

# Measuring the Performance of Job Trainers Under WIA: Results of a Survey of Chicago Providers

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The Chicago Workforce Development Partnership is a coalition of service providers, advocates, and researchers seeking to strengthen systems of job access and advancement for the disadvantaged. The partnership is convened by the UIC Great Cities Institute and the Chicago Urban League. Funding is provided by the John D. and Catherine T. MacArthur Foundation.

*Chicago Workforce Development Partnership  
Charter Partners*

Chicago Association of Neighborhood Development Organizations (CANDO)

Chicago Commons Association, Employment Training Center

Chicago Manufacturing Institute

Chicago Jobs Council

Chicago Urban League

Chicago Women in Trades

Council for Adult and Experiential Learning (CAEL)

The Employment Project

Erie Neighborhood House

Greater North Pulaski Development Corporation

Greater West Town Community Development Project

Heartland Alliance for Human Needs and Human Rights

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Jane Addams Resource Corporation

Lawndale Business and Local Development Corporation

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North Lawndale Employment Network

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SSI Coalition for a Responsible Safety Net

STRIVE Chicago Employment Service

Suburban Job-Link Corporation

University of Illinois at Chicago Great Cities Institute

Westside Association for Community Action

Women Employed Institute

Women's Self-Employment Program

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# Measuring the Performance of Job Trainers Under WIA: Results of a Survey of Chicago Providers

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Survey responses were gathered from 64 job training and placement programs serving adults in Chicago. Interviews were conducted with program directors and administrators during June and July 1999. Program administrators were first asked a series of questions regarding client demographics, particularly barriers to work. These questions were derived from ongoing discussions concerning the establishment of performance and accountability requirements under the Workforce Investment Act. Program administrators were then asked about intake assessment procedures and requirements as well as about program costs, size, and length. Finally, administrators were asked about program performance including completion numbers and rates, placement numbers and rates, and average wages at placement. Information was collected for the most recent program year.

## Introduction

The Workforce Investment Act (WIA), signed into law in August 1998, overhauls the federal job training system that has been in place for more than 15 years. WIA replaces the Job Training Partnership Act (JTPA) with block grants to states for the provision of employment services to job seekers. Expanded state and local control over the design, implementation, and evaluation of the new workforce investment system is a core component of the Act, and state and local Workforce Investment Boards will be responsible for tailoring the system to local needs. Implementation plans must be in place in all states by July 2000.

It has been argued that WIA will improve the responsiveness and effectiveness of workforce investment systems, in part through the use of performance standards. WIA calls for the creation of measures of

program performance (in terms of program completion, participant placement in employment, wages at placement, and retention in employment) that are said to lead to enhanced accountability and greater "customer choice" throughout the entire workforce investment system.

WIA will place new rules on providers of job training and placement services receiving federal funds. To be eligible to receive funding, providers will be required to submit performance information and program cost data to local Workforce Investment Boards and to meet annual performance criteria. The likely impacts of the establishment of new performance criteria have been the subject of speculation in job training policy circles. Some observers warn of potential difficulties in establishing a single set of performance measures that would be appropriate for and applicable to programs serving the most "job ready" clients *and* to programs serving client groups facing multiple barriers to employment. It is commonly understood that "hard-to-serve" clients in job training programs require longer-term and more intensive services than do those who are "job ready." In addition, the placement rates, average wages, and retention rates of "hard-to-serve" clients in job training programs may be lower than those for clients facing few or no barriers to employment.

Improperly crafted performance criteria could dramatically reduce the number of training slots available to "hard-to-serve" clients. "Hard-to-serve" clients are not evenly or randomly distributed among employment programs. Rather, they tend to be concentrated in programs designed to address their particular needs. Service-intensive programs designed for clients with multiple barriers to employment require higher levels of funding. Without such funding the overall performance of these programs will tend to be lower than that of programs serving high proportions of "job ready" clients. If funding provisions as well as performance measures are not sensitive to differences in the client groups served by job training and placement programs, programs serving large proportions of "hard-to-serve" clients may be denied funding under WIA.

