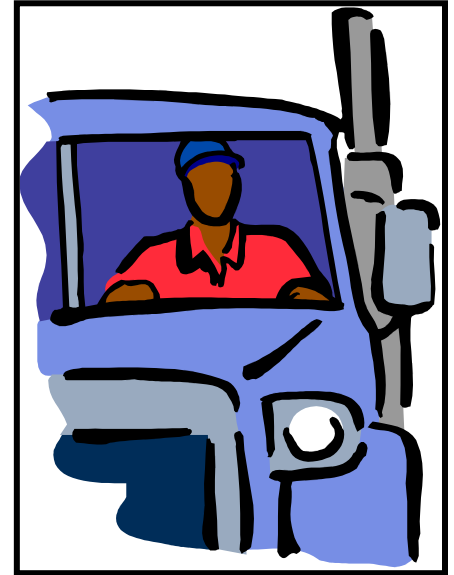


Rapid Employment Model Evaluation: Update #2



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INTRODUCTION

This report is an update to the report, *Rapid Employment Model Evaluation: Update* published in December 2008. Travis County contracted with the Ray Marshall Center to extend the evaluation of the Rapid Employment Model (REM) demonstration project. The intent of this effort is to track longer-term participant outcomes for the cohorts served in 2006 and 2007, and to document outcomes for the third cohort of participants served in 2008. In addition, this report presents quasi-experimental impact analysis for participants in the 2006 and 2007 cohorts.

Background

Travis County and the City of Austin are unique among local governments in the United States in their approach to workforce development. Rather than relying exclusively on federal funding to support services for their residents as most jurisdictions do, they have augmented federal and state funds with local tax dollars in workforce services for about a decade,¹ strategically coordinating their investments with Workforce Solutions – Capital Area,² the local workforce investment board. In recent years, Travis County and the City together have expended around \$3 million annually on workforce services for local residents.³ Primary areas of emphasis for these local investments have been occupational training and support services, offerings that have typically been constrained under federal program rules.

In 2005, Travis County and workforce board staff began discussing the need for improved services to assist jobseekers find suitable work more quickly through a structured effort that would supplement their longer-term skill development offerings. These discussions ultimately resulted in the creation of the Rapid Employment Model (REM). The REM project seeks to demonstrate that work readiness and short-term occupational skills training, when combined with active job placement assistance, can lead to successful employment outcomes for jobseekers who might otherwise struggle in the labor market.

¹ City and county tax expenditures on workforce services grew out of the experience with tax abatement agreements related to Samsung in the mid-to-late 1990s (Glover et al., 2007).

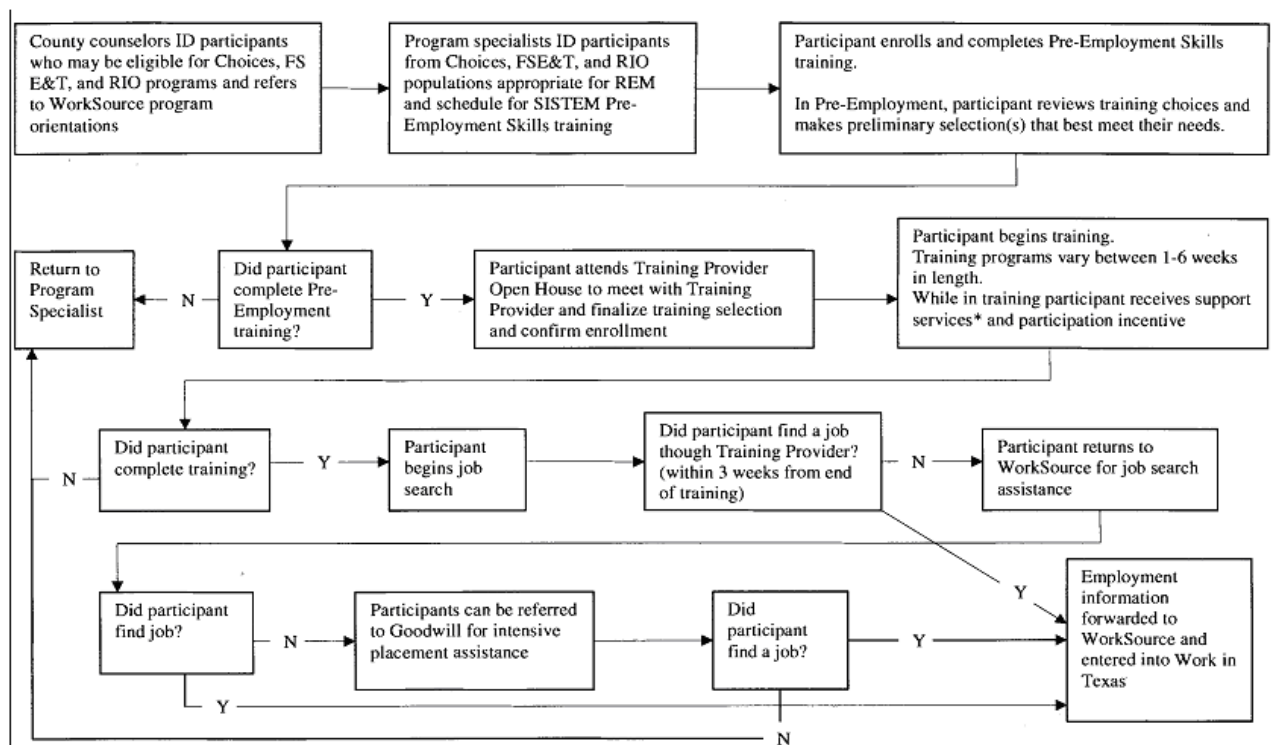
² Formerly known as *WorkSource*—The Greater Austin Workforce Board

³ See Smith and King (2007) for an evaluation of locally-funded workforce development services.

