

# Evaluating Labour Policies in the United States

---

Christopher T. King

*The University of Texas at Austin*

Burt S. Barnow

*George Washington University*

***Governance of Labour: Strategies for Sustainable Progress***

***ILO Global Workshop***

*Prague, Czech Republic*

June 28, 2017



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



# Acknowledgements

---

This presentation was made possible with support from the International Labour Office, Geneva.

# Outline

---

- Labor Policy Evaluation in the US Department of Labor
- Workforce Development Evaluations
  - Workforce Investment Act Experimental Evaluation
  - Promising Strategies Evaluations
  - Apprenticeship
- New Approaches to Workforce Performance Measurement
- Unemployment Insurance Evaluations
  - Research on Reemployment and Eligibility Assessment (REA)
  - Applying Behavioral Economics in REA
- Regulation of Wages & Hours: Update
- Summing Up



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Labor Policy Evaluation in USDOL

- Established tradition of rigorous policy research and program evaluation, 1960s to present.
- **Assistant Secretary for Policy, Evaluation & Research (ASPER)** in late 1960s. Commissioned own research and coordinated department-wide research and evaluation efforts with operating agencies.
- Became **Assistant Secretary for Policy (ASP)** in 1981, with reduced emphasis on research.
- **Chief Evaluation Office (CEO)** established within ASP in 2010 with a broad focus ([www.dol.gov/asp/evaluation/](http://www.dol.gov/asp/evaluation/)). *Mission:* To develop and implement evaluations addressing priorities set by the Secretary and USDOL agencies.



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# CEO Studies

- **Completed studies** (n=87 since 2010) address broad array of topics/issues spanning USDOL responsibilities, e.g., workforce & education (n=33); labor market trends and *Future of Work* (n=13); occupational safety & health (n=7); mining safety & health (n=3); wage and hour (n=6); family leave (n=6); Unemployment Compensation (n=5).
- **Ongoing studies** (n=40) also wide ranging, e.g., workforce & education (n=22); family leave (n=1); unemployment compensation (n=2); international labor (n=2)
- Consistent with budget and scope, USDOL research and evaluation efforts are heavy on workforce and unemployment related issues.



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Workforce Development: WIA Experimental Evaluation

Workforce Investment Act (WIA) was passed in 1998 and was the main national training program for adults, dislocated workers, and youth until WIOA was enacted in 2014

RCT evaluation of WIOA launched in 2008, completed in 2016

Design of WIA evaluation:

- No control group
- Three (3) tiers of service: core, intensive, and training
- Participants were randomly assigned to a tier and were eligible to receive that level of service or less
- All analyses are intent-to-treat; no attempt to estimate impact of service receipt (treatment-on-treated)
- All participants were eligible to receive similar services from other programs (and many did)
- Youth supposed to be part of study, but dropped during design phase

# WIA Experimental Evaluation Evaluation Findings

- Availability of training does not increase earnings at 15 months
- Availability of intensive services over just core services does increase earnings
- Study cautions that 15 months is too short to draw conclusions on effectiveness of training
- Contrast in services not as great as one might expect:
  - 43% of those in full WIA received training
  - 30% of those in core+intensive received training
  - 28% of those in core only received training
  - Less than ½ in training group got training
  - Almost as many in groups not eligible for training received training
- Training impacts were greater in non-experimental evaluations of WIA and evaluations of prior programs



# Workforce Development: Promising Strategies Evaluations

**Sector-based training and career pathways** are promising strategies. The Workforce Innovation and Opportunities Act (WIOA) of 2014 embedded them into the nation's workforce development system framework.

- **Sector strategies** attempt to increase worker skills, improve productivity, and enhance regional competitiveness by targeting particular occupations within an industry sector, intervening via workforce intermediaries, and creating systemic change to support improved training over time.
- **Career pathways** are a series of structured, connected education programs and services enabling students, often while working, to advance over time to better jobs and higher levels of education and training.



Public Policy  
& Public Administration





# Workforce Development: Promising Strategies Evaluations

- Evaluations sponsored by USDOL and USHHS (e.g., Health Professions Opportunity Grant, Pathways for Advancing Careers & Education). National foundations (e.g., Casey, Ford, Mott, JP Morgan Chase) led the way. King (2014) and King & Prince (2015) synthesize the evaluations.
- Maguire et al. (2009) conducted a short-term RCT of such strategies in 3 sites and found:
  - Participants earned significantly more (\$4,500, 18.3%) than controls over 2 years, and fully 29.3% more in year 2.
  - Participants were more likely to work, work more consistently (by year 2) and work in jobs offering employee benefits.
  - Employed participants worked more hours and earned higher wages.

