

## ACCOUNTABILITY REPORT FOR THE WORKER RETRAINING PROGRAM AT WASHINGTON'S COMMUNITY AND TECHNICAL COLLEGES

March 2010

Washington's Worker Retraining Program is a critical component in the future of Washington's economic recovery, training dislocated workers so they can return to work as quickly as possible. Through the program, Washington's community and technical colleges have already trained more than 116,000 workers who lost their jobs as a result of current and previous downturns in the economy and industry restructuring. Workers retrained in the program find good jobs following training, garner near or above their pre-dislocation wages in those jobs, and remain employed once they find jobs.

In the current economy, Worker Retraining enrollments have mushroomed to historic record highs. In fall 2009, Worker Retraining full-time equivalent students (FTES) increased 70 percent over the previous fall, accounting for nearly half (48 percent) of the total enrollment growth in state-supported enrollments overall. The recession is driving more men into the Worker Retraining program, and more students attend college full time. Students are planning for longer training than in years when the economy is strong, when workers expect to gain skills through training and return to work quickly.

This report describes the Worker Retraining program outcomes for workers who re-entered the workforce in 2008-09 following training in 2007-08. The report also provides demographic and training information about current Worker Retraining students who lost their jobs in the existing recession and will re-enter the workforce following training over the next two years.

### Key Findings

**Worker Retraining program outcomes (employment rates, job retention and wage recovery) were all strong in 2008-09; however, there are signs that the current recession is starting to make the return to work following training more difficult.**

- 5,226 dislocated workers left community and technical colleges in 2007-08 following training. Seventy-seven (77) percent returned to work in 2008-09, down slightly from the previous year. The majority of workers who re-enter the workforce return to stable jobs; 94 percent of the workers who re-entered the workforce in 2007-08 following training were still employed one year later, down from 97 percent in the previous year. Most returned to work in the regions where they were employed prior to dislocation.
- On a net basis, more Worker Retraining students who returned to work in 2008-09 following training shifted out of Wood Products Manufacturing and Construction as the



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construction industry has declined significantly in the current recession, as well as shifting out of Retail Trade and Finance and Insurance. Students overwhelmingly moved into the higher wage Health Care industries.

- Workers earning higher wages prior to dislocation recovered 88 percent of their wages when returning to work after training, earning median wages of \$20.57 prior to dislocation and \$18.09 following training. Lower-wage earners earned median wages of \$11.03 prior to dislocation and \$12.88 after training, achieving 117 percent wage recovery.
- Outcomes for placement rates, wage recovery rates and retention rates all exceeded target rates established by the State Board and the Workforce Training and Education Coordinating Board. These positive outcomes are the result of investments by colleges in the Worker Retraining program. Colleges invested \$35.2 million in fiscal year 2009.

**Worker Retraining Outcome Targets and Measures**

Measure	Target	Actual (WR Students Returning to Work in 2008-09)	Target Met
Job Placement Rate	75%	77%	✓
Wage Recovery Rates	Higher Wage: 85% Lower Wage: 100%	Higher Wage: 88% Lower Wage: 117%	✓
Retention Rate	75%	94%	✓

**In the current economy, record numbers of dislocated workers are coming to colleges for training and are studying in high-demand fields.**

- Following a declining trend since 2005-06, Worker Retraining started to increase by spring 2008, a sign of the economic problems to come. By fall 2009, enrollments had increased by 70 percent over the previous fall. Nearly half of worker retraining students in fall 2009 were enrolled in business management and accounting, information technology and nursing.
- In January 2010, Washington State’s unemployment rate reached more than ten percent. Colleges expect unprecedented and historic worker retraining enrollments—an estimated 13,000 FTES in 2009-10.

**The recession is driving changes in enrollment patterns and demographic characteristics of Worker Retraining students.**

- As the economy worsens and fewer jobs are available, Worker Retraining students are planning to stay in school longer and are more likely to attend college full time.
- With increasing layoffs in the construction industry, more males are enrolling for training in the Worker Retraining program.

