



# **Workforce Investment Act Non-Experimental Net Impact Evaluation**

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# The Workforce Investment Act

## 1998 Workforce Investment Act (WIA)

- Current annual budget: \$3 billion
- Implemented in 2000 in most states, replacing the Job Training Partnership Act (JTPA)
- Impact Estimates for primary programs serving adults:
  - Adult Program – providing job search services and job training for disadvantaged workers
  - Dislocated Worker (DW) Program – providing retraining and reemployment services for workers losing their jobs
- Using state administrative data for 12 states
  - Connecticut, Indiana, Kentucky, Maryland, Mississippi, Missouri, Minnesota, Montana, New Mexico, Tennessee, Utah, Wisconsin

# Methods: Propensity Score Matching

Outcome: Earnings & employment 16 qtrs

Control variables:

- Calendar quarter of program entry
- Demographics: gender (exact match), age, education, race/ethnicity
- Disability, veteran
- Local labor market
- Employment and earnings over the two years prior to program entry
- Industry of most recent job
- Prior program participation (WIA, UI, ES)

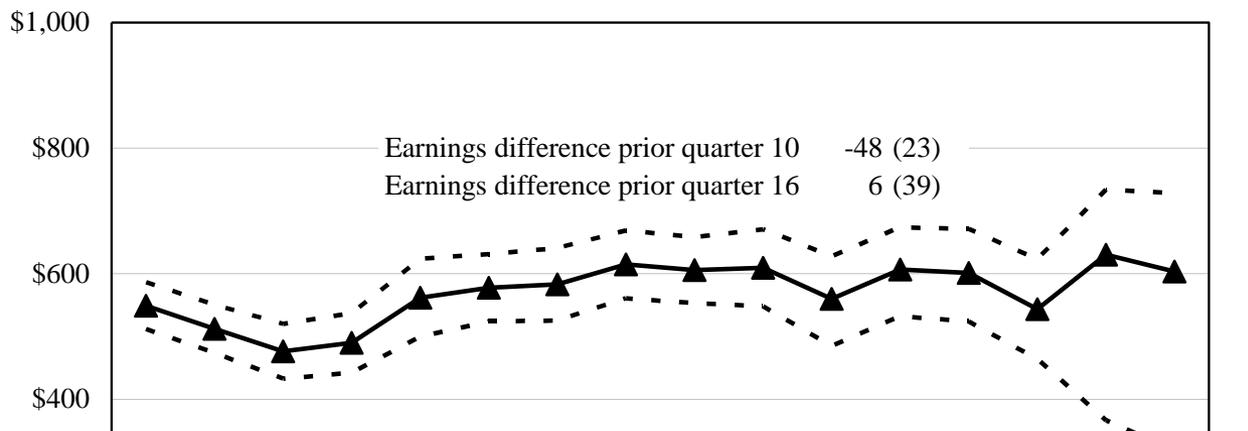
# Comparisons

- WIA participants entering in
  - PY2003 (July 2003-June 2004)
  - PY2004 (July 2004-June 2005)
- Comparison group
  - Program contact in quarter of entry
    - UI claim data
    - Employment Service (ES) Wagner-Peyser
    - WIA participants entering and who did not receive training services (training impact)

# Impact Estimates: Adult Program

## All Services

Figure V.1 Program Treatment Effect on Quarterly Earnings, Adult WIA versus Comparison Group :  
Females



