The Federal Imperative for Workforce Outcomes: Does LED Have a Role?

George W. Putnam
IL Department of Employment Security

2015 Local Employment Dynamics Partnership Workshop
Washington, DC
Context

• Federal imperative
  – Workforce Data Quality Initiative (WDQI)
  – Workforce Innovation and Opportunity Act (WIOA)

• Conventional vs Enhanced narrative on Workforce Outcomes
  – Unit of analysis
  – Analytical frame
  – Reference group comparison
Presentation

• Storytelling

• Special topic- multiple jobholding

• LED and Workforce Outcomes: strategic considerations
## Employment and Training Program Exit Reasons

Counts for Program Year 2012Q2

<table>
<thead>
<tr>
<th>Reason</th>
<th>Count</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education/Credential/Military</td>
<td>469</td>
<td>7.4%</td>
</tr>
<tr>
<td>Entered Employment</td>
<td>3,073</td>
<td>48.2%</td>
</tr>
<tr>
<td>Client Terminate</td>
<td>1,069</td>
<td>16.8%</td>
</tr>
<tr>
<td>Other</td>
<td>1,759</td>
<td>27.6%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6,369</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
Conventional Narrative: Employment Count

Approximately 15% - 20% of individuals hold more than one job.
Conventional Narrative: Average Monthly Earnings

Conventional earnings measures:

Exiter (Record Unique)- confounded by partial weeks employed in a year/quarter for hires; misrepresents fractional outcomes

Exiter (Individual Unique)- confounded by multiple jobholding in a year/quarter; unable to designate job-specific outcomes
Enhanced Narrative: Employment Count vs Job Count

Approximately 15% - 20% of individuals hold more than one job.
Enhanced Narrative:
Job Attachment for 2 Consecutive Quarters

Exiters exhibit 2Q job attachment similar to IL workers within 2 quarters of exit.
Enhanced Narrative:
Job Attachment for 3 Consecutive Quarters

Exiters exhibit 3Q job attachment similar to IL workers within 4 quarters of exit.
Stable earnings measure (3Q) reduces the impact of estimation problems due to partial employment and multiple jobs in a single year/quarter.
Enhanced Narrative:
Average Monthly Earnings (3Q Job Attachment)

Earnings reflect a distinct seasonal pattern for IL workers that confounds point-in-time comparisons; earnings gains are higher for Exiters (12%) than IL Workers (2%)
Enhanced Narrative:
Average Monthly Earnings by Industry

Earnings reflect industry-specific seasonal pattern; earnings disadvantage of health jobs is more severe among Exiters (-20%) than IL Workers (-14%)
Enhanced Narrative:
Average Monthly Earnings by Age within Industry

Older Exiters earn less (-8%) than other Exiters in Health jobs;
Older IL Workers earn more (16%) than other workers in Health jobs
Enhanced Narrative: Multiple Jobholding

• Prevalence of employment in multiple jobs in 2012 and 2013 (as percentage of civilian population)
  – US 5.2% of civilian pop.(*)
  – IL 6.5% of civilian pop., 11.4% of individuals with a job

• Transition from employment in multiple jobs to a single job
  – US 30 to 35%(*)
  – IL 40 to 45%
    • caveat - single job observed at (t) is among multiple jobs observed at (t-1) for the same individual

• What is the implication of the transition from multiple jobholding for linking an individual to a career job?

(*) Etienne Lale, “Multiple jobholding over the past two decades,” Monthly Labor Review, April 2015.
Transition Out of Multiple Jobholding: Job Attachment

[Bar chart showing transitions to single and multiple jobs over different quarters from 2012Q1 to 2013Q4.]

Legend:
- Transition to Single Job
- Transition to Multiple Jobs
Transition Out of Multiple Jobholding: Persistence of Primary Job

70% of multiple jobholders have a primary job that persists for at least 2 consecutive quarters; 65% of multiple jobholders have a primary job that persists for at least 3 consecutive quarters.
LED and Workforce Outcomes: Strategic Considerations

• Expand QWI data infrastructure
  – States must exchange micro data with clients that includes workforce outcomes for graduate/trainee cohorts
    • Census match micro data, add outcomes and return micro data to state LMI shops
    • State LMI shops replicate QWI data infrastructure to match micro data and add outcomes

• Expand QWI measures
  – Primary job as career job

• Advance QWI measures as WIOA enhanced outcomes
  – Labor market context for education/training policy evaluation