

Citation

Heinrich, C., Mueser, P., Troske, K., & Benus, J. (2008). Workforce Investment Act non-experimental net impact evaluation final report. Columbia, MD: IMPAQ International, LLC.

Highlights

- The report's objective was to examine the effects of participation in the Workforce Investment Act (WIA) Adult and Dislocated Worker programs on average earnings and employment. Results for earnings of participants ages 22 to 26 were presented separately and are the focus of this review.
- The effectiveness of the programs was evaluated using a matched comparison group design. Outcomes were examined up to 10 quarters after WIA participants entered the Adult or Dislocated Worker programs.
- The study found that participants in the WIA Adult Program under age 26 earned significantly more than those in the comparison group every quarter after program entry. In the WIA Dislocated Worker program, participants under age 26 began earning significantly more than those in the comparison group a year following program entry.
- The quality of the causal evidence presented in this study is moderate. This means we have confidence that the effects estimated in this study are attributable at least in part to WIA programs. However, as in any nonexperimental study, other factors not accounted for in the analysis might have contributed to the estimated effects.

Features of the Workforce Investment Act Adult and Dislocated Worker Programs

Passed in 1998, the Workforce Investment Act introduced a one-stop service delivery system (now referred to as American Job Centers) to provide WIA services and other workforce services in the same location. WIA services can be categorized into three levels: (1) core services, which include outreach, job search and placement assistance, and labor market information; (2) intensive services, which include comprehensive assessments, development of individual employment plans, counseling, and career planning; and (3) training services, which include occupational and basic skills training. All WIA participants are eligible to receive core services. Once individuals receive core services, staff may recommend that they receive intensive services. Some participants may then receive training. The WIA Adult Program targets all adults, with priority to low-income adults where funds are limited. The WIA Dislocated Worker program targets individuals who have lost their jobs.

Features of the Study

The study used a matched comparison group design to examine the effects of WIA services on individuals who began participating in WIA in July 2003–June 2005 from 12 states (Connecticut, Indiana, Kentucky, Maryland, Missouri, Minnesota, Mississippi, Montana, New Mexico, Tennessee, Utah, and Wisconsin). The authors used an extensive list of control variables to match WIA participants to Unemployment Insurance (UI) claimants or individuals who registered with their state's labor exchange ("Employment Service [ES] participants"). The matching variables included calendar quarter of program entry (WIA, UI, or ES), gender, age, education, race/ethnicity, local labor market, employment history in

the two years before program entry, program participation history (WIA, UI, and ES), current and prior receipt of benefits through the Temporary Assistance for Needy Families program, and time since layoff when available.

The effects of the Adult and Disconnected Worker programs for individuals ages 22 to 26 were calculated separately as the average difference between the earnings of the WIA program participants and the matched comparison group up to 10 quarters after program entry. Effects were also estimated separately for females and males. The sample included about 30,000 females and 25,000 males who participated in the WIA Adult program, and about 6,000 females and 7,000 males who participated in the WIA Dislocated Worker program. In addition to estimating the overall effect of any WIA program participation, the authors compared the impacts of (1) WIA core/intensive participants to those of a comparison group and (2) WIA training participants to those of WIA core/intensive participants.

Findings

- In all quarters, female participants under age 26 in the WIA Adult Program earned about \$500 more per quarter than females in the comparison group. The difference in earnings was statistically significant in every quarter, up to 10 quarters after WIA entry. The estimated impact of the WIA Adult Program was smaller for male participants under age 26, leveling off at around \$400.¹
- In the WIA Dislocated Worker program, females and males under age 26 began earning significantly more than members of the comparison group after the first year following program entry. Ten quarters after program entry, female participants under age 26 in the Dislocated Worker Program earned about \$200 more than females in the comparison group, and male participants under age 26 earned about \$300 more than males in the comparison group.
- Quarterly impacts for employment (measured as having positive quarterly earnings) were not presented for this subgroup as a whole.

Considerations for Interpreting the Findings

The statistical matching procedure included an extensive list of variables, including employment history in the two years before program entry, to ensure that the WIA participants and their matched comparison group members were similar on observed characteristics. The authors provided ample evidence that the matching procedure did result in comparable groups. However, as with any nonexperimental design, it is possible that unobservable factors, such as individual motivation, might have contributed to the estimated effects.

Causal Evidence Rating

The quality of the causal evidence presented in this study is moderate. This means we have confidence that the effects estimated in this study are attributable at least in part to WIA Adult and Dislocated Worker programs. However, other factors not accounted for in the study might have contributed to the estimated effects.

¹ The study findings are presented graphically, so the exact point estimates/standard errors are unknown.