## Background

In January 2010, Washington State's unemployment reached an unprecedented 10.2 percent, nearly two percentage points higher than one year prior. As the recession has deepened, the need to provide training for these dislocated workers is becoming increasingly crucial to the future of Washington's economic recovery. In fact, Washington's Worker Retraining program is seeing historic record enrollments in community and technical colleges.

Enacted in 1993 by Washington's Legislature in response to substantial layoffs and economic restructuring, *the Workforce Employment and Training Act* was designed to provide funding to dislocated and unemployed workers for training programs and related support services.

As a result of that legislation, colleges created Worker Retraining programs that have served nearly 116,000 unemployed and dislocated workers in Washington to date. This law has significantly expanded the training available to the thousands of jobless workers who need to change careers in order to re-enter the workforce.

Washington's community and technical colleges, as well as licensed private schools, receive Worker Retraining funding to expand the colleges' capacity to deliver programs that prepare people for work. Based on input from local employers, government, and community, these funds are used primarily to pay faculty salaries to assure slots for Worker Retraining students and are used to update equipment, revise curriculum, and develop work experience opportunities. Colleges also hire staff to advise Worker Retraining students and coordinate Worker Retraining programs.

Most recently, the State General Fund provides the revenue for the Worker Retraining program. Colleges must focus their worker retraining programs on high employer demand professional-technical education and training, and must demonstrate how their programs align with the training needs for industries and clusters identified in the regions they serve.

## Worker Retraining Program Outcomes (Students Re-Entering the Workforce in 2008-09 Following Training in 2007-08)

The Worker Retraining program's success has been measured over time by job placement rates, wage recovery rates, and job retention rates of those who were trained in the program and returned to the workforce.

Outcome measures for Worker Retraining students are based on data captured by linking college files to Unemployment Insurance (UI) system data for those working in the state and nearby states, plus an estimate for self employment and for those who work out of the northwest region. Statistics are calculated for those Worker Retraining students that are considered part of the "exiting cohort", that is, they have not been enrolled or taken courses for at least one year.

The Worker Retraining program outcomes provided in the sections that follow describe the 5,226 students who re-entered the workforce in 2008-09 following training the previous year.

**Job Placement.** Worker retraining job placement rates have remained consistently above the target of 75 percent set for this program. In 2008-09, placement rates fell slightly as the economy was worsening and jobs were becoming harder to find, but rates are still above the target level. Placement rates are calculated three quarters (approximately nine months) after training.

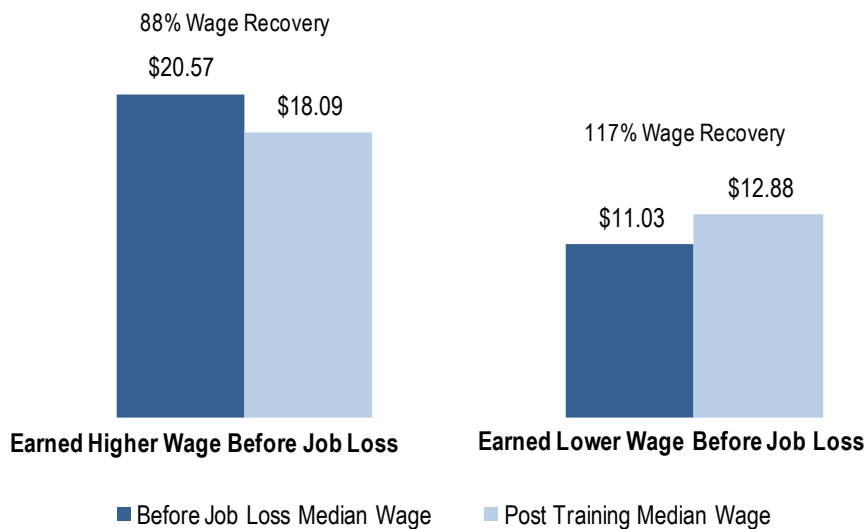
**Employment Rates for Worker Retraining Students Nine Months after Leaving College**



An additional two percent of worker retraining students continue further education after leaving the college where they initially started their retraining class work.

