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Training Benefits Program Annual Report



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2013 Training Benefits Program Annual Report

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Executive summary

Background

The Training Benefits (TB) Program provides extended unemployment benefits to qualifying unemployment-insurance claimants who need training for a new career. The Training Benefits Program provides income support while participating individuals are in training, but does not cover the direct costs of training (e.g., tuition, books, transportation). The benefits are paid out of the state Unemployment-Insurance Trust Fund.

Training Benefits payments are available to qualifying unemployment-insurance claimants for up to 52 weeks. Total unemployment-insurance benefits paid while in the TB Program include the recipient's regular unemployment benefits. However, in times of federal extensions of benefits, as the state has seen since July 2008, claimants qualifying for Training Benefits could have received up to 125 weeks of benefits.

The legislature has made a series of changes to the Training Benefits Program since its inception. Most recently, legislation enacted in 2011 (EHB 1091) increased the accessibility and flexibility of the program.

Annual report to the Legislature

RCW 50.22.157 requires the Employment Security Department (ESD) to deliver an annual report to the Legislature that includes the following information:

- Participant demographics;
- Number of weeks of benefits;
- Types of training;
- Employment and wages of program participants; and
- Program administrative costs.

The data in this report come from three sources: the Employment Security Department's administrative records; a survey of program participants conducted by ESD in summer 2013; and training data from the State Board for Community and Technical Colleges (SBCTC).

Key findings

Participant demographics

Looking at the nearly 2,900 Training Benefits participants approved in FY 2012 and the nearly 2,400 approved in FY 2013:

- Females enrolled in the Training Benefits Program at higher rates than males.
- Individuals 26 through 55 years of age enrolled at higher rates than those under 26 and over 55.
- Training Benefits participants had more education, before entering the program, than unemployment-insurance claimants overall.
- Training Benefits participants were concentrated in King, Pierce and Snohomish counties.

- Over half of the Training Benefits participants came from the following five industry sectors: manufacturing; administrative and support and waste management services; public administration; healthcare and social assistance; and retail trade.
- Over half of the Training Benefits participants came from the following five occupations: office and administrative support; production; management; construction and extraction; and sales and related occupations.

Receipt of Training Benefits Program and unemployment-insurance benefits

As of October 2013, Training Benefits participants approved in FY 2012 had collected an average of \$396 per week and a median of \$407 per week, for an average of 100 weeks. Participants approved in FY 2013 had collected an average of \$377 per week and a median of \$385 per week, for an average of 84 weeks.

These payments included funds from regular unemployment benefits, emergency-unemployment compensation, extended benefits and the Training Benefits Program. These numbers will most likely change, since a portion of the Training Benefits participants analyzed in this report are still receiving weekly benefits.

Analysis of training

Information on training through the state's community and technical colleges was analyzed for the nearly 9,000 Training Benefits participants approved in calendar years 2009 through 2011 for academic years 2008-2009 through 2011-2012.

Over 8,000 Training Benefits participants completed over 150,000 courses and nearly 3,900 of those participants took developmental education courses. Just over 3,700 participants completed one or more certificate or degree programs. More participants completed a degree or certificate in accounting and bookkeeping than any other program of study.

Experiences with the Training Benefits Program

As in previous years, ESD surveyed the nearly 9,000 Training Benefits participants approved in calendar years 2009 through 2011 to learn about their experiences.

- Of those responding to the survey, nearly all (92.6 percent) stated that they had started their training.
- Of those who had started training, 62.9 percent stated that they had completed their training, 19.0 percent had not completed training and 15.4 percent were still in training.
- The greatest proportion of participants who stated that they had not completed their training (36.7 percent) attributed it to their unemployment benefits ending.
- Of those who reported having started or completed their training, the greatest proportion (42.0 percent) reported using financial assistance through their school or college to fund their training.
- Over three-quarters of respondents (78.7 percent) stated that the job they were training for required a degree, certificate or license.

Employment and wages of program participants

For the Training Benefits participants approved for the program in calendar years 2009 through 2011, ESD compared before-tax earnings prior to layoff to participants' earnings after their Training Benefits ended. Participants' earnings were relatively stable in the 12 months leading up to receiving unemployment benefits. Once benefits ended, earnings were lower than prior to Training Benefits Program participation, but increased over the following two years.

Numerous studies have found that dislocated workers¹ who retrain for new careers experience a drop in their earnings after training compared to their earnings before training. However, their earnings tend to rise for a number of years after training completion. Earnings for those who have retrained tend to be higher than for those who have not retrained, though somewhat lower than their pre-layoff earnings.

Program administrative costs

Training Benefits Program administrative costs totaled \$1.25 million in FY 2013 and are projected to be \$1.26 million in FY 2014 – less than half the total cost from FY 2011. During FY 2013, the average cost to process an application was \$291, down from \$473 in FY 2012 and \$508 in FY 2011.

Training Benefits funding obligations

Through November 30, 2013, a total of \$186,406,754 has been paid out of Training Benefits funds over the history of the program. This represents about 55 percent of total funds made available for the program. A total of \$13,496,142 was paid out in FY 2013 and \$5,596,224 through November 30, 2013, of FY 2014. The balance of future obligations is \$20,739,869.

¹ A dislocated worker is an individual who has been laid off, is eligible for unemployment insurance, and is unlikely to return to his or her previous occupation or industry due to foreign competition or technological change. Not all employees affected by a major layoff will be dislocated workers. They might have job skills that are in demand and can return to work in their previous industry or occupation.

Introduction

Background on the Training Benefits Program

In 2000, the Washington State Legislature enacted Substitute House Bill 3077, which created the Training Benefits (TB) Program. The program allocates up to \$20 million each year from the Unemployment-Insurance Trust Fund to provide additional weeks of unemployment benefits, while in training, to qualifying claimants who need training to obtain a new job.

To qualify for the program, claimants must enroll in training that will prepare them for a high-demand occupation. On an annual basis, the Employment Security Department develops an initial list identifying occupations that are “in demand,” “balanced” and “not in demand” at the state and workforce development area level. The local workforce development councils then review, adjust and approve that initial list on the basis of their local, on-the-ground experience.²

Participating claimants do not have to look for work as long as they are enrolled and making satisfactory progress in their approved training programs.³ Direct costs of training (e.g., tuition, books, transportation) are not directly supported by this program. Training Benefits payments are not charged to employers for purposes of calculating experience-rated unemployment taxes.⁴

Enrollment in and eligibility for Training Benefits

Individuals approved for the Training Benefits Program may enroll in an approved training program and have their work-search requirement waived while receiving up to 52 weeks of unemployment-insurance benefits. This 52-week total includes the recipient’s regular unemployment benefits which must be utilized before the Training Benefits kick in. While the federal extensions of benefits have been in place, Training Benefits have been paid only after the TB participant exhausted his or her regular benefits, any emergency-unemployment compensation benefits and, effective July 3, 2011,⁵ any extended unemployment benefits.

When these extensions were at their peak number of available weeks, individuals approved for the Training Benefits Program could receive up to a maximum of 125 weeks of benefits. That statutory maximum has been declining since early 2012. Under current law, the federal extensions will end as of December 29, 2013. As of that date, an individual approved for the Training Benefits Program will be eligible only for his or her regular unemployment-insurance benefits plus the Training Benefits, for a total of up to 52 weeks.

² As required by [RCW 50.22.150](#) and [50.22.155](#).

³ Commissioner-Approved Training is not funded through the funds allocated to the Training Benefits Program. Commissioner-Approved Training is paid through regular and federally funded unemployment benefits.

⁴ EHB 1091 of 2011 amended the law so that benefits are not charged to employers beginning with the date of approval rather than upon the first payment from Training Benefits funds, as of FY 2013.

⁵ [RCW 50.22.155](#).

In some cases, participants approved for the TB program may have ended their training before receiving any payments from Training Benefits Program funds. That is because they were in training and receiving unemployment benefits under federal benefit extensions and they completed their training plan before they reached the point at which Training Benefits funds could be used during their approved training plan period.

Eligibility for the TB Program requires claimants to be in one of the following categories:

- Dislocated workers;⁶
- Certain low-income workers whose earning potential will be enhanced with training;⁷
- Honorably discharged veterans who served in the military or Washington National Guard in the 12-month period prior to application;
- Individuals currently serving in the Washington National Guard; and
- Individuals who are disabled and unable to return to their previous occupations.

Prior to passage of EHB 1091 in 2011, Training Benefits Program eligibility required claimants to submit a training plan within 90 days after being notified about the program and to enter an approved training program within 120 days after being notified about the Training Benefits Program. Under the provisions of EHB 1091, these requirements were eliminated for dislocated-worker claimants who had an effective date of claim on or after July 1, 2012. The original deadlines for submitting a training plan and entering a training program still apply to the other categories of eligible claimants.