REM began operations in January 2006 as a joint effort of the County, Workforce Solutions and area workforce service providers to decrease the amount of time individuals are out of work. Like all County-funded workforce services, the REM project targets disadvantaged, indigent County residents, particularly those individuals who have been released from incarceration, as well as individuals receiving Food Stamps or cash welfare benefits.

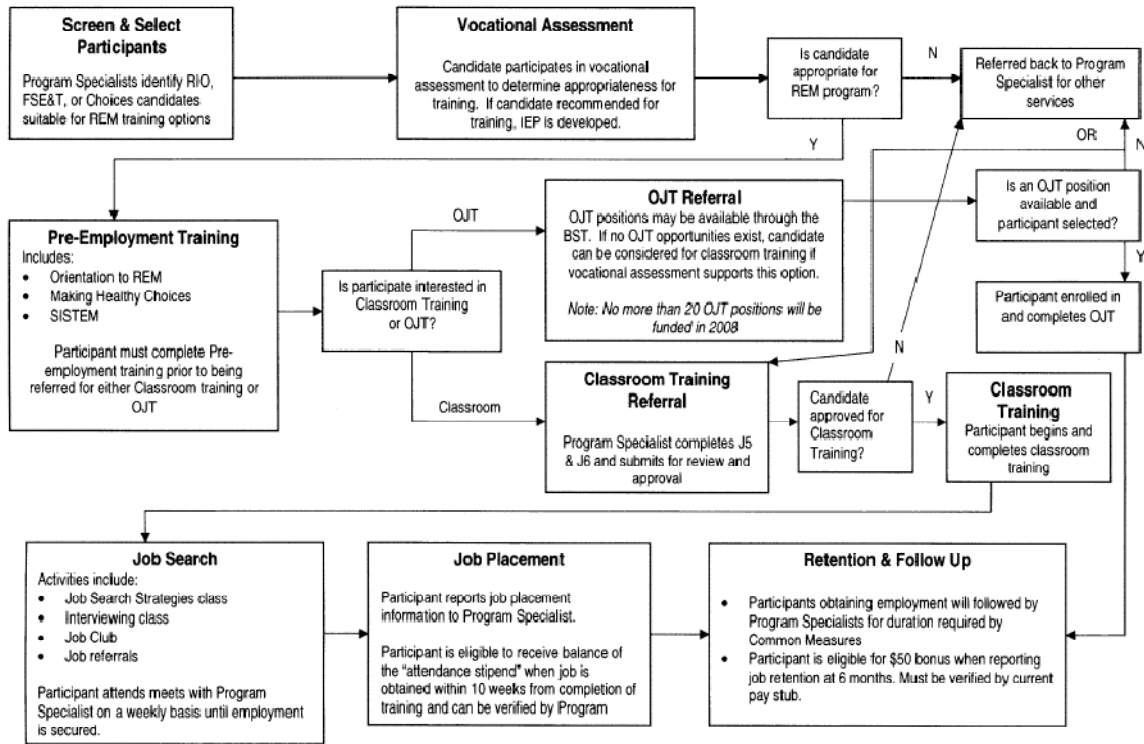
While minor modifications were made to the program design throughout 2006 and 2007, a more substantial redesign was incorporated for 2008 participants. Where 2006 and 2007 participants were served in multiple cohorts throughout the program year, participants in 2008 were allowed to move through training and other steps at their own pace. In addition, the project altered the work readiness training component in 2008. Whereas prior cohorts had undergone just the computer-based training program, *SISTEM*, participants in 2008 undertook multiple steps, including a soft skills training program *Making Healthy Choices* and vocational assessments along with the *SISTEM* training. Figures 1 and 2 illustrate the original and modified REM Participant Flowcharts.

Figure 1: REM 2006 and 2007 Participant Flowchart



* Support Services – while in training are provided through usual program process. Employment related can be provided through REM budget
Process will be repeated in three “rounds” with occupational training start dates in January - February, March - April and May - June

Figure 2: REM 2008 Participant Flowchart



Evaluation Approach

In order to document and understand the effects of participating in REM, the Travis County Health and Human Services Department contracted with the Ray Marshall Center for the Study of Human Resources (RMC) at the University of Texas at Austin’s LBJ School of Public Affairs to conduct an evaluation of these workforce development services. The initial effort included a process evaluation; findings from that analysis are presented in Smith and King (2007). The first evaluation update, focusing solely on outcomes, included an exploratory effort to gauge the impacts of the REM design for 2006 participants using a quasi-experimental method (Smith et al., 2008).

