

***A NET IMPACT ANALYSIS
OF ADULT,
JOB-SPECIFIC TRAINING PROGRAMS
FUNDED BY THE OHIO
DEPARTMENT OF EDUCATION***

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EXECUTIVE SUMMARY

The Ohio Department of Education (ODOE) funds a variety of job-specific skill training programs for adults throughout the state. These programs are conducted in public secondary or adult education facilities and share resources and equipment with those activities. The job-specific training programs are short-term in nature (6-9 months) and typically lead to a vocational certificate or occupational license. The curricula are typically very focused. Examples of the types of programs offered are licensed practical nursing, word processing, auto technician, electrical equipment repair, food service, and cosmetology.

The individuals who participate in these programs are typically planning to enter a new occupation, but a sizable share of the participants are upgrading their skills for advancement within their current job. They typically have little postsecondary education and typically have an insecure attachment to the labor force or they are in jobs with little opportunity for advancement. The participants are often in a position where they cannot afford to pursue an education for an extended period of time. They want short-term, intensive training that will lead to a job. In addition to funding training that meets these needs, a key objective of the Ohio Department of Education is to facilitate training for adults pursuing occupations that are nontraditional for their sex.

Like most other states, Ohio is feeling fiscal pressures. State programs need to examine their effectiveness in order to justify claims on scarce resources. Thus, the State's funding of adult, job-specific training needs to be examined. Furthermore, adult, job-specific programs often operate in close proximity to community or technical colleges and often share facilities with secondary education. A legitimate question that the State might want to have answered then, as it examines programmatic effectiveness, is to what extent is there overlap or duplication in the system. Finally, given that a major goal is to facilitate the occupational pursuits of nontraditional students, another interest of the State is in the success of such programs.

It is from these perspectives that the Ohio Department of Education contracted with the W.E. Upjohn Institute to conduct a net impact analysis of full-time adult, job-specific training programs. The specific outcomes of interest to the Department were labor market characteristics, such as labor force participation, spells of employment and unemployment, current

employment status, wage rates, and occupational advancement. The net impact analysis was to be undertaken separately for all participants and for the nontraditional students. Labor market outcomes were to be the main focus of examination because the State's main objective in funding adult, job-specific programs is to provide training that will provide skills that have labor market payoffs.

The purpose of the net impact analysis, which was the primary focus of the overall study, was to assess program effectiveness. However, because the State was interested in questions of programmatic duplication or gaps, Upjohn Institute staff supplemented the net impact analysis with a profile study of the adult, job-specific training system in Ohio. In this task, we reviewed, in a cursory fashion, all of the institutions offering formal postsecondary job-specific training programs in Ohio in order to understand the objective and operations of each type of system and the interconnection between the institutions and programs.

At least three systems of programs operate in the state. For shorthand purposes, we characterize them as (1) associate degree programs at institutions administered by the Board of Regents, (2) certificate programs administered by the Department of Education, and (3) proprietary institutions. Each of these systems has a different philosophical base, different mission, different instructional and curricular approaches, and different clientele. The primary intent of the profile study was to document the strengths and weaknesses of these systems and to identify areas of overlap and duplication or areas of unmet needs.

The overall findings from the combined net impact analysis and profile study suggests that a substantial number of individuals who reach their late 20's or early 30's find themselves in quite tenuous straits in the labor market with few saleable skills. These individuals did not successfully traverse the school-to-work transition or they dropped out of the force for marriage, family, or other reasons, but now need to find "good" jobs. The United States has established a number of "second chance" programs—JTPA, AFDC and JOBS, Pell grants, and so forth—but still, the individuals we are referring to may not be eligible for these programs or they may have attempted 2- or 4-year college or other formal training program and not been successful. Adult education and, in particular, adult job-specific training may be a "last chance" program for them. The typical participant is thus in their 30's and desires quick results. They want to be trained for an occupation that is in demand and they want to be placed as soon as possible.

To meet the needs of this type of client, the role of the ODOE-funded programs must be to provide solid, accessible training in occupations that are in demand. The programs need not be on the cutting edge of educational change nor highly theoretical or technically complex. They need to be delivering practical skills that employers value. Indeed, the ODOE-funded programs seem to be meeting the needs of their clientele. Instructors are reported to be dedicated and interested in their students. Instructions is hands-on, practical, and appropriately geared. Programs are completed in less than a year. Program completers, for the most part, are finding jobs.

The sample survey that was undertaken as part of the net impact analysis found that program participants could be characterized as follows:

- approximately twice as many women participate in adult, job-specific training as men
- the average age of participants is around 35 and the proportion of participants who are of minority ethnicity is in very close proportion to the State's population
- about half of the participants are married; however, family incomes of participants tend to be well below average
- the majority of participants (around 60 percent) pursued the general curriculum in high school
- about 80 percent of participants are high school graduates; and a large share (about three quarters) of individuals who do not have their high school diplomas have earned a GED

Participants surveyed as part of this study were quite satisfied with the adult, job-specific training program that they had pursued:

- almost 80 percent of the participants had completed their programs
- over half of the participants assigned an "A" when asked to grade the overall quality of the program; less than one percent gave a failing grade

The overwhelmingly most-often mentioned program characteristics among the three best things about the program was instructors.