EHB 1091 also expanded the definition of “dislocated worker” for claimants with an effective date of claim on or after July 1, 2012.

For all categories of claimants eligible for Training Benefits other than dislocated workers, approved program participants must enroll in training as full-time students. Provisions of EHB 1091 waived this requirement for dislocated-worker claimants with an effective date of claim on or after July 1, 2012.

Claimants in the categories for whom the submission and enrollment deadlines apply may receive a waiver for missing the deadlines if the Employment Security Commissioner determines they had good cause for doing so. Similarly, claimants for whom the full-time enrollment requirement remains in effect may participate in part-time training if a physical, mental or emotional disability prevents full-time enrollment.

⁶ A dislocated worker is an individual who has been laid off, is eligible for unemployment insurance, and is unlikely to return to his or her previous occupation or industry due to foreign competition or technological change. Not all employees affected by a major layoff will be dislocated workers. They might have job skills that are in demand and can return to work in their previous industry or occupation.

⁷ Prior to January 1, 2011, “low income” is considered to be a wage rate of \$11.11 per hour or less. For Training Benefits applications filed January 1, 2011, or later, \$11.27 per hour or less is considered low income and, for Training Benefits applications filed January on or after July 1, 2012, or later, \$11.75 per hour or less is considered low income. For those TB applicants filing after January 1, 2013, anyone earning \$11.94 per hour or less is considered to meet the low income eligibility threshold. ESD calculates these wage rates by dividing total wages earned in the 12 to 15 months upon which the claim is based by total hours worked in the same period. Source: Employment Security Department, Unemployment Benefit Administration and Policy.

The annual report to the Legislature

RCW 50.22.157 requires the Employment Security Department to deliver an annual report to the Legislature. The report must include:

- A demographic analysis of participants in the Training Benefits Program, including the number of claimants by industry of their last employer and the gender, race, age and geographic distribution of participants;
- The number of weeks of benefits claimed per claimant;
- An analysis of the training provided to participants, including: the occupational category supported by the training; whether the training would lead to employment in an occupation in demand in the economy; whether a degree or certificate is required in order to get a job in the occupation chosen; a comparison of participants who complete training in relationship to those who do not; the number of participants taking courses in basic skills; and the reasons for not completing approved training programs;
- The employment and wage history of participants, including: the pre-training and post-training wages; the work participants engaged in before they were laid off; whether those participating in training return to their previous employers within two years after training terminates; whether participants are reemployed in a field for which they were retrained;
- An identification and analysis of local and state administrative costs for operating this program; a projection of program costs for the next fiscal year; the total funds obligated for Training Benefits; and the net balance remaining to be obligated, given the restrictions in current law.

Data sources

Data in this report come from three sources: the Employment Security Department's (ESD) administrative records; a survey of program participants conducted by ESD in summer 2013; and training data from the State Board for Community and Technical Colleges.

In the summer of 2013, the Employment Security Department conducted a survey of the 8,945 claimants approved for the Training Benefits Program from January 1, 2009, through December 31, 2011. ESD received 3,426 usable survey responses for a response rate of 38.3 percent. The survey was conducted via telephone and the Internet.

A small percentage of Training Benefits participants chose to enroll in training with private educational providers. Training outcomes for these participants are not reflected in the SBCTC data in this report.

Findings

There are two groups of Training Benefits participants discussed in this report. The first group is participants approved for the program during state fiscal years (FY) 2012 and 2013, from July 2011 through June 2012 and July 2012 through June 2013. Program administrative data on this group provide the basis for an analysis of participants' demographics and weeks of benefits.

To track employment and earnings outcomes, the second group of participants is those individuals approved for the program during calendar years (CY) 2009 through 2011. The results of ESD's survey and State Board for Community and Technical College administrative data on this group provide the basis for a longer-term analysis of the types of training, employment and wages of participants.

Participant demographics: Training Benefits participants approved during FY 2012 and FY 2013

As with previous years' participants,⁸ while the population of all unemployment-insurance claimants was nearly two-thirds male, the male/female distribution of Training Benefits participants was approximately equal. Participants approved for the Training Benefits Program in FY 2012 were 48.2 percent female, compared to 37.3 percent of all unemployment-insurance claimants. In contrast, 51.2 percent of participants were male but comprised 62.7 percent of all unemployment-insurance claimants. As shown in *Figure 1*, the pattern was similar for FY 2013, but then proportionately more participants were female than male.

There were few differences between the age distributions of Training Benefits participants in FY 2012 compared to the age distribution in FY 2013. About four-fifths of all participants were ages 26 through 55. These percentage distributions were also similar to those reported in previous years' reports.

The average age of Training Benefits participants and all unemployment-insurance claimants was 40 years of age in FY 2012 and 41 in FY 2013. This average masked differences among specific age groups. For FY 2012 there were more Training Benefits participants ages 26 through 55, 81.1 percent, compared to all unemployment-insurance claimants, at 70.9 percent. The picture was similar for FY 2013 (*Figure 1*).

Individuals under 26 years of age and over 55 were under-represented in the Training Benefits Program. This held for individuals approved in both FY 2012 and FY 2013. For FY 2012, 9.2 percent of Training Benefits participants were under 26 compared to 13.9 percent for all unemployment-insurance claimants. A total of 9.1 percent of Training Benefits participants were over 55 years of age, compared to 15.2 percent for all claimants.

In terms of race and ethnicity, *Figure 1* shows that a somewhat higher proportion of individuals who were Black and Asian/Pacific Islander enrolled in the Training Benefits Program than overall unemployment-insurance claimants. In contrast, a somewhat lower proportion of individuals who

⁸ Previous years' annual Training Benefits reports are available at <https://fortress.wa.gov/esd/employmentdata/reports-publications/special-reports/training-benefits-report>.

were Hispanic and Native American/Alaskan Native enrolled in the Training Benefits Program than overall unemployment-insurance claimants. This picture holds for participants approved in FY 2012 and FY 2013, as well as FY 2011.

Figure 1. Demographic characteristics of Training Benefits participants approved in FY 2012 and FY 2013
Washington state, FY 2012 and FY 2013

Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse

Demographic	FY 2012			FY 2013		
	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants
Gender						
Male	1,473	51.2%	62.7%	1,142	48.6%	62.6%
Female	1,387	48.2%	37.3%	1,184	50.4%	37.4%
Data not available	15	0.5%	0.0%	23	1.0%	0.0%
Total	2,875	100.0%	100.0%	2,349*	100.0%	100.0%
Race/ethnicity						
Black	176	6.1%	5.2%	168	7.2%	5.5%
Asian, Pacific Islander	185	6.4%	5.8%	182	7.7%	6.1%
White	2,053	71.4%	70.4%	1,611	68.6%	68.8%
Hispanic	228	7.9%	12.6%	196	8.3%	13.4%
Native American, Alaskan Native	51	1.8%	2.1%	33	1.4%	2.1%
Other	167	5.8%	4.0%	136	5.8%	4.2%
Data not available	15	0.5%	0.0%	23	1.0%	0.0%
Total	2,875	100.0%	100.0%	2,349	100.0%	100.0%
Age						
Average age	40			41		
Under 21	18	0.6%	2.2%	12	0.5%	2.1%
21 to 25	248	8.6%	11.7%	179	7.6%	11.5%
26 to 35	874	30.4%	25.7%	672	28.6%	25.8%
36 to 45	758	26.4%	22.2%	614	26.1%	22.1%
46 to 55	699	24.3%	23.0%	590	25.1%	22.8%
56 to 65	251	8.7%	13.1%	245	10.4%	13.4%
Over 65	12	0.4%	2.1%	14	0.6%	2.2%
Data not available	15	0.5%	0.0%	23	1.0%	0.0%
Total	2,875	100.0%	100.0%	2,349	100.0%	100.0%

*The number of participants approved for the Training Benefits program in FY 2013 included in this figure varies slightly from the number included in *Figure 7*, since the unemployment-insurance administrative database is an active file in which information can be updated.

Individuals approved for the Training Benefits Program were more likely to be female compared to all unemployment-insurance claimants. Participants were also more likely to be in the prime working years of 26 to 55 years of age.

Participant education

As with previous years' reports, Training Benefits participants approved during FY 2012 and FY 2013 had more education than unemployment-insurance claimants as a group (*Figure 2*).