The ongoing evaluation of the REM project continues the focus on *outcomes*. The outcomes evaluation documents the results of the REM project, including the number of clients served; number completing training; number placed in employment; wages earned; and other outputs/outcomes that can be determined largely through linked administrative data. The outcomes evaluation also includes analyses to gauge the “value-added” or *impacts*

from these services through quasi-experimental analysis comparing labor market outcomes for 2006 and 2007 REM participants with those of a comparison group of similar non-REM participants.

Report Organization

This report is organized into five sections including this Introduction. The second section briefly characterizes the REM model design and explains its key features. The third section presents the initial labor market outcomes for 2008 REM participants. The fourth section presents longer-term outcomes for 2006 and 2007 REM participants and findings from the quasi-experimental impact analysis. The fifth section offers several concluding observations and identifies next steps for the ongoing evaluation effort.

THE RAPID EMPLOYMENT MODEL PROJECT

The REM project enrolled jobseekers in four separate rounds of training for up to six weeks between January 2006 and October 2006; in 2007, there were six separate rounds between February and October. The project design and offerings were modified slightly in each round of implementation. In 2008 the model was further refined; the cohort design was dropped in favor of more rapid entry into training for participants.

Participant Characteristics

REM participants were identified for possible inclusion in the project based on their association with one of three programs serving populations typically at a disadvantage in the labor market (see Table 1):

- **Project RIO (Re-Integration of Offenders)** – an employment and training program targeting individuals who have been released from incarceration in the state jail system. REM participants were overwhelmingly Project RIO clients (78.4% of all participants).
- **Choices** – the workforce program in Texas serving recipients of Temporary Assistance for Needy Families (TANF) funds. Almost one-fifth of all REM participants (19%) were Choices clients.
- **Food Stamp Employment and Training (FSET)** – a program providing access to employment and training programs for individuals receiving food stamp assistance. Few REM participants were FSET clients (just 2.6% overall).

Because each of these programs has specific participant eligibility requirements, as well as distinct policies on the amount and type of employment and training activities that individuals must engage in, the individuals participating in the REM project are not a homogenous group and should not be assumed to fully share motivations for employment.

Table 1: Number and Percent of REM Participants by Program and Service Year

Program	2006		2007		2008		Overall	
	n	%	n	%	n	%	n	%
Choices	16	14.3	24	21.6	18	22.2	58	19.0
FSET	•	2.7	•	1.8	•	3.7	8	2.6
Project RIO	93	83.0	85	76.6	61	74.4	239	78.4
Total	112	100	111	100	82	100	305	100

Note: A dot indicates that there were too few participants to report.
Source: Workforce Solutions – Capital Area data.

Components, Services, and Duration

Pre-Employment Training

One of the first activities an individual is expected to complete for the REM project is the pre-employment training program. The program selected for REM participants is Standard Industry Skills Training and Education Media, or SISTEM, a computer-based training program for individuals or groups which emphasizes job readiness and basic employment skills. Table 2 below provides a snapshot of the number of individuals completing this training.

The revised REM program for 2008 added a second pre-employment training component. In addition to SISTEM training, 2008 REM participants also completed the *Making Healthy Choices* program which emphasized basic life skills for success. This training has been identified by Workforce Solutions – Capital Area as effective and is a core component to several of the workforce development programs it administers.

Table 2: REM Participants Completing Pre-Employment Training

	2006	2007	2008
Total Number of Participants	112	111	82
Number Completing Pre-Employment Training¹	79	102	82 / 80
Percent Completing¹	71%	92%	100% / 98%

¹ The first number refers to SISTEM training while the second refers to the Making Healthy Choices training. Source: Workforce Solutions – Capital Area data.

Occupational Skills Training

After the pre-employment training, REM participants selected and entered a short-term training program. Overall, 88% of REM participants completed occupational skills training, as detailed in Table 3.

Table 3: REM Participants Completing Occupational Training

	2006	2007	2008	Overall
Total Number of Participants	112	111	82	305
Number Completing Occupational Training	97	99	71	267
Percent Completing	87%	89%	87%	88%

Source: Workforce Solutions – Capital Area data.

The occupational training programs available in the REM project varied considerably. The length of the programs in 2006 ranged from three days to six weeks, while programs offered in 2007 and 2008 ranged from two to six weeks. Though most programs did include training on resume development and interviewing skills, these activities were not necessarily part of the normal training sequence offered by the providers. Three training providers from 2006 continued on in 2007: Austin Academy, Construction Gateway, and Austin Community College's (ACC) Truck Driving program. The Central Texas Nurse Network, which offered Certified Nurse Aide training, joined the project in 2007. There were no new providers or training offerings for 2008.

Table 4 identifies the number of participants for each of the training providers. It is important to note that the training options available to participants were driven both by the timing of the training as well as by the population being served.

