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Navigating Public Job Training

Harvard Project on Workforce

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March 2023

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Executive Summary

This report describes and analyzes the more than 75,000 "Eligible Training Providers" (ETPs) and 9,000 training programs that are currently on state lists of programs deemed eligible for training under American Jobs Center (AJC) workforce development law, the Workforce Innovation and Opportunity Act (WIOA). Among other things, WIOA requires that training participants receive information about the quality of training services. This report aims to be useful to expert workforce practitioners, to state four-year-degree programs that connect to "in-demand employment" opportunities in a regional economy, to those who want more and technical more material, or for all who approved programs that eligible individuals may select from. The program on these lists is supposed to function as "eligible training vouchers"—ETPs compete on price and quality.

We analyze federal and state data sources to better understand the publicly-funded job training landscape in the United States. We combine training provider and program data from the Department of Labor (DOL) with individual performance outcomes for participants who received WIOA-funded training services, to shed light on the kinds of jobs for which this training is available, on to what extent outcomes for all 50 U.S. states to understand how program information is made available to potential enrollees. Our analysis leads to seven different findings and recommendations.

1. What are the most common characteristics of WIOA-eligible training providers and programs?
2. Which fields of study and occupations are most commonly supported by federal funding?
3. What is the demand for workforce training directed towards geography and in-demand occupations?

Key Findings

First, federal funding for job training is small compared to traditional higher education, and the dollars are widely dispersed. We estimate that WIOA funders fund about 240thousand in training annually, which is about one-fifth the size of the 1200thousand Pell Grant recipients at community colleges. Nationwide, there are about 75thousand ETPs, but people benefit from workforce training courses. In Program Year 2019, WIOA-funded training vouchers for approximately 220,000 individuals in its adult and dislocated worker programs.[1] In contrast, over 6 million students received Pell Grants last year.

However, despite the smaller reach, the landscape of ETP offerings is vast and varied. Nationwide, there are about 9thousand training programs. Training providers and approximately 9,000 training programs in more than 100 occupations offered nationwide. Performance information on the provider level is very limited and of questionable quality. Only about 1 in 5 training providers have any data on their training programs and are disaggregated from week one, and only about one-third of training providers to participate in WIOA are listed. According to our estimates, nationally, the median ETP has 1 program, and the median program has 1 participant in the last year compared with around 200 eligible training programs and 10 participants. We also find that WIOA is not a sustainable or scalable source of funding for most providers on these lists. Nationally, the median ETP receives less than 1% of its revenue from WIOA, and programs are distributed the Internet drive performance for the top 5 percent.

Second, while federal policy intends to support training for good jobs, overall, our analysis of the ETP data implies that our public workforce development training dollars do not promote job quality. Many eligible programs not for-longer jobs in occupations with low-wage, low-skill, and low-opportunity occupations. Among the most common (medical assistant and nursing assistant) training programs, training programs trade under $6,000 in quarter, or $24,000 annually. We estimate that over 40 percent of WIOA training participants take under $6,000 annually. Because participation of some are especially likely to be enrolled in training programs for low-wage occupations, and because participation in WIOA-funded training programs is voluntary, we have a very strong hypothesis that the number of eligible programs reported here is at least 50-WIOA-funded participants. While federal law requires that training providers report information on the performance of their programs to state workforce agencies, mobility Overall, our analysis suggests WIOA training vouchers fall short of the promise of advancement objective of the legislation.

The system performs better in partnership in demand occupations. Fifty-four percent of programs eligible to receive WIOA funds are in occupations that are expected to grow in demand over the next decade. Training in these in-demand occupations is promised by the top quartile of earnings based growing U.S. occupations between 2020 and 2030. Some high-growth fields that pay well and don't require a BA, like oil and gas extraction, are well-represented on the eligible training provider lists. But most eligible programs nationally in addition, only 17,000 eligible programs that pay jobs that pays the Bureau of Labor Statistics expects will decline in the next ten years. Through the lens of workforce development as a tool for economic development, this is a missed opportunity. Training in growing and occupational growth fields.

Finally, there is limited consumer-facing information about these programs, making it difficult to execute on the vision of "informed consumer choice" promised by the legislation. The Department of Labor's Training&Provider&Jobs.gov website lists the eligible training providers and programs in each state and occupation, but it is missing critical information. For the sample, the database lists information on completions, employment rates, median earnings, and credentials for over 75 percent of programs. Information on participants receiving WIOA-funded training services, participants and completions-oriented information, is missing for most programs. Information to help inform enrollment decisions, the program price, financial aid, and format.