Training Benefits Program enrollment was dominated by participants who had some level of post-secondary education – represented by 57.3 percent and 58.5 percent, respectively, for participants approved in FY 2012 and FY 2013. These proportions contrast with 42.6 and 43.5 percent for all unemployment-insurance claimants who had some post-secondary education.

However, the largest single proportion of Training Benefits participants held high school diplomas – with 34.4 percent of participants approved in FY 2012 and 32.6 percent approved in FY 2013. Thus, the TB Program had the effect of introducing a relatively large number of high school graduates – 1,754 participants – to post-secondary job training. Counting those with a GED, this number increases to 1,988 participants for the two years combined.

Figure 2. Education level of Training Benefits participants approved in FY 2012 and FY 2013 Washington state, FY 2012 and FY 2013

Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse

Education level	FY 2012			FY 2013		
	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants
Less than high school diploma	94	3.3%	13.7%	82	3.5%	13.8%
GED	129	4.5%	4.1%	105	4.5%	4.4%
High school diploma	989	34.4%	39.4%	765	32.6%	38.4%
Some college, no degree	671	23.3%	13.6%	528	22.5%	14.1%
Associate degree	534	18.6%	14.5%	440	18.7%	14.4%
Bachelor's degree and above	443	15.4%	14.5%	406	17.3%	15.0%
Data not available	15	0.5%		23	1.0%	
Total	2,875	100.0%	99.8%	2,349	100.0%	100.0%

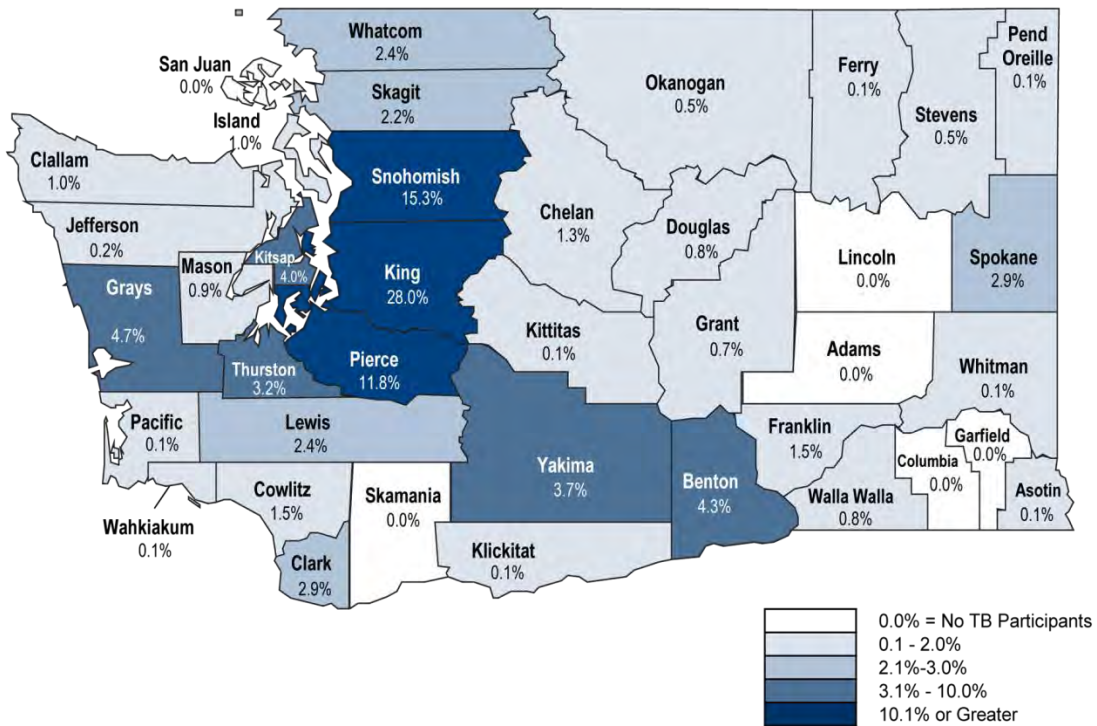
Training Benefits participants had more education than unemployment-insurance claimants overall. The majority of Training Benefits participants had some post-secondary education prior to enrolling in the TB Program.

Geographic distribution of participants

Of participants approved for the TB program in FY 2012 and FY 2013, the greatest number resided in King, Pierce and Snohomish counties, accounting for 55.1 percent and 60.2 percent, for the two respective fiscal years. This compares to 47.6 percent and 47.4 percent of all unemployment-insurance claimants in those counties during those fiscal years (*Figure 4*). The map in *Figure 3* displays the geographic distribution of participants who were approved for the program in FY 2012.

Figure 3. Distribution of Training Benefits participants approved in FY 2012 by county of residence Washington state, FY 2012

Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse



Training Benefits participants were concentrated in King, Pierce and Snohomish counties in FY 2012.

Figure 4. County of residence of Training Benefits participants approved in FY 2012 and FY 2013
 Washington state, FY 2012 and FY 2013
 Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse

County	FY 2012			FY 2013		
	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants
Adams	1	0.0%	0.4%	1	0.0%	0.4%
Asotin	2	0.1%	0.1%	0	0.0%	0.1%
Benton	125	4.3%	3.2%	97	4.1%	3.4%
Chelan	37	1.3%	1.7%	25	1.1%	1.7%
Clallam	28	1.0%	1.1%	16	0.7%	1.0%
Clark	83	2.9%	4.7%	70	3.0%	4.5%
Columbia	1	0.0%	0.5%	0	0.0%	0.1%
Cowlitz	43	1.5%	1.7%	31	1.3%	1.6%
Douglas	22	0.8%	0.8%	10	0.4%	0.8%
Ferry	4	0.1%	0.1%	1	0.0%	0.1%
Franklin	43	1.5%	1.7%	44	1.9%	1.8%
Garfield	1	0.0%	0.2%	0	0.0%	0.0%
Grant	20	0.7%	1.8%	13	0.6%	1.9%
Grays Harbor	135	4.7%	1.5%	61	2.6%	1.5%
Island	29	1.0%	0.9%	29	1.2%	0.8%
Jefferson	6	0.2%	0.4%	4	0.2%	0.4%
King	806	28.0%	23.8%	774	33.0%	24.0%
Kitsap	114	4.0%	3.0%	87	3.7%	3.0%
Kittitas	4	0.1%	0.7%	1	0.0%	0.6%
Klickitat	4	0.1%	0.3%	1	0.0%	0.3%
Lewis	70	2.4%	1.7%	43	1.8%	1.5%
Lincoln	1	0.0%	0.1%	2	0.1%	0.1%
Mason	26	0.9%	1.0%	11	0.5%	0.9%
Okanogan	13	0.5%	0.9%	7	0.3%	0.9%
Pacific	4	0.1%	0.4%	2	0.1%	0.4%
Pend Oreille	2	0.1%	0.2%	1	0.0%	0.2%
Pierce	338	11.8%	13.1%	297	12.6%	12.9%
San Juan	0	0.0%	0.2%	0	0.0%	0.2%
Skagit	62	2.2%	2.2%	47	2.0%	2.1%
Skamania	1	0.0%	0.2%	0	0.0%	0.2%
Snohomish	441	15.3%	10.7%	344	14.6%	10.5%
Spokane	83	2.9%	7.3%	46	2.0%	7.3%
Stevens	13	0.5%	0.7%	12	0.5%	0.8%
Thurston	93	3.2%	3.6%	93	4.0%	3.8%
Wahkiakum	2	0.1%	0.0%	1	0.0%	0.1%
Walla Walla	24	0.8%	0.6%	25	1.1%	0.7%
Whatcom	70	2.4%	2.9%	61	2.6%	3.0%
Whitman	3	0.1%	0.1%	2	0.1%	0.2%
Yakima	106	3.7%	6.0%	67	2.9%	6.3%
Data not available	15	0.5%	0.0%	23	1.0%	0.0%
Total	2,875	100.0%	100.0%	2,349	100.0%	100.0%

For FY 2012, the greatest portion of Training Benefits participants resided in King, Pierce and Snohomish counties – 55.1 percent in FY 2012 and 60.2 percent in FY 2013. In contrast, these three counties for the same fiscal years held somewhat more than 47 percent of all unemployment-benefits recipients.

Industry and occupation of participants before training

Industry refers to an employer's principal line of business, while an occupation refers to the kind of work a worker does. For example, a secretary working for an aerospace manufacturer has the occupation of secretary, but is classified as working in the aerospace industry.

Occupations in this report are specific to the experience of individual unemployment-insurance claimants, who provide their current occupational information when they file a claim for unemployment-insurance benefits.