# Workforce Development: Promising Strategies Evaluations

- Elliott & Roder (2017) found even stronger results in a longer-term (6-year) RCT of San Antonio's Project QUEST, a project first implemented in 1992:
  - Large, statistically significant earnings gains over the 6-year follow-up period. Impacts grew over the period, exceeding \$5,000/yr. in year 6.
  - Gains resulted from both more consistent work and higher wages.
  - Participant earnings grew to \$28,204 over the study, while completers earned \$38,113 in year 6, attaining economic self-sufficiency earnings levels in San Antonio.

# Workforce Development: Promising Strategies Evaluations

---

## Summer Youth Programs—

- Although there is no longer a national summer youth program for poor youth, many local areas operate such programs with variety of funding sources
- In large cities, there is often excess demand for slots, and cities have reacted by using lotteries to determine who is admitted
- Researchers have been creative in linking program data to administrative data from other agencies on outcomes such as employment and earnings, arrest records, and school attendance



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Summer Youth Program Evaluation

## Selected Results from Local RCTs

---

- Gelber et al. (2016) found a statistically significant difference in **New York City SYEP** participants' total yearly earnings, including jobs in and outside the public sector
- Heller (2014) reported a statistically significant decrease in violent-crime arrests among **One Summer Plus** participants in Chicago over a 16-month period
- Schwartz et al. (2015) reported a statistically significant increase in **SYEP** participants' school attendance and the number of youth who attempted and passed the Regents English and Math tests in New York City



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Workforce Development: American Apprenticeship Initiative

USDOL provided \$175 million in 5-year grants to 46 grantees starting in 2016. **AAI grant goals:**

- Support the expansion of quality and innovative apprenticeship training programs into high-growth occupations and create career pathways encompassing the programs and align them with post-secondary education through innovative partnerships that leverage high-quality training and classroom-education opportunities.
- Utilize strategies that offer innovative approaches to significantly increase apprenticeship opportunities for all American workers, particularly underrepresented populations in apprenticeship, including women and minorities, low-skilled populations, and veterans
- Implement new and innovative public policies (at the regional, state, and local level) or public-private partnerships that increase demand for American Apprenticeship.



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Workforce Development: American Apprenticeship Initiative

## Goals (continued):

- Implement new and innovative public policies (at regional, state, and local level) or public-private partnerships that increase demand for Apprenticeship.
- Ensure that innovations form the basis for broader change and sustainability that encourages employers to adopt and offer American Apprenticeship opportunities.

## Key evaluation activities by Abt Associates team

- Implementation study
- Outcomes study
- Estimates of return on investment (ROI) for employers
- Developing, implementing, and evaluating an RCT demonstration on a topic such as the value of marketing in expanding apprenticeship programs

Trump Administration proposing less government regulation of apprenticeship programs, but unclear how this will be implemented



Public Policy  
& Public Administration

# Unemployment Insurance Research: Reemployment and Eligibility Assessment

---

## Background on REA:

- Beginning in 2004, USDOL has funded states on a voluntary basis to participate in REA (now called RESEA)
- REA programs include both verification of eligibility for UI and services to help claimants find work more quickly
- Past evaluations indicate that the program shortens duration by 1.5 weeks and saves \$1 for every \$3 spent
- 2016 grants provided \$112 million to nearly all states



Public Policy  
& Public Administration

# Reemployment and Eligibility Assessment Evaluation

Ongoing evaluation intended to learn which aspects of REA save money and help claimants

- 4 states in demo: New York, Indiana, Wisconsin, and Washington
- Sample size/state ranges from 26,000 to 70,000
- Once determined eligible, claimants randomly assigned to 4 treatments
  - One session with eligibility determination and services
  - One minimal session with just eligibility determination
  - Multiple sessions, up to 3
  - No services or eligibility determination (control group)
- Outcomes of interest include UI payments, weeks of benefits paid, and employment and earnings of claimants
- Demonstration operated for one year and data being analyzed by Abt and GW



# Using Behavioral Insights to Improve REA Response Rate

- Response rates to initial email for REA services typically 50% or less
- RCT implemented for ~750 new REA claimants in Michigan to increase response rate
- Interviews and observations led to conclusions that low response resulted from avoidance of unpleasant tasks; inattention, procrastination, and forgetfulness; and misunderstanding of REA
- Intervention included
  - Positive tone in invitation letter
  - Concise instructions on what claimant was to do
  - Reminder messages to reduce avoidance
  - Planning prompts to encourage productive search
- Key findings
  - Percent scheduling first REA meeting increased from 55% to 71%
  - Percent completing REA program increased from 43% to 57%



# New Approaches to Workforce Performance Measurement

- Systematic performance measurement in U.S. workforce programs began in response to the Comprehensive Employment and Training Act (CETA) Amendments of 1978. First measures were implemented in early 1980s.
- Measurement evolved under the Job Training Partnership Act (JTPA) of 1982 and Workforce Investment Act (WIA) of 1998 to include outcome measures for adults, dislocated workers, and youth. Outcome measurement was extended using administrative records (UI records).
- Attempts were made — less than successfully — to institute “common measures” across many federal workforce programs.
- Prior to WIA, statistical models were used to adjust performance for variations in participant demographics and local conditions outside the control of state/local programs. WIOA has reinstated statistical adjustment.