Table 4: Number and Percent of REM Participants by Occupational Training

Occupational Training Program	2006		2007		2008		Total	
	n	%	n	%	n	%	n	%
Austin Academy	19	17	16	14	15	18	50	16
ACC: Admin. Asst.	2	2					2	1
ACC: Para-Educator	1	1					1	1
ACC: EMEO	7	6					7	3
ACC: Truck Driving	45	40	31	28	22	27	98	32
Child Care	1	1					1	1
Construction Gateway	34	30	50	45	27	33	111	36
Dental Assisting	3	3					3	1
Certified Nurse Aide			14	13	18	22	32	11
Total	112	100	111	100	82	100	305	100

Note: Percentages may total more than 100 due to rounding.
Source: Workforce Solutions – Capital Area data.

INITIAL LABOR MARKET OUTCOMES FOR 2008 REM PARTICIPANTS

The outcomes analysis draws on three types of data: 1) provider-reported data on employment and wage levels submitted to Workforce Solutions; 2) program (Project RIO, Choices and FSET) specialists' data entered into The Workforce Information System of Texas (TWIST) database; and 3) Unemployment Insurance wage records maintained by the Texas Workforce Commission.

Immediate, Provider-reported Employment and Wages

For 2008 REM participants who completed occupational training (71 of 82 participants), 68% were employed within 90 days of completing their training program. Employment includes both part-time and full-time work. Participants with reported wages averaged \$9.37 per hour, in a range of \$2.15 to \$20 per hour. The Construction Gateway program and Austin Academy reported the most 2008 REM participants in employment (88% and 73%, respectively). Both the ACC-Truck Driving program and the Certified Nurse Aide program reported 53% of participants employed within 90 days of completing training.

UI Wage Records Data on Employment and Earnings

Prior to examining labor market outcomes based on UI wage records, two caveats should be noted. First, it is anticipated that UI wage records for construction and truck driving will *under-report* employment and earnings for these workers due to lower rates of UI coverage in these industries.⁴ Second, the employment and earnings numbers reported in the following tables for 2008 participants are based on an early analysis. As additional quarters of information become available, more definitive numbers can be reported.

Researchers are tracking 81 of 82 participants from the 2008 cohort. Missing identification data precluded the inclusion of all participants in the analysis. Participants in the 2008 REM project were employed approximately 29% of the time in the four quarters prior to their enrollment in the REM project (see Table 5, third column). In their last quarter

⁴ See Stevens (2007) for a review of employment that is not covered by state unemployment insurance laws.

of participation in the REM project, 49% of participants were employed (fourth column). Approximately 68% of REM participants were employed two quarters after their participation in the project had ended (fifth column) and 66% were employed when looking at all post-service quarters (last column).

Table 5: Quarterly Employment for 2008 REM Participants

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service ends	Sixth quarter after service ends	Tenth quarter after service ends	All quarters after service ends
2008	81	29.3%	49.4%	68.2%	.	.	65.6%

Note: A dot indicates too few participants or no information to report.

Source: UI wage records.

UI wage records also provide information on the individual's quarterly earnings. In the four quarters prior to their participation in the 2008 REM project, participants who were reported as employed earned an average of \$4,574 per quarter (see Table 6). In their last quarter of REM services, employed participants earned an average of \$2,981. In the second quarter after completing the 2008 REM project, employed participants earned an average of \$4,524. In all post-service quarters, employed 2008 REM participants earned on average \$3,838 per quarter. It is interesting to note that these average earnings (pre- and post-service) for 2008 participants are higher than the average earnings (pre- and post-service) at the same points in time for the 2006 and 2007 cohorts.

Table 6: Average Quarterly Earnings of those Employed, 2008 REM Participants

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service ends	Sixth quarter after service ends	Tenth quarter after service ends	All quarters after service ends
2008	81	\$4,574	\$2,981	\$4,524	.	.	\$3,838

Note: A dot indicates too few participants or no information to report.

Source: UI wage records

UPDATED LABOR MARKET OUTCOMES AND IMPACT FINDINGS FOR 2006 AND 2007 REM PARTICIPANTS

Researchers are tracking multiple cohorts of REM participants, including 103 participants from the 2006 REM cohort and 85 participants from the 2007 REM cohort. As UI wage records for some quarters in the evaluation have now been finalized, some of the numbers reported in the following tables may not exactly match those reported in the first update report (Smith et al, 2008). The numbers reported here are based on the most complete, up-to-date records available.

REM participants were much more likely to be found in UI wage records in the quarters following their participation in the project than they were in the quarters prior to it. In the four quarters prior to their participation in the 2006 REM project, individuals were employed approximately 16% of the time (Table 7), while 2007 REM participants were employed approximately 22% of the time. Two quarters after they finished the project, 59% of 2006 REM participants were employed as were 55% of 2007 REM participants. In the sixth quarter after service, almost equal shares of participants from each cohort were employed (47.6% vs. 47.1%). In all post-service quarters, at least half of participants from both cohorts were employed.

Table 7: Quarterly Employment for REM Participants

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service ends	Sixth quarter after service ends	Tenth quarter after service ends	All quarters after service ends
2006	103	16.3%	51.5%	59.2%	47.6%	44.0%	51.9%
2007	85	22.1%	30.6%	55.3%	47.1%	.	50.4%

Note: A dot indicates too few participants or no information to report.