Industry classification of participants prior to training

Over half of Training Benefits participants approved in both FY 2012 (51.6 percent) and FY 2013 (51.6 percent) were previously employed in the following five industry sectors: manufacturing; administrative and support and waste management services; public administration; healthcare and social assistance; and retail trade. Workers from these industry sectors represented only 44.1 percent and 44.7 percent of all unemployment-insurance claimants in FY 2012 and FY 2013, respectively (*Figure 5*).

The top five industries in which Training Benefits participants had previously been employed were consistent between FY 2012 and FY 2013, but two of those top five industry sectors – public administration and retail trade – were not present in the top five for FY 2011.

For both FY 2012 and FY 2013, unemployed workers coming from the following industry sectors each provided less than one percent of the Training Benefits participants: agriculture, forestry, fishing and hunting; management of companies and enterprises; utilities; and mining. The agriculture, forestry, fishing and hunting industry sector made up a larger share of the total unemployment-insurance claimants, at 5.6 percent and 6.3 percent in FY 2012 and FY 2013, respectively.

Figure 5. Prior industry of employment of Training Benefits participants approved in FY 2012 and FY 2013
 Washington state, FY 2012 and FY 2013
 Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse

Industry	FY 2012			FY 2013		
	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants
Manufacturing	406	14.1%	10.8%	233	9.9%	10.7%
Administrative and support and waste management services	298	10.4%	10.5%	223	9.5%	11.0%
Public administration	278	9.7%	4.4%	250	10.6%	4.8%
Healthcare and social assistance	251	8.7%	8.8%	219	9.3%	8.6%
Retail trade	249	8.7%	9.6%	289	12.3%	9.6%
Construction	213	7.4%	18.3%	145	6.2%	17.1%
Professional, scientific and technical services	191	6.6%	4.6%	154	6.6%	4.7%
Wholesale trade	115	4.0%	3.8%	95	4.0%	3.9%
Finance and insurance	115	4.0%	1.9%	107	4.6%	1.7%
Other services (except public administration)	110	3.8%	2.8%	86	3.7%	2.8%
Accommodation and food services	106	3.7%	6.8%	86	3.7%	7.0%
Educational services	99	3.4%	2.5%	65	2.8%	2.3%
Information	71	2.5%	1.7%	73	3.1%	1.8%
Transportation and warehousing	67	2.3%	3.6%	69	2.9%	3.8%
Real estate renting and leasing	53	1.8%	1.6%	38	1.6%	1.4%
Arts, entertainment and recreation	47	1.6%	2.1%	47	2.0%	2.1%
Agriculture, forestry, fishing and hunting	21	0.7%	5.6%	20	0.9%	6.3%
Management of companies and enterprises	8	0.3%	0.2%	4	0.2%	0.1%
Utilities	5	0.2%	0.2%	4	0.2%	0.2%
Mining	3	0.1%	0.3%	2	0.1%	0.2%
Data not available	169	5.9%	0.0%	140	6.0%	0.0%
Total	2,875	100.0%	100.0%	2,349	100.0%	100.0%

Over half of all Training Benefits participants were former employees of the following industry sectors: manufacturing; administrative and support and waste management services; public administration; healthcare and social assistance; and retail trade.

Occupational classification of participants prior to training

Over half of Training Benefits participants approved in both FY 2012 (55.5 percent) and FY 2013 (53.2 percent) were previously employed in the following five occupations: office and administrative support; production; management; construction and extraction; and sales and related occupations. Workers from these occupations represented comparable percentages of total unemployment-insurance claimants in both years: 54.0 percent in FY 2012 and 53.0 percent in FY 2013 (*Figure 6*). A greater percentage of unemployment-insurance claimants who previously worked in office and

administrative support occupations participated in the TB Program compared to their overall percentage of total claimants. The reverse was true for those who previously worked in construction and extraction occupations. These patterns were consistent between the two fiscal years, as well as previous years.

Workers previously employed in legal occupations and farming, fishing and forestry occupations each provided less than one percent of the Training Benefits participants approved in FY 2012 and no more than 1.0 percent in FY 2013. For these two fiscal years, these two occupations represented about 5 percent of all unemployment-insurance claimants.

It is of interest that 2.9 percent of Training Benefits participants were from military-specific occupations in both fiscal years, but they represented less than 1 percent of all unemployment-insurance claimants for those two years. This over-representation was also true for FY 2011.

Figure 6. Prior occupations of Training Benefits participants approved in FY 2012 and FY 2013
Washington state, FY 2012 and FY 2013

Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse

Occupation	FY 2012			FY 2013		
	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants	Approved Training Benefits participants	Percent of total	Percent of all unemployment claimants
Office and administrative support occupations	521	18.1%	11.7%	460	19.6%	11%
Production occupations	377	13.1%	10.4%	220	9.4%	11%
Management occupations	287	10.0%	7.6%	234	10.0%	8%
Construction and extraction occupations	225	7.8%	17.5%	153	6.5%	17%
Sales and related occupations	187	6.5%	6.8%	180	7.7%	7%
Transportation and material moving occupations	156	5.4%	8.6%	110	4.7%	9%
Business and financial operations occupations	142	4.9%	2.3%	131	5.6%	2%
Installation, maintenance and repair occupations	139	4.8%	4.8%	122	5.2%	5%
Personal care and service occupations	85	3.0%	3.1%	70	3.0%	3%
Healthcare support occupations	84	2.9%	2.0%	72	3.1%	2%
Military-specific occupations	83	2.9%	0.8%	68	2.9%	1%
Computer and mathematical occupations	82	2.9%	1.8%	98	4.2%	2%
Food preparation and serving related occupations	65	2.3%	5.6%	54	2.3%	6%
Healthcare practitioners and technical occupations	64	2.2%	1.8%	64	2.7%	2%
Architecture and engineering occupations	63	2.2%	1.6%	49	2.1%	2%
Life, physical and social science occupations	54	1.9%	0.9%	31	1.3%	1%

Community and social services occupations	49	1.7%	0.8%	22	0.9%	1%
Education, training and library occupations	45	1.6%	1.7%	35	1.5%	2%
Arts, design, entertainment, sports and media occupations	44	1.5%	1.4%	58	2.5%	2%
Protective service occupations	40	1.4%	1.3%	34	1.4%	1%
Building and grounds cleaning and maintenance occupations	31	1.1%	2.9%	30	1.3%	3%
Legal occupations	22	0.8%	0.4%	8	0.3%	0%
Farming, fishing and forestry occupations	15	0.5%	4.2%	23	1.0%	5%
Data not available	15	0.5%		23	1.0%	
Total	2,875	100.0%	100.0%	2,349	100.0%	100.0%

Over one-half of all Training Benefits participants worked in the following occupations prior to TB program participation: office and administrative support; production; management; construction and extraction; and sales and related occupations.

Unemployment-insurance and Training Benefits payments received

Figure 7 shows the unemployment-insurance and Training Benefits Program payments made, through October 2013, to participants approved in FY 2012 and FY 2013. These numbers will most likely change, since a portion of these Training Benefits participants are still receiving weekly benefits.

To date, Training Benefits participants approved in FY 2012 have collected an average of \$396 per week and a median of \$407 per week, for an average of 100 weeks. Participants approved in FY 2013 have collected an average of \$377 per week and a median of \$385 per week, for an average of 84 weeks. These payments included funds from regular unemployment benefits, emergency-unemployment compensation, extended benefits and the Training Benefits Program.⁹

Of the 2,875 Training Benefits participants approved in FY 2012, to date, 1,402, or 48.8 percent, have received payments from Training Benefits funds. Those payments have totaled about \$12.5 million, for an average of \$8,931 per participant who received TB Program funds. For participants approved in FY 2013, to date, 776 of 2,378 have received payments from Training Benefits funds. To date, those payments have totaled about \$4.0 million, for an average of \$5,138 per participant from TB funds.

Looking at unemployment-insurance claimants who did *not* participate in the Training Benefits Program, in FY 2012, a total of 403,052 individuals (exclusive of Training Benefits participants) received unemployment-insurance benefits. In FY 2013 that number was 330,279. Their average and median weekly benefits amounts were slightly lower than Training Benefits participants, at \$352 and \$338 in FY 2012 and \$359 and 345 in FY 2013. This indicates that Training Benefits participants were earning somewhat more than non-participants prior to being laid off.

⁹ These measures of total benefit compensation reflect the federal American Recovery and Reinvestment Act of 2009 (ARRA) stimulus of \$25 and state EHB 1906 \$45 state stimulus packages that increased benefit amounts by \$70 per week.