**Wage Recovery Rates.** The Worker Retraining program sets wage recovery goals based upon the worker's wages prior to job loss. Previous wage levels are measured five quarters before entering training and post-training wages are measured three quarters after training. For workers leaving high wage jobs, the target recovery is 85 percent of that rate after training. Previous

**Worker Retraining Wage Recovery for Students Returning to Work in 2008-09**



research indicates that on average higher wage workers, even with the benefit of training will return to work at wages below their job loss wage level. A comprehensive study of the worker retraining program conducted by Workforce Training and Education Coordinating Board in 2008 found that participating in training provided a net benefit to those workers despite the wage loss after training.

In the most recent year, the wage recovery for Worker Retraining students earning a higher wage (at least \$14 per hour) prior to dislocation was 88 percent, a full three points above the target level of 85 percent. Laid-off workers from lower wage jobs should expect to, and do, garner better paying jobs after retraining. The target for Worker Retraining is to return them to employment in jobs that pay at least as much as they earned before the job loss (100 percent wage recovery). Students who left lower wage jobs and returned to work in 2007-09 earned well in excess of the target following their training (117 percent).

**Retention Rates.** Worker Retraining students who re-enter the workforce have very high retention rates a year after they re-enter the workforce. For students who re-entered the workforce in 2007-08, **94 percent** were still working one year later—in 2008-09. The rate is down slightly from the previous year; however, the rate still far exceeds the 75 percent retention rate goal set by the Workforce Training and Education Coordinating Board (WTECB).

**Pre-post Industry Change.** On a net basis, workers returning to the workforce in 2008-09 after training moved out of the wood products manufacturing industry, finance and insurance, retail trade and construction, as the recession has had devastating effects on these industries. Students are overwhelmingly moving into health care industries that are predominantly higher wage. Lesser numbers of students moved into the transportation, administration and education sectors of Washington’s economy.

**Net Change in Employment by Industry, Before and After Training  
(Students Who Re-Entered the Workforce in 2008-09)**

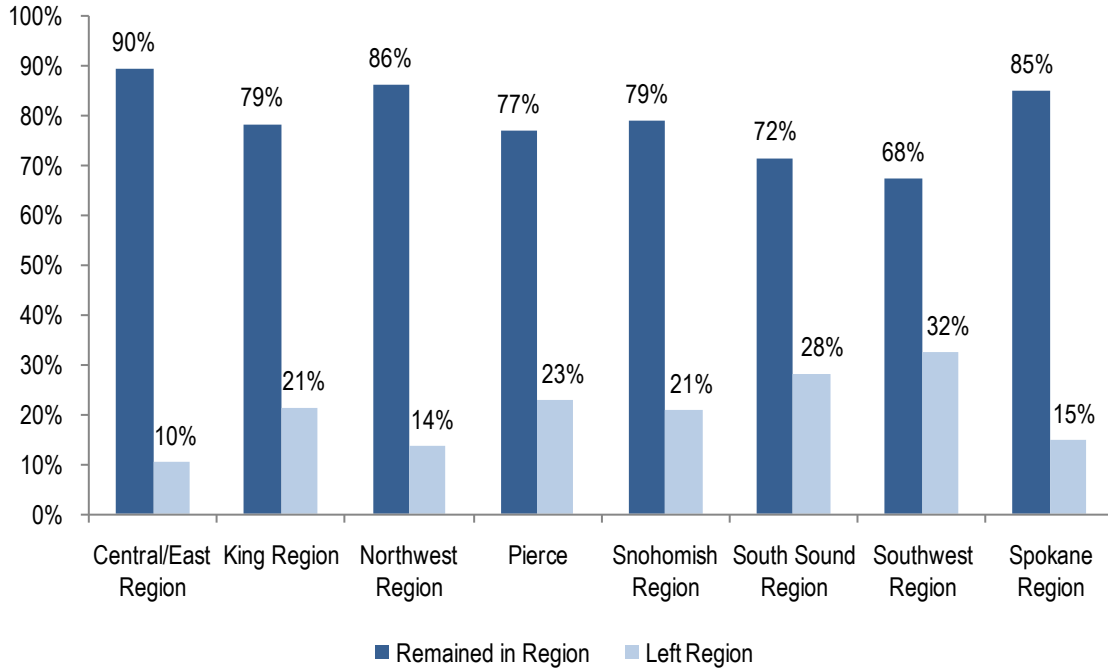
Health Care	7%
Transportation and Warehousing	2%
Administrative and Support	2%
Public Administration	2%
Education Services	2%
Public Administration	2%
Construction	-2%
Retail Trade	-2%
Finance and Insurance	-3%
Wood Product Manufacturing	-4%