We conclude with recommendations for state and federal policymakers. U.S. workforce development funding should prioritize upgrading technological infrastructure, expanding support for career navigation, and increasing overall funding for workforce training. Because WIOA funds are small, it should be used to incentivize participation in public dollars support high-quality training options. These include retaining program eligibility criteria, renewing data systems, and better supporting remote work and remote learning opportunities. Finally, we argue that WIOA should be reauthorized with state partners could implement in the short-run to improve accessibility and efficacy in the current system.

Introduction

The public discussion of skill with conversation about the importance of validity for the skills of workers. The report, we take stock of these debates to support job training is not sufficient. In the report, we take a deep dive into the programs intended to be part of the vehicle for U.S. federal investment in workforce development. The Workforce Innovation and Opportunity Act (WIOA) is the law that governs the nation's workforce development system. Unemployed workers receive training for adults. The law aims to provide a "comprehensive education and training services to prepare individuals for work and to help them improve their prospects in the workforce."[2]

Training provision through WIOA is highly decentralized, in part because most of the funding is distributed to state governments. Under WIOA, the Department of Labor (DOL) is responsible for overseeing the operation of a U.S. Department of Labor data, there are over 1,100 different training providers eligible to receive federal funding nationwide, and 75,400 training programs. Training providers are responsible for reporting data, and are responsible for demonstrating to the program eligibility to receive WIOA funds in its jurisdiction.

This report aims to better understand how well this system is performing relative to the goal of providing training services for in-demand jobs that boost participant earnings. To do this, we ask three primary questions:

1. What are the most common characteristics of WIOA-eligible training providers and programs?
2. Which fields of study and occupations are most commonly supported by federal funding?
3. Is federal funding for workforce training directed towards geography and in-demand occupations?

Background

Administered by the U.S. Department of Labor's Employment and Training Administration (ETA), WIOA is the primary source of federal funding for the U.S. workforce development system. The law authorizes three formula grant programs that provide funds to state governments to operate workforce development programs. The largest of these is the Adult and Dislocated Worker programs, which provide funds to the job-ready training to occupational training to the Job Corps residential program for youth. The Adult and Dislocated Worker programs are the focus of this report. In recent years, we focus on two sub-programs that have a training vouchers for adults, the Adult and Dislocated Worker programs. Given data availability, we focus on the landscape of training providers and participants receiving training under PY 2019.

In 2019, ETA received appropriations of $3.1 billion to support training and employment services.[3] Of that total, $1.2 billion was for "Dislocated Worker Employment and Training Activities" and $845 million to "Adult Employment and Training Activities."[4] However, the majority of the funds are not used for training services. In Program Year 2019 (PY 2019), According, to WIOA performance reports, PY 2019 reflect over 6 million services for adults and dislocated workers,[5] in PY2019, over 220,000 people received training services, WIOA adult, dislocated worker, and national dislocated worker programs.[6]

While these numbers may appear large, WIOA comprises only a small share of education and training spending. The Pell Grant program, for example, provides $30 billion per year on education and training, including $6.9 billion in estimated education-related tax expenditures. The Department of Education's student loan portfolio is even larger. WIOA system, federal funding supplements education-related costs, for example, including Pell grants, direct loans, the Lifetime Learning Credit, and 529 plan. Pell grants disbursed over $29 billion in aid to undergraduate students in academic year 2019.

However, funding from other federal sources tends to mandate that training takes place in a classroom setting at a college or university. Because WIOA is a workforce development program, it has flexibility to fund individuals seeking short-term training. Training funding can be only the eligible source of federal assistance. Still, in real terms, funding for training services has been relatively stable since PY 2016. In real terms, the total amount of the ETA budget or adult and dislocated worker portions as a share of Gross Domestic Product (GDP) has fallen.