Figure 7. Training Benefits participants' receipt of unemployment-insurance and Training Benefits payments, current dollars, for participants approved in FY 2012 and FY 2013
 Washington state, FY 2012 and FY 2013
 Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse

	2,875 participants approved in FY 2012	2,378 participants approved in FY 2013*
Total unemployment-insurance benefits paid	\$101,249,693	\$60,891,631
Average number of weeks UI benefits paid	100	84
Median number of weeks UI benefits paid	95	71
Average weekly UI benefits paid	\$396	\$377
Median weekly UI benefits paid	\$407	\$385
Total paid from Training Benefits Program benefits funds	\$12,520,741	\$3,986,765
Total participants receiving benefits from Training Benefits funds	1,402	776
Average number of weeks TB benefits paid from TB funds	22	13
Median number of weeks TB benefits paid from TB funds	24	10

*The number of participants approved for the TB program in FY 2013 included in this figure varies slightly from the number included in Figure 1, since the unemployment-insurance administrative database is an active file in which information can be updated. Information in this table is current as of October 2013.

Training Benefits funds account for only a portion of the total unemployment-insurance benefits received by program participants.

Types of training and program completions for Training Benefits participants approved from 2009 through 2011

To better understand the training experience and employment prospects of Training Benefits participants, this report looks at the population of nearly 9,000 participants who were approved for the program from calendar years (CY) 2009 through 2011. In addition to Employment Security administrative records, two sources of data are essential to this effort: training data from the State Board for Community and Technical Colleges and data from the survey of program participants.

Enrollment in the state's community and technical college system

The State Board for Community and Technical Colleges provided information for Training Benefits participants enrolled in training during the 2008-2009, 2009-2010, 2010-2011 and 2011-2012 academic years (*Figure 8*).

During these academic years, 8,095 Training Benefits participants completed 150,998 courses of the 167,058 courses they attempted, for a 90.4 percent completion rate. This rate is an improvement over the 84.8 percent reported in the 2012 Training Benefits report for participants approved from CY 2008 through CY 2010 for enrollments from the 2007-2008 through 2010-2011 academic years.¹⁰

The five most common courses attempted by participants approved during CY 2009 through CY 2011 were: computational skills; office management and supervision; microcomputer applications, general; medical/clinical assistant; and accounting technician and bookkeeping. The

¹⁰ See: "2012 Training Benefits Program Annual Report," Washington State Employment Security Department, Labor Market and Economic Analysis, December 2012, page 12.

composition and ranking of these course areas were very similar to those analyzed in last year's report, for participants approved from CY 2008 through CY 2010 for enrollments from the 2007-2008 through 2010-2011 academic years.

Developmental education to improve employability

To improve their ability to get a job, some Training Benefits participants took developmental education courses in such areas as computational skills, English as a second language, reading and writing skills. For the 2008-2009 through 2011-2012 academic years, 3,892 Training Benefits participants attempted a total of 10,145 developmental education courses. Within six developmental course areas, Training Benefits participants completed 8,867 of these, for a completion rate of 87.4 percent (*Figure 8*). This rate is an improvement over the 76.8 percent reported in the 2012 Training Benefits report for participants approved from CY 2008 through CY 2010 for enrollments from the 2007-2008 through 2010-2011 academic years.¹¹

The most common type of developmental education was in computational skills. Training Benefits participants attempted 7,395 courses in computational skills and completed 6,357 of these courses during the 2008-2009 through 2011-2012 academic years, for an 86.0 percent completion rate. Writing, reading and English as a second language comprised 2,107 attempted courses, of which 1,935 were completed, for an overall completion rate for this set of courses of 91.8 percent.

Figure 8. Developmental education courses for Training Benefits participants in academic years 2008-2009, 2009-2010, 2010-2011 and 2011-2012

Washington state, academic years 2008-2009 through 2011-2012

Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse; State Board for Community and Technical Colleges

Developmental education courses	Attempted	Completed	Percent completed
Computational skills	7,395	6,357	86.0%
Writing	1,569	1,447	92.2%
Reading	456	420	92.1%
Coordinated study	260	242	93.1%
English as a second language	82	68	82.9%
Other	383	333	86.9%
Total	10,145	8,867	87.4%

Seventy-three percent of developmental education courses taken were in computational skills.

Completion of certificates and degrees

Training Benefits participants are approved for one college program of study. However, a Training Benefits participant can earn more than one certificate or degree under that program. For instance, a participant in a nursing program may achieve an intermediary completion, such as obtaining a certain number of credits or training hours, before attaining a professional license or certificate. Also, participants may take classes in addition to those in their approved Training Benefits training plan, which could result in more than one certificate or degree.

¹¹ See: "2012 Training Benefits Program Annual Report," Washington State Employment Security Department, Labor Market and Economic Analysis, December 2012, page 12.

A total of 3,729 Training Benefits participants completed one or more certificate or degree programs to earn a total of 6,680 degrees or certificates overall for the combined academic years of 2008-2009 through 2011-2012.

Figure 9 shows the top 10 programs completed by program of study. Within the top 10, a total of 1,689 Training Benefits participants completed a total of 2,563 certificates, degrees or both. With some variation in relative rank, the top 10 program areas for participants approved in CY 2009 through CY 2011 were similar to those for participants approved in CY 2008 through CY 2010 for the 2007-2008 through 2010-2011 academic years, as included in the 2012 Training Benefits report. Accounting and bookkeeping, welding technology and liberal arts and sciences ranked consistently first, second or third. Business administration, computer science and allied health programs consistently appeared in the top 10 between for the two groups of participants over the two academic periods.¹²

Figure 9. Top 10 certificates and degrees for Training Benefits participants, by program of study¹³ in academic years 2008-2009, 2009-2010, 2010-2011 and 2011-2012

Washington state, academic years 2008-2009, 2009-2010, 2010-2011 and 2011-2012

Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse; State Board for Community and Technical Colleges

Top ten programs	Number of participants	Number of certificates and degrees
Accounting technician and bookkeeping	360	677
Welding technician	127	341
Liberal arts and sciences	247	249
Business administration and management	166	220
Computer systems network/telecommunications	149	215
Medical/clinical assistant	146	191
Marketing management	83	177
Office occupations and clerical	119	169
Microcomputer applications, general	137	165
Nursing assistant/aide	155	159
Total for the top 10 programs	1,689	2,563

Training Benefits participants completed certificate or degree programs in accounting or bookkeeping in larger numbers than any other program of study.

Experiences with the Training Benefits Program

The Employment Security Department surveyed 8,945 Training Benefits participants who were approved for the program during calendar years 2009, 2010 and 2011. A total of 3,426 usable questionnaires were returned, for a 38.3 percent response rate. The information from this survey provided another perspective on Training Benefits participants' experiences. (See *Appendices 1* and *2* for more information about the survey and how it was conducted.)

¹² See: "Training Benefits Program Annual Report," Washington State Employment Security Department, Labor Market and Economic Analysis, December 2012, page 14.

¹³ Programs of study are based on the Classification of Instructional Programs (CIP) system. Data for academic year 2012-2013 were incomplete and therefore not reported.

As required by statute, ESD surveyed a three-year group of participants. The results of this survey are largely the same as last year's survey. This is not surprising since participants from two of last year's three-year group overlapped with this year's – those approved in CY 2009 and CY 2010.

Did the participant complete training?

Of the 3,426 survey respondents, 3,171, or 92.6 percent, indicated that they had started their training. Of those who started training, 1,993 participants, or 62.9 percent, indicated that they completed their training. The remaining 1,090 respondents were split among 603 participants, or 19.0 percent, who did not complete their training, 487, or 15.4 percent, who were still in training and a remaining 88 participants with unknown status – 2.8 percent.

Reasons for withdrawing from training

The 603 respondents to the survey who did not complete their training selected one or more of six possible reasons for not completing their TB Program approved training plan (*Figure 10*). An important group of these respondents was the Training Benefits participants who stated that they needed to find a job rather than continue in school, 77 individuals or 12.8 percent. Another 191 participants, or 31.7 percent, found a job that met their needs. A small group of 34 individuals, 5.6 percent, indicated that they returned to their former job. Somewhat fewer than one out of five, 18.1 percent, of the respondents indicated that they did not have enough money for tuition, books, supplies, etc. Finally, more than one-third, 36.7 percent, indicated that they ran out of unemployment-insurance benefits before they completed their training program.

Figure 10. Reasons Training Benefits participants gave for not completing their training plan, for participants approved in CY 2009 through CY 2011
Washington state, CY 2013
Source: Employment Security Department/LMPA, summer 2013 Training Benefits survey

Reason for withdrawal from training	Number*	Percent of total
You found a job that met your needs	191	31.7%
You needed to find a job rather than continue school	77	12.8%
You returned to former job	84	5.6%
You did not have enough money for tuition, fees, supplies and/or books	109	18.1%
Your unemployment insurance ended before you completed the program	221	36.7%
Other reasons	23	3.8%

*A Training Benefits participant could give more than one reason for not completing his or her Training Benefits Program plan. A total of 603 individuals responded with at least one reason.