Source: UI wage records

REM participants also experienced earnings increases of 50% or higher in the post-service period compared to what they had earned prior to entering the program (Table 8). In

the four quarters prior to participating in the REM project, employed 2006 participants earned an average of \$1,953 per quarter and employed 2007 participants earned an average of \$2,360 per quarter. In the sixth quarter following their participation in the project, employed 2006 participants earned an average of \$5,333 while 2007 participants earned an average of \$4,060.

Table 8: Average Quarterly Earnings of those Employed

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service ends	Sixth quarter after service ends	Tenth quarter after service ends	All quarters after service ends
2006	103	\$1,953	\$1,598	\$3,145	\$5,333	\$5,291	\$4,512
2007	85	\$2,360	\$1,141	\$3,191	\$4,060	.	\$3,600

Note: A dot indicates too few participants or no information to report.

Source: UI wage records

Unemployment Insurance Benefits

Ray Marshall Center researchers examined two measures related to UI benefits. In the first measure, qualification for UI benefits, researchers examined participants' work histories in the pre- and post-service period to determine if workforce development services had increased participants' eligibility for receiving UI insurance in the event of a layoff or other employment separation. Qualification for UI benefits is based on length of employment, earnings levels, and reason for separation, among other factors. An individual must have sufficient earnings in at least two of the four quarters prior to separation to qualify for UI benefits (i.e., monetary eligibility). This measure is significant as it looks at the stability of an individual's employment. Prior to entering the REM project, most participants had a history of unstable employment. After their participation in these services, many of these individuals have moved into stable employment that qualifies them for benefits through the UI program, the nation's first-tier safety net for laid-off workers that is funded by both employers and workers.⁵ In the second measure, UI benefit claims filed, researchers

⁵ Employers pay taxes that directly support the UI program; economists point out that workers also contribute to the program indirectly in the form of somewhat lower wages.

examined UI claims in both the pre- and post-service period to determine if the REM project had reduced participants' reliance on UI benefits.

In the four quarters prior to participation in the REM project, approximately 10% of 2006 participants would have qualified for UI benefits based on their earnings history (Table 9). Approximately one-fifth of 2007 participants met the monetary eligibility criteria for UI benefits prior to their participation in the program. In the sixth quarter after they completed the REM project, fully 53% of 2006 participants qualified for UI benefits based on their earnings history as well as 41% of 2007 participants.

Table 9: Percent of REM Participants Qualified for UI Benefits

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service ends	Sixth quarter after service ends	Tenth quarter after service ends	All quarters after service ends
2006	103	9.7%	.	.	53.4%	41.0%	46.1%
2007	85	19.7%	.	.	41.2%	.	39.6%

Note: A dot indicates too few participants or no information to report.

Source: UI claims records

Despite the large increase in eligibility for UI benefits, few REM participants filed an unemployment insurance claim in the post-service period (Table 10). Note though, that almost 5% of 2007 REM participants filed a claim in the sixth quarter post-service – a period almost a year into the economic recession.

Table 10: Percent of REM Participants Filing UI Claims

Cohort	Total Participants	Four quarters before service	Last quarter of service	Second quarter after service ends	Sixth quarter after service ends	Tenth quarter after service ends	All quarters after service ends
2006	103	0.2%	0.0%	0.0%	0.0%	1.0%	1.4%
2007	85	0.9%	0.0%	0.0%	4.7%	.	1.3%

Note: A dot indicates that there were too few participants to report.

Source: UI claims records

Quasi-Experimental Impacts Analysis

This section reports the results of exploratory quasi-experimental impact estimation that Ray Marshall Center researchers conducted to gauge the “value added” of participation in the REM project. Researchers are continuing to refine their approach to impact estimation and will present additional estimates in future reports. The quasi-experimental impact analysis compared employment and earnings outcomes for 2006 and 2007 REM participants with a comparison group of individuals who received basic workforce services (e.g., job matching, resume development). The analysis reveals mixed impacts, only some of which are statistically significant. Findings are detailed below.

Quasi-Experimental Estimation

In an attempt to measure the impacts of REM participation, researchers conducted a quasi-experimental analysis comparing labor market outcomes for REM participants with those of a comparison group of similar non-participants. Quasi-experimental analysis has been shown to produce impact estimates comparable to those resulting from more rigorous and costly approaches involving the use of experimental designs that randomly assign individuals to treatment and control status.⁶ In fact, for many groups, quasi-experimental estimates may understate employment and earnings impacts from workforce services. In addition, the outcomes examined here compare individuals engaged in minimal, short-term training to those who received basic labor force attachment services; large impacts are not expected. For these reasons, results presented in this report, while exploratory, should be considered *conservative estimates* of the true impacts.

Quasi-experimental approaches tend to work well when participants for whom comparison groups are being created have sufficient prior employment and earnings histories and when data are available on a sufficient number of variables with which to perform the requisite match. Youth and ex-offenders are problematical in this regard precisely because their prior employment and earnings histories are either lacking or difficult to determine.