Performance standards have yet to be designed in most states, including Illinois. Unfortunately, the establishment of performance criteria is complicated by the fact that very little research exists that could provide an indication of likely impacts of alternative WIA performance measures. As a result, policy-makers face the challenge of setting appropriate performance criteria without the benefit of research on past program performance. A *program-level* analysis of performance is needed since it is at the program level that job training and placement services will be judged.

To assist policy-makers in establishing performance criteria, the Chicago Jobs Council and the Chicago Workforce Development Partnership conducted a survey of Chicago job training and placement providers to collect information on the client groups, performance outcomes, and costs of employment assistance programs. The survey was conducted to gather information about past performance to inform the design of new WIA performance standards and to help guide future data collection efforts. Information was collected for job training and placement programs and, in cases where a single provider offered several programs, data were collected for each program independently. Both for-profit and non-profit providers were surveyed, although no Chicago City Colleges' programs were contacted. The survey provides information on some of the factors that lead to success in job placement, both in terms of placement rates and average wages at the time of placement. This issue brief presents the results and key findings of the survey.

## Survey Findings

In analyzing the results of the survey, two models of program performance were created using multivariate analysis. A Wage Model was used to identify factors leading to higher average wages at the time of placement (see Appendix A). A Placement Model was used to identify important factors leading to higher placement rates (see Appendix B). This section summarizes the key findings of the analysis. Summary information gathered from the survey is included in Appendix C.

### *Participant Wages at the Time of Placement*

Program administrators were asked to report the average wages of program clients at the time of placement. Three variables were found to be statistically significant in predicting the average wages of clients placed into jobs:

- *Program expenditures per client.* Spending more on programs led to higher average wages at the time of placement. In other words, where program spending was greater, this spending was an "investment" in higher participant wages.
- *Program length.* Longer programs achieved higher average wages than shorter programs. The analysis reveals that, as with higher program expenditures, longer programs yield higher wages at the time of placement.
- *Percentage of TANF clients in a program.* Programs with higher percentages of TANF recipients achieved lower average earnings. One possible explanation for this finding is that TANF recipients, most of whom are facing the pressures of time limits, are more willing to accept available jobs, even if these jobs pay very low wages. In addition, since substantial numbers of TANF recipients have been without work for extended periods of time, the wages at the time of placement may be correspondingly low.

Program administrators also provided information on the percentage of clients in a program who faced multiple barriers to employment (see Appendix F for a list of employment barriers). Not surprisingly, analysis of this variable found that multiple barriers to employment is negatively related to average wages at placement. In other words, wages at placement tended to be lower for programs serving larger proportions of clients with multiple barriers. A second analysis was then conducted to investigate which program characteristics reduced the significance of multiple barriers on wages (see Appendix D for the Multiple Barrier Wage Model). The following variables were introduced into the Model (for a detailed description of Model variables see Appendix E):

- case management
- program size
- program length
- percentage of TANF recipients served
- program expenditures per client

Program expenditures per client was found to be the most important factor in minimizing the effects of multiple employment barriers on the average wages of program participants. The percentage of program clients with multiple barriers to employment remained a significant negative factor in the Multiple Barrier Wage Model until the variable for average program expenditures per client was introduced. Only after this measure of program costs was introduced did the multiple barriers variable lose statistical significance.

This indicates that, on average, higher levels of program funding are required to assist clients facing multiple barriers to employment in overcoming the effects of these barriers so that they are able to access higher-paying jobs.

### *Job Placement*

Program administrators were asked to report placement numbers for their program. This information was used to construct the Job Placement Model. However, in many respects, the Job Placement Model provides less guidance in determining the factors behind program success than does the Wage Model. Although the model as a whole receives high marks for overall significance and explanatory power, its individual variables yielded information that is only modestly helpful in understanding the role particular factors play in determining high placement rates for employment programs.

For purposes of this study, *job placement* is a measure of the clients who enter and complete a program and then are placed into jobs. The placement rate is defined as the number of program participants placed in employment compared to the number of participants who entered the program.