Of those Training Benefits participants who did not complete their training, over three out of 10 gave as a reason that they found a suitable job. More than one-third quit because their unemployment benefits ran out.

How program participants paid for tuition

Some Training Benefits participants had multiple sources of funds to pay for their training, that is, their tuition. The 1,915 respondents who started or completed training reported one or more of six funding sources to pay for their tuition.

The greatest proportion of respondents, 42.0 percent, identified financial assistance from the school or college. Training Benefits Program weekly payments ranked second at 40.2 percent of funding sources reported. Other governmental assistance was reported as a funding source for about 30 percent of respondents. Personal funds, at 32.5 percent, were cited by about one-third of respondents. Finally, the Training Benefits participant's family was not a significant source of funding; only 7.0 percent, one out of 14, reported family support as a source of funds. This pattern of funding sources was similar to the participants who reported their tuition funding sources in the 2012 Training Benefits report, although the exact percentages varied between the two reports.

Figure 11. Ways Training Benefits participants paid for tuition, for Training Benefits participants approved in CY 2009 through CY 2011

Washington state, CY 2013

Source: Employment Security Department/LMPA, summer 2013 Training Benefits survey

Source of funding	Number*	Percent of total
Personal funds	623	32.5%
Family support	134	7.0%
Other governmental assistant	573	29.9%
Financial assistant through school or college	804	42.0%
Training Benefits Program weekly payments	770	40.2%
Combination of funds	501	26.2%

*A Training Benefits participant could indicate more than one source of funding for his or her tuition. A total of 1,915 responded with at least one source of funding.

The most commonly reported source of funding to pay for tuition was financial assistance through the school or college.

Was a degree, certificate or license required for the job for which participants were training?

The Training Benefits participants were asked whether the job they were training for required a degree, certificate or license. Of the 3,426 respondents, 2,695, or 78.7 percent, responded “yes”; 250, or 7.3 percent, responded “no”; 134 Training Benefits participants or 3.9 percent “did not know.”

Occupations of participants after returning to work

Of the 3,426 respondents to the survey, 1,393 provided information on their occupation after training. A total of 198 respondents, 14.2 percent, said they worked in office and administrative support occupations. The top five occupations in which respondents found work provided 705, or 50.6 percent, of the 1,393 occupations reported. The bottom five occupations provided only 42 of the occupations reported, 3.0 percent (*Figure 12*).

Figure 12. Occupations of Training Benefits participants who returned to work, for participants approved in CY 2009 through CY 2011

Washington state, CY 2013

Source: Employment Security Department/LMPA, summer 2013 Training Benefits survey

Occupation of TB Program participants who returned to work	Number	Percentage of total
Office and administrative support occupations	198	14.2%
Healthcare practitioners and technical occupations	159	11.4%
Computer and mathematical occupations	144	10.3%
Business and financial operations occupations	105	7.5%
Healthcare support occupations	99	7.1%
Production occupations	92	6.6%
Installation, maintenance and repair occupations	85	6.1%
Management occupations	80	5.7%
Architecture and engineering occupations	60	4.3%
Construction and extraction occupations	50	3.6%
Education, training and library occupations	48	3.4%
Sales and related occupations	46	3.3%
Transportation and material moving occupations	45	3.2%
Personal care and service occupations	40	2.9%
Arts, design, entertainment, sports and media occupations	36	2.6%
Community and social services occupations	27	1.9%
Protective service occupations	19	1.4%
Legal occupations	18	1.3%
Life, physical and social science occupations	16	1.1%
Food preparation and serving-related occupations	14	1.0%
Building and grounds cleaning and maintenance occupations	8	0.6%
Farming, fishing and forestry occupations	3	0.2%
Military-specific occupations	1	0.1%
Total	1,393	99.8%

The top five occupational categories provided one-half of the total employment reported by Training Benefits participants.

Did participants return to their former employers?

Of those 640 respondents who said they were now working,¹⁴ 24, or 3.8 percent, said they returned to the employer they had when they were laid off; 507 respondents, 79.2 percent, were working for another employer; and the status of the remaining 109 was unknown.¹⁵

¹⁴ The time period of reference was summer 2013.

¹⁵ Recall that 34 Training Benefits participants who dropped out of training reported that they returned to their former employer, as well – 5.2 percent of the total reasons given for dropping out.

Was the training helpful in getting a new job?

Training Benefits participants were asked if the training helped them get their job. There were 1,372 responses to this question. More than three-fifths, 63.4 percent, reported that the training was “a major help.” Another 15.7 percent indicated that the training “helped somewhat.” One fifth, 20.8 percent, indicated that their training provided “very little help” or “no help at all.”

Were participants employed in a field for which the participants were retrained?

Training Benefits participants were asked if they were employed in a field for which they were retrained. There were 1,371 responses to this question. One thousand respondents, 72.9 percent, indicated that this was so. The remaining 371 respondents, 27.1 percent, answered in the negative.

Employment and wage history of Training Benefits participants

Prior to their initial unemployment claims, Training Benefits participants approved in FY 2012 and FY 2013 earned a median annual wage of \$37,632 and \$36,392, respectively. This compares to median pre-claim annual earnings of \$34,748 for FY 2011 participants.¹⁶ Final post-TB wages are not yet available for these FY 2012 and FY 2013 participants, some of whom may still be in training.

Figure 13 and *Figure 14* show the pre- and post-before-tax earnings of Training Benefits participants who were employed based on the calendar year in which they were approved for the TB Program. *Figure 13* shows the four quarters of earnings prior to the quarter in which individuals filed a claim for unemployment-insurance benefits and the eight quarters of earnings starting in the quarter after benefits ended.¹⁷ These data come from unemployment-insurance administrative data and are separate from the survey data of participants.

Note that the earnings estimates in *Figure 13* are measures of gross program impact. They are not adjusted for net program impact by comparing them with a valid control or comparison group over the same post-program time period.¹⁸

The post-TB Program quarterly earnings data show that from 46 to 56 percent of Training Benefits participants were employed in the first quarter after the end of their TB Program plan. For participants approved in CY 2009, for whom the data are most complete, post-TB quarterly employment increased steadily from 53 percent in post-quarter 1 to 58 percent in post-quarter 4. For those approved in CY 2010, post-quarter 1 employment was estimated to be 56 percent, increasing to 60 percent by post-quarter 3. Follow-up data for participants approved in CY 2011 were incomplete beyond post-quarter 1.

¹⁶ From this point on, the term “earnings” refers to “before-tax earnings.” The median estimates are for those who worked at all in a given quarter. Zero earnings are excluded from these quarterly estimates. These earnings are based on the total earnings reported in the 12 to 15 months upon which the unemployment-insurance claim is based. Given that the individual is a Training Benefits participant, “Quarter -1” begins in the quarter immediately prior to the quarter in which the individual applies for unemployment-insurance benefits. “Quarter +1” begins in the quarter in which the individual ceases to receive an unemployment-insurance benefit check.

¹⁷ As stated earlier in this report, the actual dates for starting and ending one’s TB approved job training may or may not coincide with the dates of approval for Training Benefits Program eligibility. Training can start before TB Program eligibility and continue after one’s weekly benefits under the TB Program run out. The data in *Figures 13* and *14* are based on the quarter in which the individual applied for unemployment-insurance benefits and the date at which the Training Benefits participant no longer received unemployment-insurance benefits.

¹⁸ For an estimate of net TB Program impacts, see: Paterson, Toby, Ernst W. Stromsdorfer and Jeffrey Zahir, “Net-Impact Analysis on Before-Tax Annual Earnings for the Training Benefits Program, 2002 through 2008,” Employment Security Department, Labor Market and Economic Analysis branch, February 2012.