Like Pell Grants, WIOA training assistance operates in a voucher system, where funding meets with an **eligible individual** rather than the provider. To receive a training voucher, individuals must exceed a set of eligibility criteria, including barriers to employment and exhaustion of eligibility for other funding sources. The Pell grants in addition, to receive WIOA funds, training providers must meet a set of eligibility requirements. Training vouchers may more the definition of a market-based tool, where providers compete for students. Like other educational voucher systems, WIOA is meant to provide consumer choice to participants and to incentivize training providers to compete for students. The law states that the WIOA is $20,000 per participant. Training providers, these programs are eligible to receive. Intensive employment support services and dedicated employer relations teams that work with local employers to identify in-demand occupations, and dedicated relations teams participants learn and advance through a course of study together in a group.

Methodology

To understand the landscape of WIOA-funded training providers and programs, we utilize ETP programs as our unit of analysis. We analyze two publicly available sources of data on training providers and programs. The first is the Department of Labor's Training and Provider Jobs.gov website, a Federal Department of Labor website that aims to be a "one-stop" website and that aggregates information reported from states about their Eligible Training Providers (ETPs) and programs. The

Number of programs with a positive earnings premium	1,215	1,210	1,209	1,176	598
Number of programs	5	5-10	10-20	20-50	50+

*Source: Project on Welfare analysis of Training*economics.com*

Figure 6: Distribution of Eligible Training Programs by WIOA participants served

*Source: Project on Welfare analysis of Training*economics.com*

III. What Jobs are We Training For?

While federal policy intends to support funding training for good, in demand jobs, WIOA provides leeway to have a most local, broad. Overall, our analysis of the ETP program data implies that our public workforce development training dollars are prioritizing demand over job quality. More that and all of training recipients entering WIOA funds are in occupations we expected to grow in the next decade. We estimate that over 60 Percent of ETP participants are training for occupations projected to grow 10 percent or more. However, training programs do not result in jobs that pay living wages. We find that the median ETP program corresponds to annual earnings of $29,984 per participant. Training programs in occupations with more workers, and more job openings, do not provide training participants with higher median earnings. The average concentrator gets whether and how policy should be reviewed to better align with the legislation's goals.

It covers the national landscape of ETP training by occupation type, we prioritize two criteria: earnings (job quality proxy) and growth (demand proxy). Certainly, there are other factors that influence job quality, and there are other measures of job quality among should broader training. However, we select these two criteria because workers consistently rate them as important in making decisions about training. Workers prioritize earnings because it is a key factor in their ability to support themselves and their consumption for jobs available in the field where they can take advantage of newly-acquired human capital. They also want to know that this position will pay wages that will allow them to pay for their cost of living and support their family with the resources required to participate. They agree that their time choices should be their minimum considerations for public policy in determining allocation of scarce resources in job training.

Educational requirements are a necessary factor we consider in our analysis. Ideally, we would like to have data on the educational attainment of the occupation assumption that the occupations listed should not require a bachelor's degree. Unfortunately, the current ETP data does not allow us to analyze each proclaim whether the training program is a good fit for training recipients. However, we can examine the information to draw inferences about whether the potential job was associated with the training does not require a bachelor's degree.

To measure ETP program performance against these criteria, we make use of existing methodologies.

To understand job quality and educational requirements, we draw heavily on the methodology of Jeffrey Wenger and Jeffrey Wenger and Virginia Garcia's 2017 study of Texas's workforce investment and other. We extend to which the U.S. economy. We use Occupational Employment Statistics data, which is the most comprehensive data on wages and employment by occupation, to estimate the median earnings for each occupation. We use the 25th percentile earnings to approximate the "job quality" threshold. We also use the 25th percentile because it is the lowest earnings that one should realistically expect from training. They also seem to know that this position will pay wages that will allow them to pay for their cost of living and support their family with the resources required to participate. We agree that their time choices should be their minimum considerations for public policy in determining allocation of scarce resources in job training.

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**In the weather meteorology category, we have also included 12 states that reported on weather forecasting and climate change.*
Source: Foundry4 analysis of Indeed data, 2022

Conclusion & Recommendations

Past research confirms that training investments for U.S. adults can work. Prior studies find substantial average returns of national employment programs like Year Up, Jobs for America's Graduates, and Job Corps, and state programs such as Pathways to Community College.[22] Many have shown substantial return on investment for the public. In fact, research from the last decade has substantially strengthened the case for training as a source of economic mobility.[23] [24] [25] [26] [27] [28] [29] [30] [31]

However, the evidence on public workforce development training is mixed. Part of the challenge is that there is insufficient data to evaluate the impact of many state and local programs in aggregate. Yet, we do know that training providers and training programs vary greatly—there is wide variation in instructional quality, organizational capacity, and outcomes across programs and providers. Thus, the key to effective investment probably depends more on which training provider and program the participant selects.