**Pre-Post Region of Employment.** Most Worker Retraining students remain in their pre-training region when they return to work following their training. Students returning to the workforce in 2008-09 (trained in 2007-08) in the Northwest, Central and East regions, where all counties are rural, were most likely to work in their pre-dislocation region. Students trained in the Spokane region were also likely to remain in their pre-dislocation region following training.

In the Puget Sound, students are willing to travel longer distances to their jobs. While the chart shows that students from these larger metropolitan areas were slightly less likely to remain in their pre-training region, the percent of students who remain in the combined regions of King,

Pierce and Snohomish jumps to 88 percent. The counties included in each of the regions are shown in the state map below.

**Worker Retraining Students' Returning to Work in 2008-09  
Post-Training Region of Employment Compared to Pre-Training Regions**



**Washington's Regions**

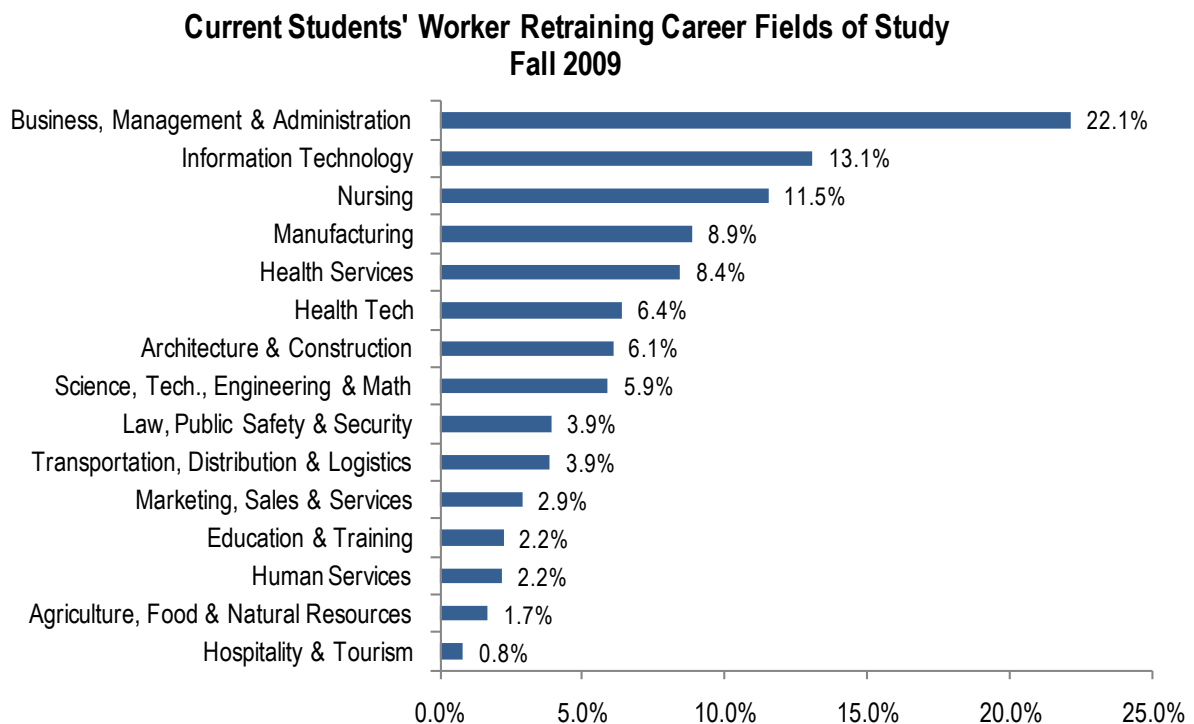


## Current Worker Retraining Students' Fields of Study (Fall 2009 Students)

The opportunity to retrain dislocated workers allows them to prepare for jobs in the new economy. That is, students can train in fields where high employer demand is expected or in jobs that are considered part of the growing knowledge economy.

**Current Students' Career Fields of Study.** Nearly three-quarters of Worker Retraining students enrolled in fall quarter 2009 are studying in high employer demand fields. More than a quarter are studying health-related fields, primarily Nursing. More than 20 percent are studying Business, Management and Administration, primarily in Accounting. Another 13 percent are studying Information Technology. Fall quarter students' industries of study are broken out by career field in the table below. The career fields are based on 16 career clusters developed by **The States' Career Clusters Initiative (SCCI)** to provide these clusters as a tool for describing the transition from education to career, and can be accessed online at <http://www.careerclusters.org/resources/misc/16clusters.pdf>.

In the following table all 16 clusters are represented; however, the health-related field is further broken into Nursing, Health Tech (including higher wage fields of medical technicians) and Health Services (including massage therapy, speech therapy, etc.), to reflect the importance of health fields in Washington state.