Potential comparison group members were drawn from two sources: individuals who either registered to look for employment using the state’s WorkinTexas program or received “core” services under the Workforce Investment Act (such as job-matching or resume

⁶ For example, see Greenberg et al. (2006) and Hollenbeck and Huang (2006).

development). Thus, the comparison group selected as described below is not a “no-services,” but rather a “low-intensity services” group. The resulting impact estimates thus reflect the *incremental value* of the County’s investments in the REM project.

REM participants were matched on a one-to-one basis with potential comparison group members using a method known as *weighted multivariate matching*. This technique places greater weights on those variables showing greater initial (pre-service) differences. Matching was done by selecting for each participant the one comparison group member judged most similar. Matching was done without replacement, with no caliper applied to eliminate poor matches, since doing so would have reduced the generalizability of the results.

Exact matches carried out included: county; year of entry into the program; and whether or not individuals had recently experienced an earnings dip of 20% or more. *Distance matches* were carried out on additional variables by treating them as numeric and including them in the overall multivariate distance measurement. These variables included: age, gender, race/ethnicity (white, black, Hispanic), time since first earnings, employed at entry, percent of time employed over four (4) years prior to program entry, average quarterly earnings over four (4) years prior to program entry, and percent of time in any workforce development service in the year immediately prior to program entry (matched according to service intensity: high for training programs, and low for job placement services). For those experiencing a recent earnings dip, the time since the earnings dip and the percent of earnings represented by the dip were also included in the matching process.

Adequacy of each comparison group was judged by performing t-tests comparing treatment and comparison groups on the same dimensions. If the groups were statistically different at $p < .01$ on more than two dimensions, the comparison was considered inadequate. Using these parameters, the comparison group differed significantly from all REM participants taken as a whole. Taken as individual cohorts, however, REM 2006 and REM 2007 participants did not differ significantly from their comparison groups on any of the tested variables. Therefore, the impacts analysis is computed separately for each annual cohort. See Appendix A for more details.

It should be emphasized that matches could not be made based on offender status as those data were not available for the comparison group. The REM project primarily serves ex-offenders who may be at a disadvantage in the labor market given the current economic

climate and limited access to some occupations. Therefore, it is likely that the comparison group has some unmeasured advantage in the labor market relative to the REM participants that may affect the impact estimations below.⁷

Note that the impacts tables display two effects columns. The Unadjusted Net Effect simply shows the computed difference between the treatment and comparison groups on the outcome in question. The Adjusted Net Effect column presents the net effect after further statistical adjustments have been made (e.g., demographic differences). The figures in the Adjusted Net Effect column are the measures of program impacts emphasized in the discussion that follows.

Employment and Earnings Impacts

Based on the analysis, participation in the REM project did have a positive, statistically significant impact on employment (Table 11). This modest employment impact was the expected result and primary goal of the REM project. Overall, 2006 REM participants were 4.6 percentage points more likely to be employed in the post-service period than were comparison group members. Participants from 2007 were 5.6 percentage points more likely to be employed.

Table 11: Quarterly Employment Impacts

Cohort	All quarters after service ends: Comparison group	All quarters after service ends: Treatment group	Unadjusted net effect	Adjusted net effect
2006	51.2%	51.9%	0.7%	4.6% *
2007	55.1%	50.4%	(4.7%)	5.6% *

Note: * denotes significance at p<.05
Source: UI wage records

While earnings growth was not a central goal of the REM project, the County and Workforce Solutions did target employment at a living wage. Though not statistically significant, REM participation had a small but positive impact on quarterly earnings for the

⁷ Further explorations of this issue and potential resolutions are ongoing.

2006 cohort (Table 12). For the 2007 cohort, however, REM participation had a small but statistically significant *negative* impact on quarterly earnings of approximately \$500 per quarter. In other words, comparison group members earned approximately \$500 more per quarter than 2007 REM participants, an amount that is statistically significant. It should be noted, however, that this is not an indication of the impact of the program on the individuals themselves. As detailed in Table 8, individual participants earned an average of 50% more in all post-service quarters than they had earned in the four quarters prior to enrolling in REM.