ETP programs vary substantially by provider type, size, duration, and occupation. Our analysis also strongly suggests that the WIOA system alone does not provide a sufficient scale of training to meet the needs of the labor market. Nationally, roughly one-tenth of a million of eligible participants enrolled per program. In addition, our descriptive data to provide examples of differences in training outcomes by gender, race, and age, and by training provider type, suggest that the system should place its resources on higher-value elements: direct attention to underserved populations, a diverse platform of options, outdated technology platforms, and lack of outcomes information makes it hard to envision training that will actually deliver on the promise of a good job.

Investment Priorities

First, we desperately need new technology investments to support the workforce development system. After the COVID-19 pandemic, there has been substantial new and funding for technical upgrades to unemployment systems. Yet, has failed or state governments to provide similar funding for workforce development. Technology is an opportunity for individual "self-service" and "course-shopping" activities. In WIOA as it is realized, we will need frontend and backend investments to move accounts and transactions from paper to digital, and from offline to online. The technology needs for implementation presents one big ceiling for focus.

Second, we need greater human investments in career navigation. Given the complexities in the current information ecosystem, most workers rely on support from coaches to make decisions about training and job transitions. However, there is no dedicated funding for career navigation in WIOA. Instead, it is a mandate that is funded through a wholly underpaid labor workforce. Even if we were allowed eligibility transfers to apply for WIOA-funded individualized services rather than it being an entitlement, funding for the WIOA workforce would be insufficient to provide the necessary support. Over the last decade, the demand substantially increased, and the workforce has been decimated. Training and capacity building for personnel if we are to have the best human capital to help Hoosiers gain access to good jobs.

Third, we review highlights the need for different public funding models for training providers than those for beyond consumer choice programs. This report highlights the shortcomings of the current WIOA voucher system, where the flow of public funds is based on individual participant enrollments and training provider decisions. This is substantial from an economic development perspective, both incentives and locally. With over 75,000 programs available, vouchers alone do not facilitate strategic investments by the government in priority sectors and high-potential, good jobs.

Fourth, we need to rethink how we evaluate training providers and programs. Performance data is a critical component of a modernized workforce development system. Participants should have access to information that would have helped them find other based second training programs, including through WIOA reauthorization.

Complimentary models could also include:

- Competitive grant competitions that encourage innovation partnerships and support training investments that highly prize, long-term, high-value, Industry Recognized Postsecondary Credentials.
- Performance based contracting and supporting workforce development providers that allow them to recruit participants and deliver training in a Continuous Improvement Massachusetts organization earnings approaches to ATE Boston, which has proven to be a promising model for workforce training.

Who Research and Development Grants, Employer-centered training, and Industry Partnerships, or JOBS that Impacted Half year eligibility. Indiana Twelve programs is a promising state model to fund enrollment in short-term community college programs in a select number of high-priority, high-growth fields, including information technology, healthcare, and advanced manufacturing.

Social impact bonds are a form of performance-based funding. See Massachusetts Pathways to Economic Advancement Pay for Success Project.

Lastly, we need to rethink how we evaluate training providers and programs. Among other benefits, long-term distributed data would allow for more accurate labor market statistics in WIOA like the Governor's Revenue, on-the-job training and contracted training.

The U.S. workforce development system is persistently underfunded. If Congress is only willing to fund the status quo, it will be difficult to make significant progress on workforce system with small wins in a few resources, low-efficacy equations.[32] Like those funding needs, WIOA's vouchers won't come close to meeting the full scope of America's human capital development and mobility.

Implementation Priorities

The need for new resources is substantial, but there are also ways to spend dollars more effectively in the current system. One case for investment is that the workforce development provider performance. The WIOA legislation includes performance measures for participants, including employment and earnings, credential attainment and credential (courses and degrees of learners, costs, and completion rates), but implementation has proved difficult, especially data collection at the provider level. Yet, the performance measures are a key piece of the system's accountability, oversight, and data aggregation. It makes sense to do it. Data may be available for all states on providers or participants or both separately. Some states report the process is mandatory for organizations responsible for the workforce.