**Quarterly earnings increase by \$600  
in 16 quarters after program entry**

**(Mean quarterly earnings are \$2000-  
\$4000)**

**Similar for males: Quarterly  
earnings increase by \$400**

**All  
Services**

**Earnings**

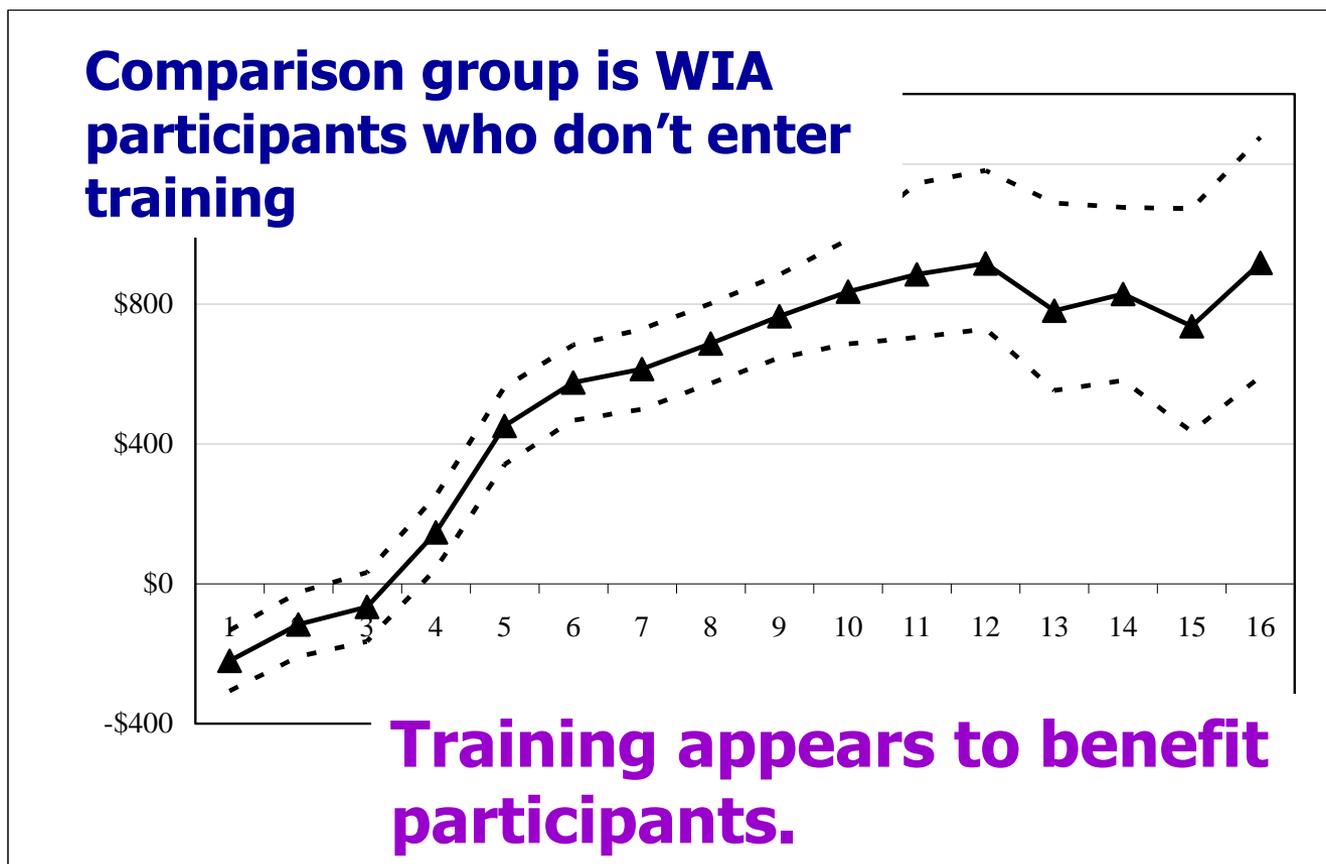
**Females**

# Specification Test

- Specification test: Is comparison group really comparable?
  - Concern: WIA chooses “high quality” participants
  - Check earnings 4 years before program entry
  - Test result: WIA participants show no evidence that they are advantaged
    - Stable differences do not explain higher post-program earnings