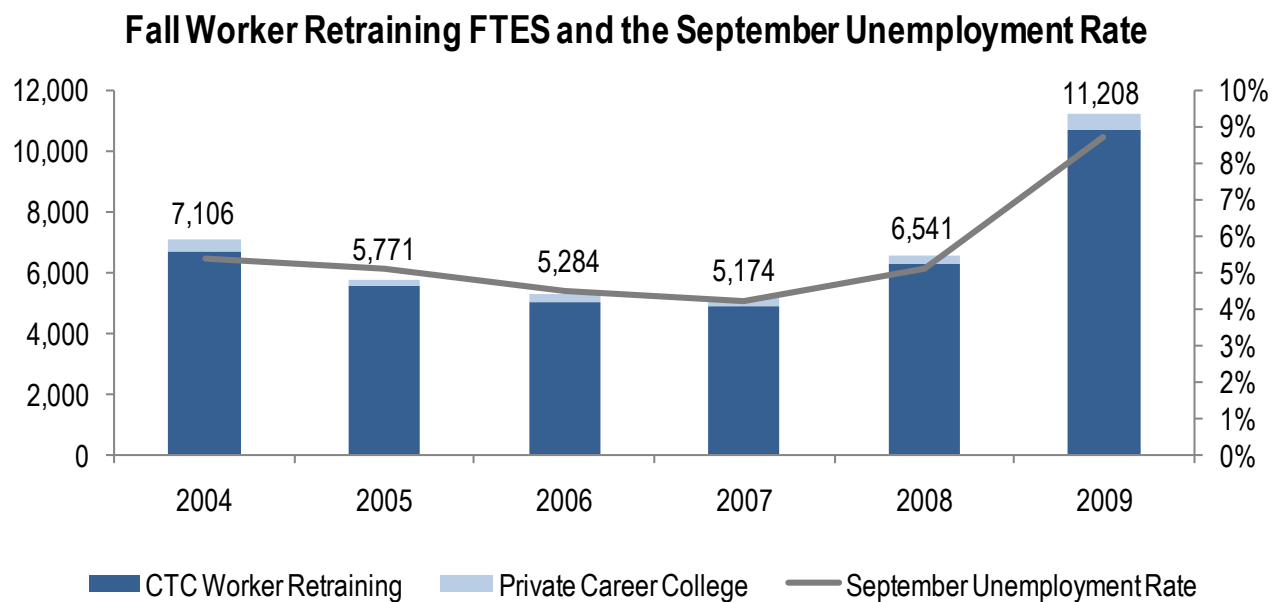


## Current Worker Retraining Student Enrollments (Fall 2009 Students)

Worker Retraining enrollments increase and decrease based on the extent of job layoffs due to the changing economy. The unemployment rate is a useful measure for tracking the need for retraining, as Worker Retraining fall FTES track very closely with the September unemployment rate. As the economy began to worsen in 2008, fall 2008 Worker Retraining FTES rose 28 percent as the September unemployment rate increased a full percentage point from the previous year. In fall 2009, as the unemployment rate climbed more than three and a half percentage points, Worker Retraining FTES increased by an astounding 70 percent. Annual Worker Retraining FTES are expected to reach in excess of 13,000 in 2009-10.

The current unemployment rate is over 10 percent in Washington, and the rates are expected to remain high for the next year. As a result, Worker Retraining enrollments are projected to continue to grow through 2010-11.

Fall quarter enrollments by college are provided in a table at the end of the report.