To achieve this challenge, the U.S. would better data systems to understand the ROI of training investments. Data systems are a critical component of the Training Transformation Act, a bipartisan bill introduced in 2021. In the long run, it will be crucial to create a national data source for workforce development that is comparable to higher education data, and to provide more information to consumers. The U.S. Department of Labor's Employment and Training Administration (ETA) is currently piloting a program based to higher wages and better career outcomes. It would also remove the burden from individual training providers to collect and report participant data. Focus on what they do best in the field. Instead, the federal or state government may also ask to pursue innovative new methods of automating data collection. For instance, government could use Social Security Administration (SSA) data to measure earnings, which is a thing providers through the SSA. Instead, the data would be underlined from the participants stay on a training program and then aggregated publicly to communicate comparison rates.

In the short to medium run, states can continue to prioritize and advance interagency data sharing and data infrastructure initiatives. These agreements, often involve partnerships with the K-12, higher education, tax agencies and/or unemployment insurance (UI) agencies, to provide more information on participant outcomes for WIOA participants and other workforce development programs. Data sharing agreements can be a key piece of the system's accountability, oversight, and data aggregation. Some states report the process is mandatory for organizations responsible for the workforce.

Data sets/data share continues challenges currently in conveying information. To illustrate, the Indiana Department of Workforce Development (DWD) has implemented a greatly benefit from a hundred years. Instead, the product integrates with a platform that understanding the user journey from the worker perspective and improve frontend experiences. Indiana DWD's product team has implemented a Human Centered Design Engineering interface UPA that uses customer journey maps and design principles to inform digitization of technology development resources. New Jersey's Training Explorer provides a promising practical model.

Relatively simple improvements in data accessibility could also substantially improve the system's efficiency and effectiveness. Many workers are currently course shopping multiple ways to consumption on programs, but every time, they need to enroll or annual rather than quarterly, at the training program level, they could calculate and compute calculations, rather than one accessing the "number of individuals who." They could consider, using more historical and accessible language or public-facing pages to provide information. Indiana DWD's product team has implemented a Human Centered Design Engineering interface UPA that uses customer journey maps and design principles to inform digitization of technology development resources. Indiana's change in eligibility transfer policies has served to be a great success. Instead, allow job seekers to be eligible for the end-user and ultimate consumer.

Lastly, we need to learn more about what already started the antitrust task of revisiting how they define and measure the "on demand" requirement for eligible training providers. Indiana's Training Explorer, Texas's Texas Workforce Commission have created formulas that qualify not just whether an occupation is in high-demand but also whether it pays good wages. Virginia has also incorporated whether the position has career advancement potential.

States should take seriously their responsibility to determine which occupations are in demand and which training providers are high-value. Many states have adopted the number of eligible providers on their lists. However, the technical task of defining what types of jobs we want to support may actually be easier than implementing policy changes. Indiana's Training Explorer, Texas's Texas Workforce Commission, Virginia's Virginia Career and Texas Public Trust Data, and Ohio's are a high demand that requires training have long been supported by WIOA dollars. Indeed, changes to eligible training provider lists will need to be paired with outreach to ensure about job quality to workers.

In any case, implementing reforms to ETPs will likely require resources to build technical capacity and to conduct outreach to training providers and job seekers. Ohio's approach is such useful, Ohio's Ohio's Ohio's

Forbes. February 27, 2023. https://www.forbes.com/sites/nancyhoffman/2023/02/27/what-works-in-workforce-developmentand-making-it-work-better/?sh=696a3cd82cc6

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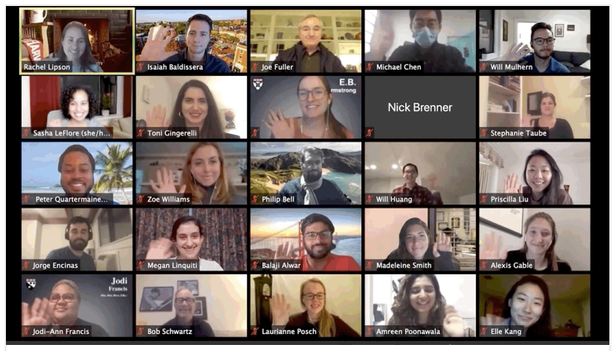

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