in SEDLP have very close ties to employers and try to work with employers to develop good entry-level jobs and occupation-specific curricula and training to prepare low-income workers for those jobs. Even so, given the fluctuations of labor markets, these programs cannot always guarantee that each successful program participant will have a job waiting upon graduation.

It is also worth noting that the smallest employment gains following training were seen in GIDC, where only 57 percent of participants who successfully completed training were employed directly afterward. The 57-percent placement rate is low, but it comes in the face of declining opportunity in the garment industry sector. From one perspective, it seems rather odd for a sector strategy to focus its efforts in an industry where jobs are being lost to other countries and to machines. But GIDC works with mostly immigrant workers with limited English skills. For this population, there are very few viable employment options better than factory work. Most of GIDC's Super Sewers training participants have been previously laid off from jobs. The post-training employment increase demonstrates that GIDC is having some success preparing these workers to find new jobs in the industry where their increased skills and efficiency can enhance employer competitiveness.

Hours Worked: The aggregate outcome measure of weekly hours worked shows a very small (20-minute) difference between pre- and post-training employment trends. Looking at each program separately, however, we see that weekly hours worked actually increased for participants in the AND and Focus: HOPE sector programs (8 hours and 4 hours, respectively). Hours of work have decreased by 4 and 8 hours per week, respectively, for GIDC Super Sewers and PHI participants compared to pre-training data.

Although many more PHI participants are working after training than had worked before, each trainee is initially guaranteed only 28 hours of work per week due to the employment structure of CHCA. However, more recent program data provided by

CHCA indicates that home health aids averaged more than 34 hours of work per week at the end of 1999, showing that most aides have full-time jobs with the agency.

Table 3.5 Hours Worked per Week

Hours of Work	AND	FH	GIDC (SS only)	PHI	Average
Average hours per week in main job* during 12 months prior to training, among those who had jobs	32	34	36	36	34.5
Average hours per week in post-training job, for those with jobs	40	38	32	28	34.2

*A survey respondent's "main job" is the job that provided the bulk of the respondent's earnings during the 12 months prior to training.

It is too soon in the SEDLP study to record any changed patterns in weeks worked per year. In the next paper in this series, we will take time to examine any changes in this employment measure and to explore possible reasons for any changes observed.

Wages: Average aggregate hourly wages increased 13 percent, or $1.02 per hour, between pre- and post-training time periods. Unlike other outcome measures considered so far, all four programs' participants experienced positive increases in wage rates. The smallest wage increase was $0.60 per hour for PHI sample members, while AND trainees increased their wages by $1.53 per hour in post-training employment measures. One of the objectives of the second paper in this series is to assess changes in these earnings impacts over time for SEDLP participants.

Table 3.6 Hourly Wages

Wage Characteristics	AND	FH	GIDC (SS only)	PHI
Average hourly wage in post-training job	$10.05	$9.68	$8.39	$6.25
Average hourly wage in main job during 12 months prior to training	$8.52	$8.45	$7.67	$5.65
Differential	$1.53	$1.23	$0.72	$0.60
Percentage increase	18%	15%	9%	11%

Benefits: Table 3.7 on the next page presents data on four types of job-related benefits for participants who had obtained new jobs following completion of their sector training program. The benefits considered included medical insurance, paid vacation, paid sick leave and life insurance. Overall, post-training outcomes reported to date indicate that more SEDLP participants are working, and more are working in jobs with benefits, than was the case prior to training. Life insurance benefits are the exception to this finding; the percentage of jobs with life insurance fell in three programs. For AND and Focus: HOPE, the percentage of new jobs that provide benefits has risen greatly over pre-training conditions. Both of these programs provide training designed to give participants the skills they need to gain access to jobs in well-established manufacturing

professions. Detailed descriptions of these programs and all SEDLP programs are forthcoming in *The Sectoral Studies Series* of case studies by The Aspen Institute.

