

WIOA PARTICIPATION, PERFORMANCE NUMBERS BOUNCE IN PY 2021

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Workforce Innovation and Opportunity Act program participation increased slightly in Program Year 2021, and performance levels rose across most measures for most programs. Results from the program year suggest that a longer-term decline in job-seeker participation in the public workforce development system may have abated. Participant exits recorded for the program year surged, showing a strong reverse of year-upon-year declines. This is according to national level data that was released by the Employment and Training Administration on Jan. 31. Program Year 2021 began on July 1, 2021, and ended on July 30, 2022. Participation is measured within the program year. Performance measures and exits use different prior reference periods. All but two of the system's measures are based on cohorts of people who exited programs before the program year began.

2.7 Million Participants

Within PY 2021, the workforce system served about 2.7 million participants across the WIOA adult, dislocated worker and youth programs, as well as through the Wagner-Peyser Employment Service. The system's participant count increased by about 100,000 compared to PY 2020. Under federal policy, a person is supposed to be exited from WIOA services when they have not received a service for 90 days, and have no future services scheduled. The exit is back dated. The reference period for PY 2021 exiters was from April 1, 2021, through March 31, 2022. The workforce development system recorded 448,228 exits across programs, up from 344,062 for PY 2020. That was a 30.3 percent year-to-year increase. The exiter count had plummeted in PY 2020, coinciding with the onset of the coronavirus pandemic and the deepest social distancing shutdowns of businesses and public services. For each of the WIOA adult, dislocated worker and youth programs and the employment service, exits rose considerably in PY 2021. The exiter count was 209,048 for the adult program, up by 30.9 percent; 172,265 for the dislocated worker program, up by 30.4 percent; 73,424 for the youth program, up by 19.3 percent; and nearly 2.5 million, for the employment service, up by 18 percent. The employment service typically presents the least intensive experience of these programs, as its funding is not authorized under statute to pay for job training. Any of the programs could pay for staffers helping jobseekers with one-on-one counseling or assistance drafting a resume. Operational designs for these programs differ across states and local workforce development areas.

Economic Context

PY 2021 began in a period of charged-up employment recovery from the 2020 recession, and ended in a span of months that displayed a more steady but very tight labor market. In July 2021, the national unemployment rate was 5.4 percent, and there were 10.8 million open jobs. By June 2022, the national unemployment rate was 3.6 percent. The national unemployment rate changed little since then. Job openings fluctuated over PY 2021, and ended the year at 11 million. At the time, there were 5.9 million unemployed people looking for work. WIOA system participation fell dramatically in the years of strong economic growth at the end of the 2010s. For reference, the participant count exceeded 5.5 million in PY 2017, nearly twice that of PY 2021. Participation declines in those years were most severe in the adult, dislocated worker and employment service programs, and were more nominal for the youth

program. The trend may have bottomed out in PY 2020, which began in a period of remote service delivery across much of the nation, due to the coronavirus pandemic. All of the programs saw gains, but participation growth for the youth program was relatively modest. For PY 2021, the adult program served 287,659 participants. The dislocated worker program had 227,936 participants. The youth program served 124,708. And the employment service logged more than 2.5 million customers. Program participants can be co-enrolled across programs, thus the unduplicated count of participants across programs is less than the sum of each program's participant count. One trend that stood out across programs for PYs 2019 and 2020 was an increase in the share of participants who received training as a service. With fewer participants total, the workforce system as a whole had a surplus of funding available to invest in training. Agencies may also have been serving populations with skills deficits relative to available jobs, or more skills deficits than seen in previous years. For PY 2021, the share of participants trained dropped slightly across programs, but remained well about pre-pandemic levels in the adult and dislocated worker programs. About 45 percent of WIOA adults, 25 percent of dislocated workers and 30 percent of youth program participants received training in PY 2021.

Employment

The WIOA measures of the employment rate for the second quarter after program exit, and median earnings, are measured using a cohort period that includes people who exited from July 1, 2020, through June 30, 2021. The second quarter employment rate was 70.1 percent for the adult program, 65 percent for the dislocated worker program, 73.1 percent for the youth program and 62.9 percent for the employment service. Performance on this measure was up over the year across programs, with gains of nearly 7 percentage points for the dislocated worker program and just over 5 percentage points for the youth program. The youth program matched performance levels reached before the COVID19 pandemic on second quarter employment.

Earnings

The median quarterly earnings of exiters for PY 2021 were \$7,552 for the adult program, \$8,588 for the dislocated worker program, \$4,235 for the youth program and \$7,389 for the employment service. Median earnings levels jumped significantly over the year for each of the programs, with increases ranging across the four programs from just over \$500 for the dislocated worker program to about \$1,100 for the employment service. The WIOA performance measures of employment in the fourth quarter after exit, and the credentialing rate, for PY 2021, are based on the cohort of participants who exited from Jan. 1, 2020, through Dec. 31, of that year. Basically, the exit window for these measures is turned back around the calendar by six months, compared to the window used for both the second quarter employment rate and median earnings.

Year-to-year change across programs was mixed for fourth quarter employment. The rate for the adult program was 66.6 percent, and little changed. For the dislocated worker program, it was 60 percent, and down over the year by 3.7 percentage points. The youth program's rate rose by 5.4 percentage points, to 70.9 percent. The employment service's rate was little changed at 62.4 percent. The fourth quarter employment rates for all programs remain under pre-pandemic levels. Note that the fourth quarter employment rate is not a job retention rate. It includes both people who changed jobs from the second quarter after their exit and people who were not employed in the second quarter but had found jobs by the fourth quarter, as well as those who held the same job in the second and fourth quarters.

Credentials and Skills

Credential attainment rates were 70 percent for the adult program, 71.2 percent for the dislocated worker program and 60 percent for the youth program. The measure is not applied to the employment service. Performance on this measure was little changed over the year across the three programs. State and local workforce agencies can take credit for different types of credentials earned by program exiters. The most common credential type for the adult and dislocated worker programs continued to be occupational certificates. These were also common for youth program exiters, along with high school diplomas or equivalency certificates. Measurable skill gain is the closest measure in the WIOA accountability system to real-time performance, as it measures documented increases in skill proficiencies within the program year. For PY 2021, that of course means from July 1, 2021, through June 30, 2022. This, too, is only applied to the adult, dislocated worker and youth programs. Rates were up slightly over the year across the three programs, to 63.4 percent for the adult program, 64.5 percent for the dislocated worker program, and 54.7 percent for the youth program. The workforce development system posted large year-to-year improvements on this measure from PYs 2016 through 2019, which ETA officials believe was due to state and local agencies gaining experience in how to document and report this measure, more so than actual improvements in performance. Over the past two program years, improvement continued on the measurable skill gain measure by relatively small margins, which may better reflect actual improvement.

Employer Services

The final national WIOA performance indicator is effectiveness in serving employers. ETA has developed this measure through a pilot period, and it was not in final form for the program year. For PY 2021, ETA required states to report on two of three options, including: retention with the same employer, employer penetration and repeat business customers. These are systemwide, rather than program-specific measures. The national retention rate was 56 percent, as reported by 35 states, for PY 2021. This was up from 54 percent in PY 2020. The repeat business customer rate was 35 percent, matching the rate from the prior year. Forty-seven states reported repeat business customer rates. The employer penetration rate was 8 percent, also matching prior year performance. Forty-eight states reported on this measure. Only one state, Pennsylvania, voluntarily reported on its own, self-developed measure of effectiveness in serving employers. The Keystone State's custom measure was active job orders that have received candidate referrals from the workforce system, at 52.5 percent.