## Demographics and Enrollment Patterns of Current Worker Retraining Students (Fall 2009 Students)

The current recession has driven changes in the demographics and enrollment patterns of Worker Retraining students over the previous year. Worker Retraining students are more likely to be full-time students and less likely to be female or students of color than in the previous fall. In fall 2009, over one-quarter (25 percent) of Worker Retraining students were students of color. Nearly three quarters (73 percent) attend college full time—that is, taking at least 12 credits a quarter.

The percentage of students attending full time is higher in an economic downturn than when the economy is thriving. Full-time students are up by nearly ten percent in fall 2009 over the previous fall, as dislocated workers plan for longer training. The percent of students planning to attend college long enough to obtain a degree or up to two years has increased to 53 percent from 45 percent the previous fall.

When compared to all workforce students in the current year, Worker Retraining students are typically older and a lower percentage are female.

### Overview of Worker Retraining Students Compared to All Students

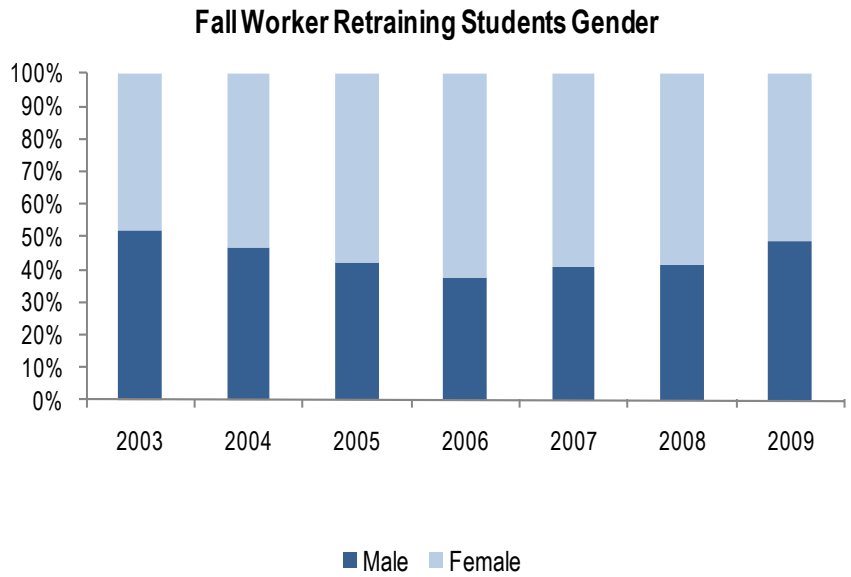
	State Supported Worker Retraining Students		All State Supported Students
	2008	2009	2009
Total Students	7,324	11,674	202,201
% Female	58%	52%	57%
% Students of Color	28%	25%	36%
% Full-Time Students	64%	73%	47%
Median Age	40	40	26