Surprisingly, the relationship between the percentage of participants with multiple employment barriers in a program and the program's job placement rate was positive and statistically significant. In other words, programs with larger percentages of clients with multiple barriers reported higher placement rates. The opposite result was expected. One possible explanation is that in the current strong economy, high levels of job placement are possible if program participants are willing to accept low wages. Clients with multiple barriers to employment may be more willing to accept lower-wage jobs, thus boosting the placement rates of programs dedicated to serving these job seekers (a conclusion that receives some support from findings in the Wage Model).

A second factor approached statistical significance in predicting the percentage of program clients who started and completed a program and then were placed in a job:

- *Program size.* The variable on program size comes close to fulfilling conventional measures of statistical significance. This variable strongly suggests that smaller programs were more successful than larger ones in placing clients into jobs.

The presence of TANF recipients in a program's participant pool aided the overall job placement percentage, probably because of the imposition of time limits and service plans, but it hurt average wages, probably because of a lack of previous work experience and because wages may be bid down by the pressure to find work.

Finally, although not statistically significant, additional analyses suggested that, compared to programs that tackle other barriers to work, programs serving large percentages of dislocated workers or disabled persons may correlate with slightly higher placement records.

### Recommendations for Future Research on Program Performance

The models used to conduct the analysis presented in this report suggest that it is possible to create standards based on multivariate analysis against which agency performance can be assessed. However, our experience in conducting the survey and constructing the models suggests several challenges to the measurement of program performance:

- Workforce Investment Boards should establish a uniform definition of program completion. Some providers define "completion" as finishing a training program, while other providers only include program finishers who have been placed in a job as having completed a program.
- Consistent definitions of case management should be developed. This would allow Workforce Investment Boards to better assess the types of services being offered by providers as well as the impact that case management services (e.g., skills assessment at the point of intake, post-placement follow-up) are having on employment outcomes.
- Research should be completed that quantifies the intensity of services provided (i.e., the quality and relevance of training, actual time spent on training, strength of relationships with employers).
- More complete analysis of employment outcomes of training and placement programs could be conducted using information on client characteristics from service providers and employment information (e.g., wages, industry, retention in employment, occupation, wage mobility) from the Unemployment Insurance records on file with the State of Illinois.

## Appendices

**Appendix A:****Wage Model**

	<b>B</b>	<b>Standard Error</b>	<b>Significance</b>
<b>(constant)</b>	9.460	.703	.000
<b>Multiple barriers to emp</b>	-8.685 E -03	.006	.164
<b>Case management</b>	-0.155	.082	.094
<b>TANF</b>	-1.482 E -02	.005	.014*
<b>Program length</b>	1.560 E -02	.006	.041*
<b>Program size (log)</b>	-0.169	.088	.093
<b>Cost</b>	4.214 E -04	.000	.006**

Adj R<sup>2</sup> = .727

F = 7.212 (.007)

\* significant at .05

\*\* significant at .01

**Appendix B:****Placement Model**

	<b>B</b>	<b>Standard Error</b>	<b>Significance</b>
<b>(constant)</b>	0.475	.230	.084
<b>Multiple barriers to emp</b>	7.613 E -03	.002	.012*
<b>Case management</b>	-5.340 E -02	.026	.084
<b>TANF</b>	1.943 E -03	.002	.269
<b>Program length</b>	-3.340 E -03	.003	.232
<b>Program size (log)</b>	-9.331 E -02	.039	.055
<b>Cost</b>	8.058 E -05	.000	.086

Adj R<sup>2</sup> = .568

F = 3.634 (.071)

\* significant at .05

**Appendix C: Results of Survey of Chicago Workforce Development Providers**

**Table 1a: Employment barriers and client characteristics of program participants (programs for unemployed adults)**

Range	No high school or GED	Ex-offender	Read at < 6 <sup>th</sup> grade	Lack job experience	Dislocated worker
70% +	19 (31%)	7 (13%)	9 (16%)	<b>21 (33%)</b>	2 (4%)
50-69%	<b>28 (45%)</b>	3 (5%)	16 (29%)	18 (28%)	(0%)
6-50%	12 (19%)	<b>24 (43%)</b>	<b>21 (38%)</b>	19 (30%)	22 (43%)
< 5%	3 (5%)	20 (36%)	10 (18%)	6 (9%)	<b>27 (53%)</b>
Missing	3	9	9	1	14