A wide range of studies have found that dislocated and disadvantaged workers who retrain for new careers experience their post-training wages beginning below their pre-layoff wages. Post-training wages then tend to rise during the second or third year after training. At that point, wages for those who have retrained tend to be higher than those statistically similar workers who have not retrained, but still can be lower than pre-layoff wages due to the loss of firm-, industry- and occupation-specific human capital.¹⁹

As *Figure 13* shows, Training Benefits participants' median earnings in the year prior to their pre-TB Program unemployment-insurance claims were considerably higher than their earnings in the first full year after their Training Benefits payments ended. For participants approved for the TB Program in calendar year 2009, median earnings went down from \$38,926 prior to the TB Program to \$31,993 in the first full year after the program, a reduction of 17.8 percent. For those approved in calendar year 2010, the difference was 25.4 percent (\$38,699 versus \$28,886). For those approved in calendar year 2011, the difference was greatest, a reduction of 28.4 percent (\$38,687 versus \$27,697).²⁰

Improvement in median annual earnings began in the second full year after the participants' TB Program plan ended. For the 2009 cohort, the improvement was 15.0 percent; for the 2010 cohort, 22.8 percent; and for the 2011 cohort, 25.0 percent. At a median of \$36,786 in the second year, the 2009 cohort was earning only 5.5 percent less than the year before receiving unemployment benefits. The 2010 cohort earned 8.4 percent less, improving to \$35,462 for the second full year out; while the 2011 cohort earned 10.5 percent less, improving to \$34,627. Again, these are gross program effects that do not reflect the ultimate net program effects.

¹⁹ See: Paterson, Toby, Ernst W. Stromsdorfer and Jeffrey Zahir, "Net-Impact Analysis on Before-Tax Annual Earnings for the Training Benefits Program, 2002 through 2008," Employment Security Department, Labor Market and Economic Analysis branch, February 2012; Hollenbeck, Kevin and Wei-Jang Huang, "Net Impact and Benefit-Cost Estimates of the Workforce Development System in Washington State," Upjohn Institute Technical Report No. 06-020, W.E. Upjohn Institute for Employment Research, Kalamazoo, Michigan, September 2006; and Jacobson, Louis, Robert LaLonde and Daniel G. Sullivan, "The Returns of Community College Schooling for Displaced Workers," U.S. Department of Labor, The University of Chicago and the Federal Reserve Bank of Chicago, January 2001.

²⁰ TB participant earnings for those approved for the program in calendar years 2009 and 2010 overlap with the analysis in last year's report. The numbers differ somewhat due to changes that may have occurred in individuals' program status.

Figure 13. Median quarterly before-tax earnings, pre- and post-Training Benefits, for participants approved from CY 2009 through CY 2011, in current dollars
 Washington state, CY 2009 through CY 2011
 Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse, Wage File

Cohort year	Quarterly earnings before*					Quarterly earnings post training benefits**						
	-4	-3	-2	-1	1	2	3	4	5	6	7	8
2009	\$9,685	\$9,650	\$9,872	\$9,719	\$7,581	\$7,762	\$8,104	\$8,546	\$8,824	\$8,946	\$9,360	\$9,656
2010	\$9,600	\$9,694	\$9,734	\$9,671	\$6,523	\$7,076	\$7,532	\$7,755	\$8,410	\$8,640	\$9,046	\$9,366
2011	\$9,538	\$9,680	\$9,778	\$9,691	\$5,899	\$6,784	\$7,234	\$7,780	\$8,491	\$8,443	\$8,751	\$8,942

*Quarterly median before-tax earnings of Training Benefits participants who were employed in the quarters prior to receiving unemployment benefits under the TB Program. Information in this table is current as of October 2013.

**Quarterly median before-tax earnings of Training Benefits participants who were employed in the quarters post-Training Benefits. Information in this table is current as of October 2013.

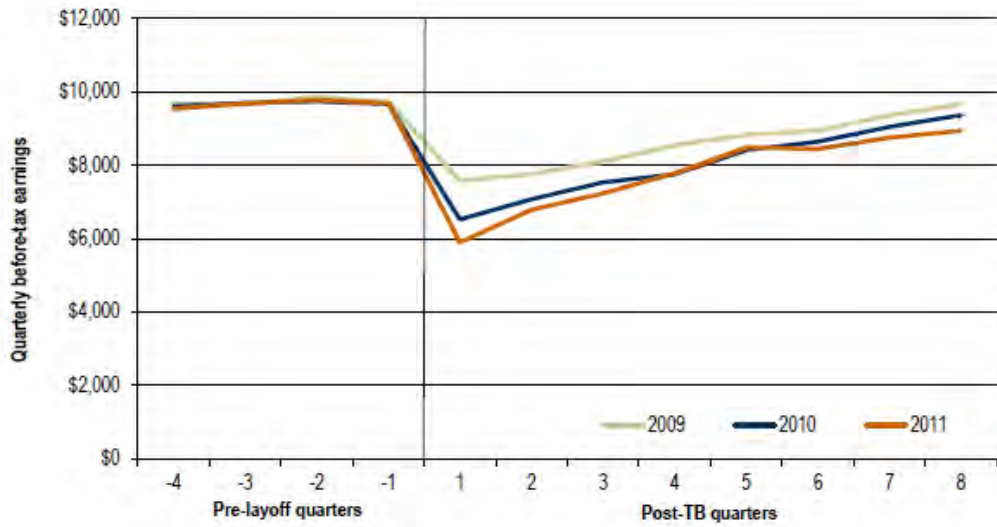
Training Benefits participants' earnings declined following loss of employment, but gradually increased in the second year after the Training Benefits participant completed his or her TB Program plan.

Figure 14 abstracts from the time the participants spent in the TB Program – a time period that varies by cohort and participant depending on the quarter in which the individual applied for unemployment-insurance benefits and the quarter in which the Training Benefits participant received his or her last unemployment-insurance benefit payment under the conditions of his or her TB Program plan.

Figure 14 graphically shows the pre- and post-TB quarterly earnings for these same TB Program participants. Note that median quarterly earnings were stable in the four quarters prior to the quarter in which the participants applied for the receipt of unemployment benefits. Although not depicted here, the rate of employment dropped off 2 to 6 percentage points from the third to the fourth quarter prior to the quarter of application for unemployment-insurance benefits. Then, after unemployment-insurance benefits ended, quarterly earnings gradually improved. This pattern of earnings loss and then gain following loss of employment is similar to the pattern seen in other government-subsidized occupational training programs.²¹

²¹ See: Paterson, Toby, Ernst W. Stromsdorfer and Jeffrey Zahir, *Net-Impact Analysis on Before-Tax Annual Earnings for the Training Benefits Program, 2002 through 2008*, Employment Security Department, Labor Market and Economic Analysis, February 2012.

Figure 14. Median quarterly before-tax earnings, pre- and post-Training Benefits Program plan, for participants approved from calendar year 2009 through 2011, in current dollars*
 Washington state, 2009 through 2011
 Source: Employment Security Department/LMPA, Unemployment Insurance Data Warehouse, Wage File



*Information in this figure is current as of October 2013.

It took about two years after participation in the Training Benefits Program to see before-tax earnings approach pre-layoff levels.

Program administrative costs

The Employment Security Department spent an average of \$1.6 million per state fiscal year over FY 2012 and FY 2013 to administer the Training Benefits Program (*Figure 15*). There are two major drivers of program costs.

The first driver of program costs is caseload-associated activities. These are tasks and services associated with claimants seeking and gaining eligibility to the Training Benefits Program. These activities fluctuate with the number of initial unemployment-insurance claims and overall demand for the program.

The second driver of program costs is general administrative costs and program oversight. These core functions are essential to operating the Training Benefits Program. These functions include supervisory and administrative activities, fiscal and budget activities, communications and office services.

Caseload activities

Caseload activities vary, depending on the number of applications the department receives. These activities accounted for an average of 54 percent of costs per state fiscal year for FY 2012 and FY 2013 and included:

- Distributing information about and explaining eligibility criteria for the Training Benefits Program and other unemployment programs, including Commissioner-Approved Training, emergency-unemployment compensation and extended benefits;
- Helping applicants complete the Training Benefits application;
- Communicating and coordinating with the adjudication centers and participants to provide the status of applications and advise adjudicators of changes to a claimant's training status; and
- Writing decisions and processing appeals.

Current cost assumptions for caseload activities

For every 320 applications, an Unemployment Insurance Specialist 3 is needed, at a current annual cost of \$66,294. For every six Unemployment Insurance Specialist 3 positions, an Office Assistant 3 is needed, at an annual cost of \$48,676.

General administrative and oversight activities

General administrative and oversight activities are constant costs. These averaged 46 percent of total costs for FY 2012 and FY 2013. *Figure 15* outlines the costs for FY 2011 through FY 2013 and the projected costs for FY 2014.

These activities include the indirect overhead costs associated with financial services, accounting, budgeting, payroll, personnel, communications, training, computer systems management, research and data analysis, utilities, rent and leases, travel, printing and facilities services.

The State Board for Community and Technical Colleges reported that there are administrative costs associated with serving any student enrolled in college. A student receiving Training Benefits does not create additional costs or different costs than any other student.