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



# WIOA Common Measures (TEGL 10-16)

## Adults

- **Employment Rate 2<sup>nd</sup> Quarter after Exit** of those not employed at entry
- **Employment Rate 4<sup>th</sup> Quarter after Exit**
- **Median Earnings in 2<sup>nd</sup> Quarter after Exit**
- **Credential Attainment** = % adults earning a recognized postsecondary credential, secondary diploma or equivalent during or within a year after program exit
- **Measurable Skill Gains** = % adults enrolled in education or training achieving documented academic, technical, occupational or other progress toward a credential or employment

## Youth

- **Education & Employment Rate 2<sup>nd</sup> Quarter after Exit** = % youth employed (including military) or enrolled in postsecondary education or advanced/occupational training in 2<sup>nd</sup> Q after exit
- **Education & Employment Rate 4<sup>th</sup> Quarter after Exit**
- **Credential Attainment** = % youth earning a recognized postsecondary credential, secondary diploma or equivalent during or within a year after program exit
- **Measurable Skill Gains** = % youth achieving documented academic, technical, occupational or other progress toward a credential or employment



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



# WIOA Employer Measures

- Prior workforce programs — even WIA with its explicit “dual customer” focus — lacked employer-specific performance metrics except limited use of customer satisfaction measures
- **Effectiveness in serving employers measure**, per TEGP 10-16 (December 2016). Until Program Year 2019, states must choose from 2 of 3 approaches in this pilot phase or implement a measure of their own design:
  1. **Retention with Same Employer**
  2. **Repeat Business Customers (with WIOA)**
  3. **Employer Penetration Rate**
  4. **State-specific Employer Measure**

Until PY 2019, neither sanctions or incentives are tied to performance on any of the employer measures.



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



# Regulation of Wages & Hours: Update

- As noted in King & Heinrich (2015), USDOL's Wage & Hour Division (WHD) completely revamped its approach from 2014-2017, responding to major changes in labor markets (e.g., "fissuring" of the employment relationship, rise of supply chains)
- **Proactive, strategic regulatory model** to *plan, prevent, and protect*:
  - WHD asks employers and others to create a *plan* to "find and fix" possible violations before WHD investigations;
  - Employers must implement plans to *prevent* violations; and
  - Employers must assure their plans *protect* workers.
- WHD also focused on employee misclassification, overtime, family medical leave, definition of "spouse."



# Wages & Hours: Update ...

---

The Trump Administration and newly appointed Secretary of Labor Alexander Acosta are seeking to:

- Roll back new overtime regulations that would have extended overtime pay to 13 million workers with reclassification of workers;
- Roll back new fiduciary rules designed to protect workers and retirees from investment advisors' conflicts of interest; and
- Delay implementation of worker safety and health regulations, e.g., silica exposure rules.

Additionally, the Trump Administration has declared a “freeze” on USDOL’s regulations pipeline and proposed a Fiscal Year 2018 *America First* budget that cuts USDOL funding by 21%, including for workforce programs, occupational safety and health, and WHD enforcement.



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Summing Up

---

- USDOL has a longstanding tradition of rigorous evaluation of many of its programs, especially workforce development and unemployment compensation, and has actively used evidence to improve service delivery in its programs for decades.
- Beginning with the Obama Administration, evaluation activities were expanded to cover all major components of USDOL
- The Trump Administration has been slow to fill top USDOL positions, and Congress may not agree with some proposed new directions, so it is unclear the extent to which programs will be cut back (e.g., employment and training programs), significantly altered (e.g., apprenticeship), or abolished (e.g., Senior Community Service employment Program)



Public Policy  
& Public Administration

Trachtenberg School of Public Policy & Public Administration



RAY MARSHALL CENTER  
for the Study of Human Resources

THE UNIVERSITY OF TEXAS AT AUSTIN  
Lyndon B. Johnson School of Public Affairs

# Contact Information

---

Dr. Christopher T. King  
Ray Marshall Center  
LBJ School of Public Affairs  
The University of Texas at Austin  
[ctking@raymarshallcenter.org](mailto:ctking@raymarshallcenter.org)  
1.512.471.2186

Dr. Burt S. Barnow  
Trachtenberg School of Public Policy and Public Administration  
George Washington University  
[barnow@gwu.edu](mailto:barnow@gwu.edu)  
1.202.994.6379