**Age.** Worker Retraining students are typically older than both workforce students and the general student population. In fall 2009, the median age of Worker Retraining students was 40, while the median age of all students was 26 and the median age of all workforce students was 29. More than half of all Worker Retraining students were 40 and older, compared to 20 percent of all students and 25 percent of workforce students.

### College Student Age Comparisons, Fall 2009

	Worker Retraining Students	Workforce Students	All State- Supported Students
Under 20	0%	12%	20%
20-29	21%	40%	41%
30-39	28%	23%	19%
40 and above	51%	25%	20%
Median Age	40	29	26

**Gender.** The percentage of male Worker Retraining students increased in 2009 as a result of the depressed economy. Historically, females outnumbered males among Worker Retraining students beginning in 2004-05, as an increasing proportion of Worker Retraining students were dislocated homemakers. As the economy began to worsen and the unemployment rate rose, the proportion of males enrolled began to increase, although females still slightly outnumber males.



In fall 2009, females accounted for 52 percent of Worker Retraining students, down six percentage points from the previous fall. The percentage of females is also somewhat lower than the general student population but much higher than the proportion of total UI claimants in 2009 (an estimated 34 percent of claimants were female).

**Race.** Worker Retraining students are slightly less diverse than all workforce students. In addition, the distribution of people of color among Worker Retraining students versus all workforce students differs slightly. In fall 2009, a higher percentage of Worker Retraining students were African American and a lower percentage were Hispanic or Asian/Pacific Islander.

**Fall 2009 Race/Ethnicity of Worker Retraining and Workforce Students**

	<b>Worker Retraining Students</b>	<b>All Workforce Students</b>
African American	8.0%	6.8%
Asian/Pacific Islander	7.7%	9.5%
Hispanic	7.8%	9.8%
Native American	2.9%	2.7%
Other Race	1.5%	1.7%
White	74.7%	72.7%

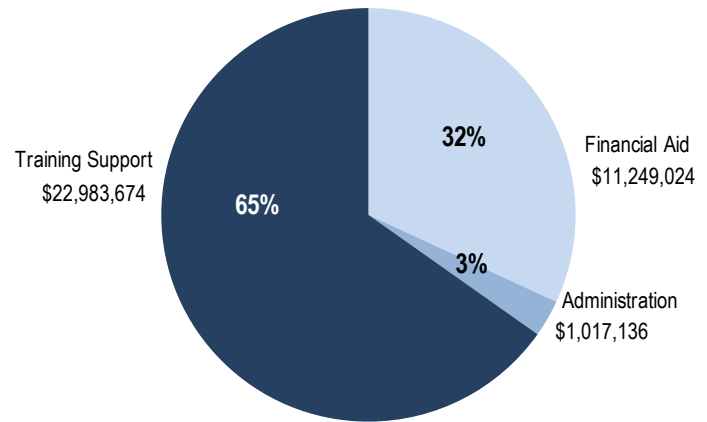
## Expenditures on the Worker Retraining Program

In fiscal year 2009, Washington's community and technical colleges spent approximately \$35.2 million on the Worker Retraining program. Eighty-two (82) percent of that funding was proviso money appropriated by the Legislature and Governor and the remaining 18 percent was additional funds allocated by the State Board.

Sixty-five (65) percent of the funds provide training support for slots in Worker Retraining enrollment (paying for faculty and related costs of instruction) and an additional 32 percent of the funds provide financial aid, directly for students. The remaining three percent of Worker Retraining funds are used for administration, both at the State Board office and at colleges.