Figure 15. Training Benefits Program administrative costs for FY 2011 through FY 2013 and projected costs for FY 2014

Washington state, FY 2011 through projected FY 2014

Source: Employment Security Department administrative data

	Training Benefits Program administrative costs			
	FY 2011	FY 2012	FY 2013	Projected FY 2014
Number of applications processed	5,440	3,961	4,282	4,282
Caseload staffing				
Unemployment Insurance Specialist	16.8	12.1	8.0	8.0
Office Assistant	0.9	1.6	2.3	2.3
WorkSource Specialist	8.5	3.8	0.5	0.5
Total caseload staffing	26.1	17.5	10.7	10.7
Claims per UI Specialist	325	327	537	537
Caseload cost				
Salaries	\$1,085,753	\$754,450	\$467,352	\$481,372
Benefits	\$417,191	\$299,315	\$178,742	\$175,701
Total caseload cost	\$1,502,944	\$1,053,766	\$646,094	\$657,073
Non-caseload staff				
Supervisory staffing	1.9	1.6	1.0	1.0
Research and data analysis	1.8	2.1	1.7	1.7
Annual reporting	0.7	0.7	0.7	0.7
Total non-caseload staffing	4.4	4.4	3.4	3.4
Total staffing	30.5	21.9	14.1	14.1
Non-caseload cost				
Salaries	\$169,083	\$126,567	\$209,262	\$215,539
Benefits	\$50,026	\$43,275	\$65,477	\$62,506
Communications	\$76,701	\$19,352	\$13,589	\$13,589
Utilities	\$4,458	\$2,438	\$961	\$961
Rental and leases	\$166,263	\$134,350	\$59,161	\$59,161
Repairs and maintenance	\$20,507	\$8,555	\$7,212	\$7,212
Printing and reproduction	\$35,963	\$3,466	\$922	\$922
Facilities and services	\$4,135	\$2,766	\$2,489	\$2,489
Other goods and client services	\$680,689	\$427,844	\$187,875	\$187,875
Annual reporting	\$53,000	\$53,000	\$53,000	\$53,000
Total non-caseload cost	\$1,260,824	\$821,654	\$599,947	\$603,255
Total Training Benefits	\$2,763,768	\$1,875,420	\$1,246,041	\$1,260,328

TB Program total administrative costs are projected in FY 2014 to be less than half of the total costs for FY 2011.

Summary of administrative costs

The sum of state and local level administrative costs for FY 2012 was \$1,875,420; administrative costs for FY 2013 were \$1,246,041; and administrative costs projected for FY 2014 are \$1,260,328. *Figure 16* compares these total costs with the average number of Training Benefits applications processed.

Denied applications require labor-intensive staff review. This report reflects the average cost per application processed. For comparative purposes, *Figure 16* shows the calculations back to 2011.

Once the recession took hold in the state, total staffing increased to accommodate the increased demand for the Training Benefits Program. As the number of applications decreased, beginning in FY 2012, staffing levels were also reduced. Since staffing levels were further reduced in FY 2013, without a further decrease in demand, the costs per application have decreased substantially from FY 2011 levels.

Figure 16. Administrative costs per Training Benefits Program application processed for FY 2011 through FY 2013 and projected costs for FY 2014

Washington state, FY 2011 through projected FY 2014

Source: Employment Security Department and Workforce Development Councils' administrative data

Program cost measure	FY 2011	FY 2012	FY 2013	Projected FY 2014
Total administrative costs	\$2,763,768	\$1,875,420	\$1,246,041	\$1,260,328
Applications processed	5,440	3,961	4,282	4,282
Applications approved	3,439	2,548	2,802	2,802
Percentage approved	63%	64%	65%	65%
Cost per application processed	\$508	\$473	\$291	\$294

Average cost per application processed has dropped from approximately \$500 over FY 2011 and 2012 to about \$300 in FY 2013 and projected for FY 2014.

Training Benefits Program funding obligations

Through November 30, 2013, a total of \$186,406,754 has been paid out of Training Benefits funds over the history of the program. This represents about 55 percent of total funds made available for the program. A total of \$13,496,142 was paid out in FY 2013 and \$5,596,224 through November 30, 2013, of FY 2014. The balance of future obligations is \$20,739,869.²²

²² Employment Security Department administrative data.

Appendices

Appendix 1. Survey methodology and response rate

Approach

In accordance with state law (*RCW 50.22.157*), the Employment Security Department surveys Training Benefits participants each year to collect information about the participants' training programs and subsequent employment experiences. This survey collected information on the participants' training status, specific training pursued, current employment status and wages and the perceived impact of training. The full questionnaire is included in *Appendix 2*.

Survey design

The total population of Training Benefits participants was surveyed who were approved for the program in calendar years (CY) 2009 through 2011. This sampling design allowed for a minimum of two years of follow-up on earnings and employment for those Training Benefits participants who were approved for their TB Program plan.

The survey was conducted in June and July of 2013 using a bi-modal approach via telephone and the Internet.

Telephone and/or email follow-up was attempted to answer any questions that a respondent failed to complete. This reduced statistical bias in the study results.

Response rate

Employment Security surveyed 8,945 claimants approved for the Training Benefits Program who were approved from January 1, 2008, through December 31, 2011. We received 3,447 survey responses. Of these responses, 3,426 were usable, valid responses, for a response rate of 38.3 percent.

Figure A-1. Survey results

Washington state, 2013

Source: Employment Security Department, LMPA, summer 2013 Training Benefits survey

Survey results	Count
Training Benefits Program population (calendar years 2009, 2010 and 2011)	8,945
Valid responses	3,426
Response rate in percent	38.3%

Appendix 2. Survey questionnaire

TRAINING BENEFITS PROGRAM SURVEY

WEB-BASED QUESTIONNAIRE²³

2013

Name of participant: _____

IDNUM _____

Introduction to the individual

We are interested in your experience with Unemployment-Insurance Training Benefits Program, which pays extended unemployment benefits to eligible participants while they attend approved training to learn new jobs.

1. Our records show that you were approved for training with the Training Benefits Program in connection with your unemployment-insurance application.

Have you started your training?

Yes **Go to Q. 2** _____

No **Go to Q. 4** _____

2. What was (is) the name of the training program?

3. Was (is) a degree, certificate or license required for the job you are training for?

- a. Yes
- b. No
- c. Unknown

Go to Q.5

4. Why haven't you started your training? (Check all that apply.)

- a. You found a job that met your needs
- b. You did not have enough money for tuition fees, supplies and/or books
- c. You needed to find a job rather than start school
- d. You returned to your former job
- e. You had other family responsibilities
- f. Other reasons; please specify: (In jail, military, etc.)

_____ **Go to End of Questions – Closing**

²³ The same questions and sequence were used for the telephone interviews.

5. Did you complete this training?
 - a. Yes
 - b. No **Go to Q. 8**
 - c. Still in training. **Go to end of survey.**

6. How did you pay for your tuition? (Check all that apply.)
 - a. Personal funds
 - b. Family support
 - c. Other governmental assistance, for example, GI Bill or Workforce Investment Act (WIA)
 - d. Financial assistance through the school or college
 - e. Training Benefits weekly funds
 - f. Combination of funds. Please specify: _____

7. When did you complete this training?
Month/Day/Year _____ **Go to Q. 10**

8. When did you stop taking this training?
Month/Day/Year _____

9. What are the reasons why you have not completed the training? (Check all that apply)
 - a. You found a job that met your needs
 - b. You needed to find a job rather than continue school
 - c. You returned to your former job
 - d. You did not have enough money for tuition fees, supplies and/or books
 - e. Your unemployment insurance ended before you completed the program
 - f. Other reasons; please specify: (In jail, military, etc.)

Go to end of Questions – Closing.

Current employment history

10. Are you working now?

- a. Yes
- b. No **Go to end of Questions – Closing.**

11. When did you start this job?

Month/Day/Year _____

12. Did the training help you get this job?

- a. A major help
- b. Helped somewhat
- c. Very little help
- d. No help at all

13. Are you employed in a field for which you were retrained?

- a. Yes
- b. No

14. After completing your training, did you go back and work for the same employer that you were laid off from?

- a. Yes
- b. No

15. What is your current job title or occupation?

- a. Job title or occupation: _____
- b. What do you do in this job? _____

16. In a typical week, how many hours a week do you work on this job?

Hours per week: _____

17. What is your rate of pay *before taxes and deductions*?

\$____.____ per hour or \$_____ per _____.

End of questions – closing

This completes the questions I have. Do you have any questions or comments concerning this questionnaire?

Comments: _____

Thank you very much for all your help and your time.

Comments and notes (of the interviewer – relevant for telephone interviews and item nonresponse call-backs.)