Table 12: Quarterly Earnings Impacts

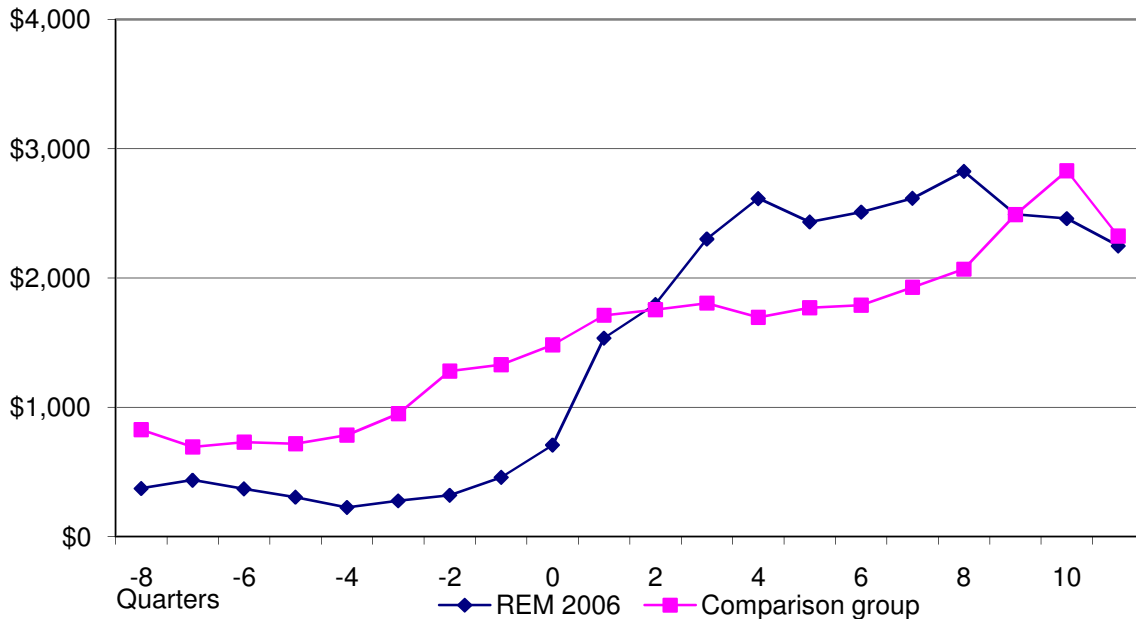
Cohort	All quarters after service ends: Comparison group	All quarters after service ends: Treatment group	Unadjusted net effect	Adjusted net effect
2006	\$3,752	\$4,512	\$760	\$312
2007	\$4,064	\$3,600	\$-464	\$-520 *

Note: * denotes significance at $p < .05$
 Source: UI wage records

Figures 3 and 4 below detail earnings over time for both the REM cohorts and their comparison groups. Earnings are averaged across all participants and comparison group members, whether or not employed (i.e., unconditional earnings). The zero quarter is the quarter of entry/participation in the REM project for participants.

2006 REM participants and their comparison group members demonstrated similar employment and earnings trends (Figure 3). In the pre-service period, 2006 REM participants had considerably lower earnings than comparison group members. In the third quarter post-service, however, REM participants' earnings overtook those of the comparison group and remained stronger through the eighth quarter post-service. In the last three quarters in the measurement period, 2006 REM participants experienced declining wages that were largely consistent with the experience of the comparison group members.

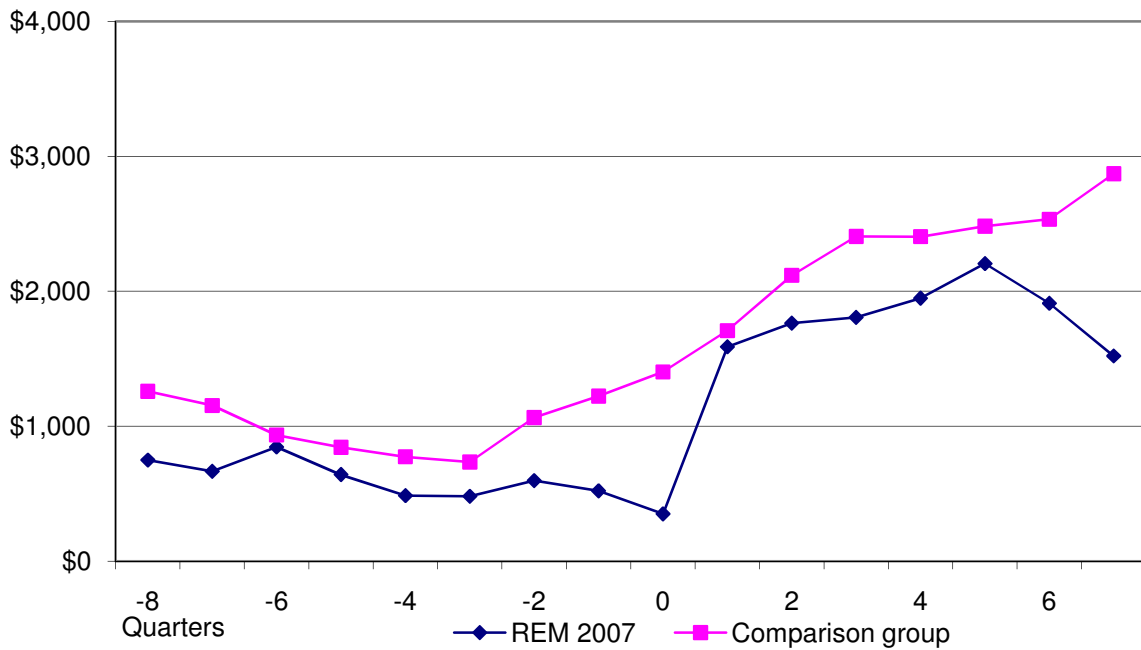
Figure 3: REM 2006 vs. Comparison Group Earnings Over Time⁸



Similar to the 2006 REM cohort, the 2007 REM cohort also had very low earnings in the pre-service period and experienced strong employment and earnings gains in the post-service period. For the 2007 REM cohort, the earnings gain was sustained from quarters one through five (Figure 4). In subsequent quarters, earnings declined but were still substantially above the pre-service average. The difference between the 2006 and the 2007 cohort, however, is that the 2007 group never out-performed its comparison group – resulting in the negative impact finding detailed in Table 12.