What were the outcomes for training program participants?

- over 80 percent of participants were in the labor force at the time of the survey; about three-quarters were employed and about 9 percent were unemployed
- individuals who were employed were earning, on average, about \$9.00/hour
- about three-quarters of nontraditional students were participating in the labor force; around 62 percent were employed and 11 percent were unemployed
- among the nontraditional students who were employed, the average hourly wage was \$8.30/hour.

Substantial benefits accrue to employers who hire program participants in the form of reduced training times for individual who become employed in jobs related to their training:

- about 60 percent of employed participants (just under 50 percent of nontraditional students who were employed) reported that their employment is related to their training
- almost 80 percent of these individuals suggested that their training shortened the time it took to become fully trained in their jobs.

Another substantial benefit of the adult, job-specific training program that accrues to society as a whole is reduction in public assistance rolls. This study suggests that training may have led to an 8 percentage point decline (approximately a 30 percent reduction) in the proportion of participants who receive public assistance.

When considering the labor market outcomes of program participants, it is important to judge them against an appropriate benchmark. The rate of employment and wages of participants might be judged as rather modest when compared to the entire U.S. labor force. However, it is inappropriate to make this comparison because program participants are educationally and economically disadvantaged relative to the population as a whole. The net impact analysis conducted for this study, on the other hand, compares participants' labor market outcomes to those for a group of individuals who are most comparable. The results of this comparison suggests the following:

- the employment rate of male participants of almost 80 percent exceeds a comparable group of males, who did not participate in adult, job-specific programs, by over 7 percentage points

- the unemployment rate of males also exceeds the comparison group—13 percent to 11 percent
- thus the net impact of adult, job-specific programs is to increase their labor force participants rate by over 10 percentage points
- the average current hourly wage for male participants who are employed is \$9.15 compared to \$10.43 for the comparison sample¹
- for women training program participants, the current employment and unemployment rates (and thus the labor force participation rate) are virtually identical to the rates for the comparison group
- the average current hourly wage for women participants who are employed is \$8.46 as compared to \$8.07 for the comparison sample.²

The ODOE-funded adult, job-specific training programs result in higher force participation for men and higher wages for women. Apparently, these programs are encouraging entrance into the labor force of men who would otherwise not be in the labor force. A side effect of this result is that the wages of the employed men who participated in programs lag behind the wages of men who did not participate, but who are employed. Women’s labor force participation seems to be unaffected by training; however, the wage of employed women who participated in adult vocational education are higher than their comparison counterparts. This occurs despite the fact that the women in the comparison group have more job experience, on average.

In terms of the training delivery system, it appears though the ODOE-funded programs have excellent instructors. This was a message that came through “loud and clear” in the profile study and the net impact survey. Furthermore, the profile suggested that program overlap or duplication is not a problem. Where overlap may exist, there is sufficient labor market demand for multiple programs, there are differentials in program content, or there is programmatic choice that will benefit participants.

Most district supervisors of adult education felt that their institutions were flexible enough to close any gaps that may arise in terms of program needs. However, anecdotes from employers

¹Much of this difference may be explained by a difference in months on the job. The average duration in their current job for male participants was 47.7 months, whereas it was 79.2 months for the comparison sample of men.

²This wage advantage “overcomes” a job duration disadvantage; the average number of

and other knowledgeable persons suggested that there may be programmatic gaps in the following areas:

- computer equipment repair
- health-related technician training
- basic skills remediation

Of course, the later is not a direct responsibility of adult, job-specific training programs.

The interviews that were conducted as part of the profile study suggested that the most substantial problem facing the ODOE-funded programs is keeping up with technology and acquiring equipment. Program directors, outside agency administrators, and employers all recognize this problem. Another important priority for ODOE-funded programs is to strengthen links with business and industry. For example, one respondent complained that a lot of advisory committee meetings are nothing more than “window-dressing.” Employers want to be asked for advice and they want to be listened to. Training programs and participants would probably benefit more from more extensive employer involvement that would the employers. Therefore it should ne up to the training directors to actively solicit employer involvement.

Finally, some respondents to the profile study interviews felt that the ODOE should consider new ways to improve placement support for training program participants. After all, most of the students are participating in the programs for employment-related reasons. A finding from the net impact analysis that supports this opinion is that the percentage of training participants who report that their current job is related to their training is modest, at best. Besides enhancement of student placement, another benefit to job development and follow-up with employers would be that it would promote employer interaction.

The bottom line is that ODOE-funded adult, job-specific training programs are serving a unique population in a way that is accessible and of quality. This population is unlikely to be comfortable with other types of institutions. The labor market outcomes for participants are modest relative to the entire population, but are positive relative to an appropriate comparison group. The programs seem to be impacting in a positive way the labor force participation of men and wages earned by women. The cursory review of the system undertaken as part of the profile study suggests that program duplication is not a problem and that there are few, if any, gaps in

program offerings. District supervisors and other knowledgeable parties interviewed as part of the profile study felt that the system's biggest concerns are keeping up with technology, improving linkages with employers, and facilitating the placement of participants.