The great majority (91 percent) of the \$11.2 million in Worker Retraining financial aid funds are used for tuition and books for students. The remaining nine percent are used for Training Completion Aid and childcare and transportation. The recession has caused a disproportionate amount of financial aid to be used very early in the year. By the end of fall 2009, 54 percent of the total financial aid allocation for FY10 had already been spent, up from 38 to 48 percent in recent previous years.

**FY 2009 Worker Retraining Expenditures**



**FY 2009 Community and Technical College Worker Retraining Expenditures**

	Proviso	Additional Allocation	Total FY 2009
<b>Total Training Support</b>	\$18,020,294	\$4,963,380	\$22,983,674
<b>Total Financial Aid</b>	\$10,143,004	\$1,106,020	\$11,249,024
<b>Total Administration</b>	\$588,436	\$428,700	\$1,017,136
<b>Total Expenditures</b>	<b>\$28,751,734</b>	<b>\$6,498,100</b>	<b>\$35,249,834</b>

## Worker Retraining Fall Quarter Enrollments by Headcount and FTES

College	-----Fall to Fall Comparison-----					
	Fall 2008		Fall 2009		Change %	
	HC	FTES	HC	FTES	HC	FTE
Bates	218	335.6	351	527.6	61.0%	57.2%
Bellevue	333	266.8	562	498.4	68.8%	86.8%
Bellingham	152	135.9	255	238.2	67.8%	75.3%
Big Bend	53	46.9	82	74.0	54.7%	57.7%
Cascadia	71	29.3	107	73.5	50.7%	151.3%
Centralia	135	117.4	375	316.5	177.8%	169.5%
Clark	425	324.5	567	445.9	33.4%	37.4%
Clover Park	240	288.1	353	424.7	47.1%	47.4%
Columbia Basin	278	217.0	271	228.2	-2.5%	5.1%
Edmonds	231	180.7	541	474.9	134.2%	162.8%
Everett	158	119.8	313	260.4	98.1%	117.3%
Grays Harbor	143	115.0	306	308.0	114.0%	167.7%
Green River	413	357.0	695	617.4	68.3%	73.0%
Highline	317	258.6	510	423.8	60.9%	63.9%
Lake Washington	184	167.5	461	440.8	150.5%	163.2%
Lower Columbia	144	120.1	261	251.4	81.3%	109.3%
Olympic	295	223.7	351	296.2	19.0%	32.4%
Peninsula	205	172.2	285	252.0	39.0%	46.4%
Pierce Fort Steilacoom	192	183.0	235	211.4	22.4%	15.6%
Pierce Puyallup	69	50.9	158	139.5	129.0%	174.2%
Renton	163	170.7	301	354.9	84.7%	107.9%
Seattle Central	267	208.8	338	300.8	26.6%	44.1%
Seattle North	292	210.8	390	302.5	33.6%	43.5%
Seattle South	271	244.3	403	383.8	48.7%	57.1%
Seattle Voc Institute	154	202.0	168	218.3	9.1%	8.1%
Shoreline	231	188.7	363	318.3	57.1%	68.6%
Skagit Valley	153	127.9	306	266.6	100.0%	108.5%
South Puget Sound	114	101.3	195	184.6	71.1%	82.2%
Spokane	470	344.6	834	612.9	77.5%	77.9%
Spokane Falls	59	47.9	155	126.9	162.7%	164.8%
Tacoma	201	161.6	385	306.5	91.5%	89.7%
Walla Walla	260	217.2	379	373.2	45.8%	71.8%
Wenatchee Valley	228	186.3	202	163.6	-11.4%	-12.2%
Whatcom	81	53.3	125	101.6	54.3%	90.7%
Yakima Valley	124	108.4	149	139.3	20.2%	28.5%
<b>College Total</b>	7,324	6,283.5	11,732	10,656.3	60.2%	69.6%
<b>Unduplicated System Total</b>	7,286		11,674		60.2%	