⁸ Earnings in this figure are averaged across all participants, whether employed or not.

Figure 4: REM 2007 vs. Comparison Group Earnings Over Time⁹



Impacts on Unemployment Insurance

The analysis of impacts on UI benefits yielded mixed results. In terms of UI claims filed (Table 13), REM 2007 participation had a statistically significant and negative impact, indicating that REM participants filed fewer claims than comparison group members. In terms of meeting the monetary eligibility requirements for UI benefits (Table 14), REM 2006 participation had a statistically significant and positive impact. Those participants met the monetary eligibility requirements at a higher rate than did comparison group members.

Table 13: UI Claims Impacts

Cohort	All quarters after service ends: Comparison group	All quarters after service ends: Treatment group	Unadjusted net effect	Adjusted net effect
2006	3.3%	1.4%	(1.9%)	(1.2%)
2007	4.2%	1.3%	(2.9%)	(3.3%) **

Note: ** denotes significance at p<.01
Source: UI claims records

⁹ Earnings in this figure are averaged across all participants, whether employed or not.

Table 14: Impact on UI Benefits Qualifications

Cohort	All quarters after service ends: Comparison group	All quarters after service ends: Treatment group	Unadjusted net effect	Adjusted net effect
2006	40.8%	46.1%	5.3%	7.2% **
2007	50.1%	39.6%	(10.6%)	(0.2%)

Note: ** denotes significance at $p < .01$
Source: UI claims records

CONCLUDING OBSERVATIONS AND NEXT STEPS

The Rapid Employment Model project was designed primarily to shorten time unemployed and boost employment. The evidence continues to mount that the project is indeed meeting its objectives. Travis County participants who complete the occupational skills training component of REM are entering and retaining employment at higher rates than individuals in the comparison group. Participants also experienced increased earnings following the training, though those increases were not large in relation to the comparison group. As more time passes since participants completed the REM training, researchers will have more data to determine the project's true impact on employment and earnings trajectories.

It is also important to note the impact that REM participation has had on individuals' unemployment insurance benefits claims and monetary eligibility. Though it is not possible to directly measure the project's impact on time unemployed, the measures that are available are telling. While UI claims by REM participants held steady across pre- and post-service periods (less than one percent had filed a claim), the percent of individuals who would qualify for UI benefits based on their employment history increased dramatically in the post-service period. For the 2006 REM cohort, the increase in eligibility is statistically significant. That REM participants can now access this important safety net in the event of a job loss is a significant impact of the project. Moreover, the impacts on UI claims filed is statistically significant for the 2007 cohort, and for both cohorts examined the findings are in the right direction: REM participants filed for UI benefits at a lower rate than did the comparison group.

As a demonstration project, the REM design appears to be a viable tool for working with disadvantaged residents in Travis County. The modifications that have been incorporated over the course of the project, particularly the narrowing of training options to more adequately address the employment barriers that participants are working to overcome, are important to its success. Moving forward, the County and Workforce Solutions should continue to monitor the type of participants engaged in the project to ensure that the training opportunities are appropriate.

In the next phase of the evaluation, Ray Marshall Center researchers will continue to monitor post-service employment and earnings, as well as refine the quasi-experimental impacts analysis and extend its application to the 2008 REM cohort. This will be an important analysis as the project design changed considerably in 2008; researchers will pay particular attention to the possible impact these changes have on longer-term outcomes for participants. Center researchers will work with County staff to identify potential data sources that would allow offender status to be included in the comparison group matching process, ultimately leading to better impact estimates for the REM project. Center researchers will also explore the possibility of adding a benefit-cost or cost-effectiveness analysis to the evaluation.

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APPENDIX A

The adequacy of each comparison group for the quasi-experimental impacts analysis was judged by performing t-tests. These tests compared treatment and comparison groups on the same 18 dimensions. If the groups were statistically different at $p < .01$ on two or more dimensions, the comparison was considered inadequate. Table A-1 provides the results of these tests.

Table A-1. Summary of Differences between Treatment and Selected Comparison Groups, by REM cohort

	REM all years	REM 2006	REM 2007
Age			
Average earnings, 4 years prior			
Percent of earnings that earnings dip represents			
Employed at entry	**		**
White			
Black			
Hispanic			
Gender, female			
Eligible for UI based on work history			
Percent of time employed, 4 years prior	**		
Time since first observed earnings, quarters			
Time since earnings dip, quarters			
Any UI benefits in prior year			
Any UI claims in prior year			
Any high-intensity workforce development in prior year		-	
Percent of time in high-intensity workforce development in prior year		-	
Any low-intensity workforce development in prior year			
Percent of time in low-intensity workforce development in prior year			
Pass or fail test for adequacy of comparison group	FAIL	PASS	PASS