# Impact Estimates: Adult Program Training

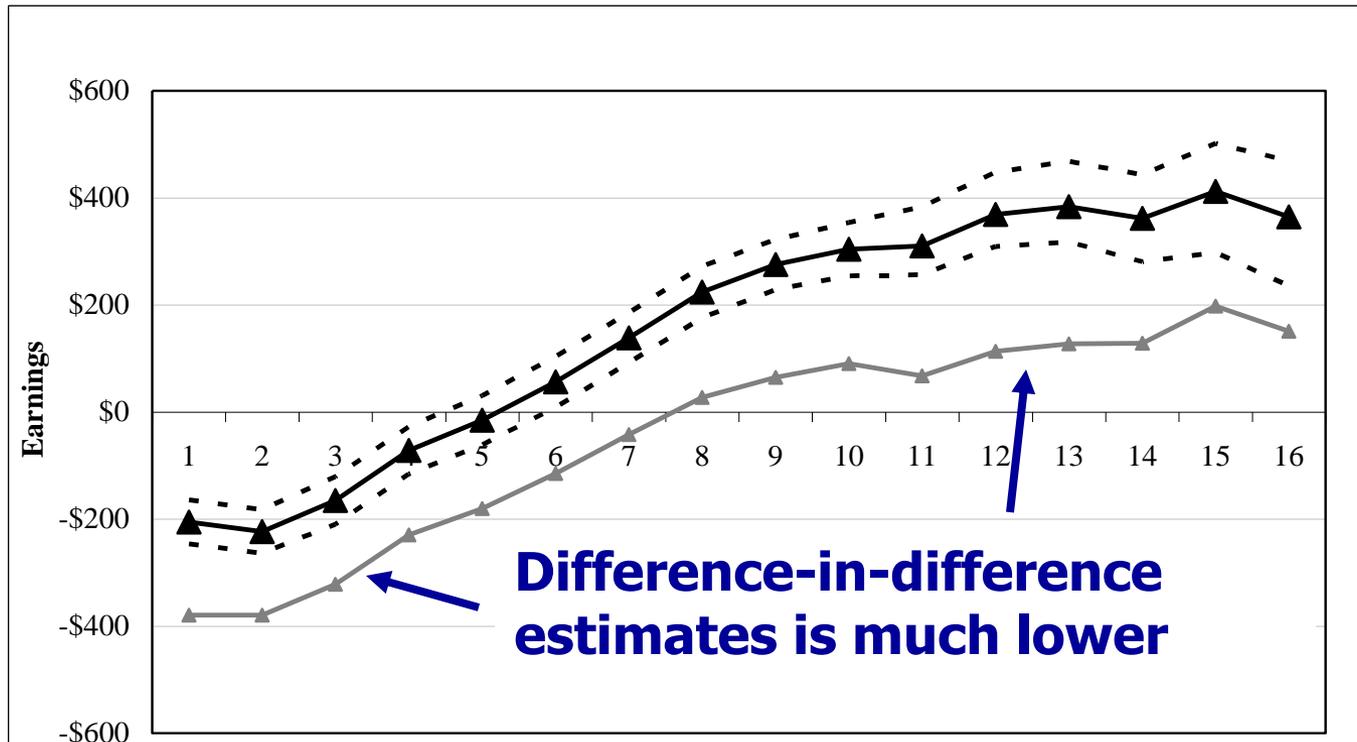
Figure V.15 Program Treatment Effect on Quarterly Earnings, Adult WIA Training versus Comparison Group : Females



**Training**  
**Earnings**  
**Females**

# Impact Estimates: Dislocated Worker Program All Services

Figure VI.1 Program Treatment Effect on Quarterly Earnings, Dislocated Worker WIA versus Comparison Group : Females