**Table 1b: Employment barriers and client characteristics of program participants (programs for unemployed adults)**

Range	TANF	Substance abuse	Homeless	Disability	Domestic abuse
70% +	<b>31 (50%)</b>	9 (17%)	4 (7%)	6 (13%)	2 (5%)
50-69%	6 (10%)	4 (8%)	2 (3%)	3 (6%)	4 (10%)
6-50%	13 (21%)	<b>23 (44%)</b>	14 (23%)	<b>29 (60%)</b>	<b>20 (51%)</b>
< 5%	12 (20%)	16 (31%)	<b>40 (67%)</b>	11 (23%)	13 (33%)
Missing	3	13	5	17	26

**Table 2: Percentage of program participants with two or more barriers to employment**

Range	Number of programs
90% +	<b>21 (36%)</b>
70-89%	18 (31%)
50-69%	11 (19%)
< 50%	9 (15%)
Missing	6

**Appendix C: Results of Survey of Chicago Workforce Development Providers  
(continued)****Table 3: Eligibility requirements and assessment of programs for unemployed adults**

	TABE	Intake interview	Standardized skills assessment	Personal history
Used	35 (55%)	54 (84%)	8 (13%)	29 (45%)
Not used	29 (45%)	10 (16%)	56 (87%)	35 (55%)

30 of 64 programs for unemployed adults reporting indicated that additional assessments to determine client eligibility were conducted.

**Table 4: Length of program for unemployed adults**

Length of program	Number of programs
53 + weeks	3 (6%)
52 weeks	11 (23%)
24-26 weeks	5 (10%)
12-20 weeks	<b>13 (27%)</b>
6-8 weeks	8 (71%)
< 3 weeks	6 (13%)

**Table 5: Average placement wage**

Average wage (most recent program year)	Number of programs
\$8.00 +	13 (25%)
\$7.00 - \$7.99	<b>21 (40%)</b>
\$6.00 - \$6.99	17 (32%)
< \$6.00	2 (4%)
Missing	12

**Appendix C: Results of Survey of Chicago Workforce Development Providers**  
*(continued)*

**Table 6: Post-placement tracking**

11 of 60 programs (21%) reporting did not conduct post-placement tracking of participants in employment.

Post-placement tracking	Number of programs
Multiple contacts	<b>32 (62%)</b>
Single contact	9 (17%)
No tracking	11 (21%)

**Table 7: Average program expenditures per client**

Cost	Number of programs
\$5,000 +	2 (6%)
\$2,500 - \$4,500	10 (32%)
\$1,000 - \$2,000	<b>15 (48%)</b>
< \$1,000	4 (13%)

**Appendix D: Multiple Barrier Wage Model**

	<b>Equation 1 + case mgmt</b>	<b>Equation 2 + TANF</b>	<b>Equation 3 + program size</b>	<b>Equation 4 + program length</b>	<b>Equation 5 + program cost</b>
<b>Multiple barriers</b>	.021*	.025*	.015*	.019*	.164
<b>Case Mgmt</b>	.329	.209	.186	.158	.094
<b>TANF</b>		.012*	.022*	.005**	.014*
<b>Program size</b>			.102	.211	.093
<b>Program length</b>				.197	.041*
<b>Program cost</b>					.006**
<b>R<sup>2</sup></b>	.106	.227	.280	.366	.727

\* significant at .05

\*\* significant at .01

**Appendix E: Description of Variables**

Program size: the number of persons entering the program

Program cost: average program expenditures per client

TANF: percent of program participants receiving TANF

Case management: a proxy variable created by adding the total number of assessments

plus the total number of post-placement tracking periods (the case management variable runs from 0 to 9).

Program length: length of the program in weeks

**Appendix F: Barriers to Employment**

Information was collected for programs serving job seekers who:

1. are without a high school diploma or GED
2. are ex-offenders
3. read at less than a 6<sup>th</sup> grade level
4. lack employment experience
5. are receiving TANF
6. are dislocated workers
7. are homeless
8. have a substance abuse problem
9. are disabled, or have a dependent with a disability, a chronic health condition, or a mental health condition
10. are victims of domestic violence