Table 3.7 Percentage of Program Participants with Employer-Provided Benefits

Benefits*		AND (%)	FH (%)	GIDC (SS only) (%)	PHI (%)
Medical Insurance					
	Pre-training	36	36	80	15
	Post-training	67	84	81	100
Paid Vacation					
	Pre-training	32	31	48	22
	Post-training	48	80	42	100
Paid Sick Leave					
	Pre-training	23	19	32	20
	Post-training	56	51	42	100
Life Insurance					
	Pre-training	13	24	24	5
	Post-training	10	21	4	100

**Pre-training numbers describe the benefits that were associated with a participant's main job in the12 months prior to training, if they held a job. They do not indicate that participants necessarily had a job or benefits at the point when they entered training. Post-training numbers relate to the characteristics of new jobs that participants hold after training completion.*

New GIDC jobs show very little gain in benefits over pre-training conditions. Table 3.7 shows that many GIDC participants did have benefits because they had held unionized jobs. But industry changes and factory closures have lead to layoffs. GIDC's sectoral workforce development strategy involves upgrading their trainees' sewing skills so that they can retain or win back union jobs.

Of all of the programs in SEDLP, the PHI program shows the most impressive gains in benefits. The explanation is embedded in the PHI sector strategy to work within the home healthcare industry to transform the nature and quality of an occupation and enable its workers to have jobs that offer self-sufficiency. The forthcoming case study of PHI/CHCA explains the structure and goals of the program in detail. What should be noted here is that in an industry and occupation where very few workers receive benefits, CHCA has made it possible for all their workers to have full benefits.

What becomes clear from looking at all of these post-training outcomes is that sector programs have two primary strategies. Both strategies involve working with participants to improve their skills. Beyond this, some programs work with an industry's employers to find ways of retaining jobs and improving access to good jobs. Other programs focus on improving the quality of the jobs that are available in an industry. The outcomes that are relevant to measuring the success of a program shift somewhat, depending on the sectoral strategy that is being pursued.

Conclusion

While the SEDLP and NJS samples are distinct in many respects, both samples include individuals who are clearly disadvantaged and face barriers to employment. Further, the SEDLP participant profile, while not exactly like that of the NJS sample participant profile, is nonetheless well within the profile of an individual who is typically served by a publicly funded training program. Indeed, many of the SEDLP programs are publicly funded, some with JTPA dollars.

The random experimental methodology employed by NJS is rigorous to a degree not replicated in SEDLP, but it is also a "black box" methodology that permits scant process analysis to provide insight into how and why certain JTPA programs generated the earnings and employment outcomes that they did. The SEDLP repeated-measurement reflexive-control methodology will generate self-referenced earnings and employment outcomes that have limited comparability to NJS. But SEDLP's design also has the advantage of being able to include analysis that identifies some key operational and organizational reasons that certain outcomes might occur. This type of information is critical to state- and local-level policy makers who are now responsible for implementing the Workforce Investment Act, and who are looking for promising approaches to employment and training for disadvantaged populations.

Early indicators show that a large percentage of the SEDLP sample participants have improved their economic status since participating in training. These improvements include a 13-percent hourly wage increase over pre-training wages, and a notable increase in the percentage of jobs that offer benefits such as health care and paid sick leave. It is expected that as the study continues and more data become available, it will be possible to see how these initial improvements and other outcome measures change over time.

The next report in this series will begin to more systematically analyze the interim findings of the SEDLP and NJS studies, using the SEDLP data on the experiences of participants 12 months after training, and the impacts on NJS participants 18 months after starting the study. In addition, this report will provide greater detail on the design features of sectoral employment development programs and, to the extent possible, information on the types of training offered through JTPA at the time of NJS. While SEDLP is not using the NJS sample population as the basis for a true comparison study, the similarities that exist between the populations make it appropriate to use the outcomes from NJS as a benchmark to assess the effectiveness of sectoral employment strategies. Reviewing the gross outcomes of SEDLP against the employment and earnings impacts from NJS should be illuminating in terms of implications for the design of publicly funded training programs.

The final report in this series will consider the outcomes seen among SEDLP participants 24 months after training in the context of the impacts on the NJS participants after 30 months. This last report will conclude the assessment of the two studies and will present views on the policy implications that this analysis offers.

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