All Services

Earnings

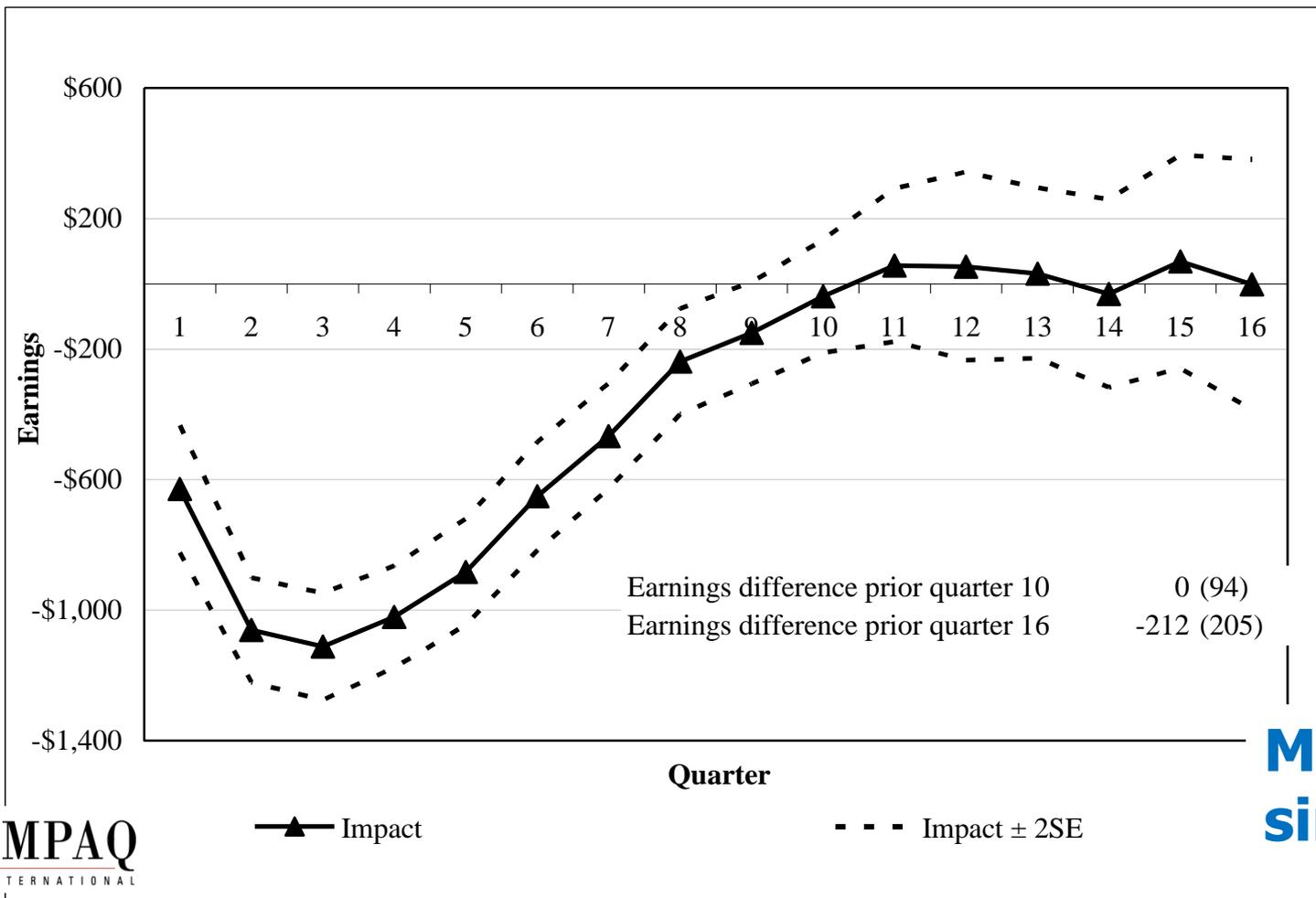
Females

Males similar

WIA entrants are *advantaged* relative to the comparison group: Causal impact is uncertain

# Impact Estimates: Dislocated Worker Program Training

Figure VI.13 Program Treatment Effect on Quarterly Earnings, Dislocated Worker WIA Training versus Comparison Group : Females



**Training**  
**Earnings**  
**Females**

**Males**  
**similar**

# Conclusion

- Adult Program
  - There are probably long-term positive impacts of the WIA program
    - Training is valuable
- Dislocated Worker Program
  - Selection on stable unobserved factors may induce positive bias in impact estimates
  - Evidence for long-term impact is less clear