**WorkforceGPS**

**Transcript of Webinar**

**TAA Performance Series: Employment Rate**

**Thursday, January 23, 2019**

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GRACE MCCALL: And welcome to "TAA Performance Series: Employment Rate." So without further ado, I'd like to turn things over to our speaker for today, Robert Hoekstra, program analyst, PMDR technical expert, Office of Trade Adjustment Assistance. Take it away, Robert.

ROBERT HOEKSTRA: Thank you very much. Hi, everyone. You guys probably all know me. I know most of the names in the participants. So that's really great.

In addition to me being on the phone, we have two workers, both Tim Theberge and Susan Manikowski, online to help answer some questions. You may hear some comments from them as we go through this.

Before we get started on the actual content, I do want to get some idea of who all is in the room. So there's a poll that's coming up. If you could just mark off the most appropriate answer about your role, that way we'll get an idea of who we got.

That's really great. Perfect. So the vast majority are either TAA staff or program reporting staff. We give just another quick minute for that poll. All right. Terrific.

So we're going to jump right into some content. We're going to talk today about what employment rate is, how it's calculated, what we need to know about the measure in Trade, what are some basic outcomes, and what the trends have been. I am going to say a lot of the earlier content, it was seen in other contexts. So we're going to go through it and make sure everyone's got the basic information they need.

At the – as we get further into the presentation, we'll start talking about outcomes and what actual results we get in the Trade program. And that's going to be a real opportunity for people to jump in, give us your thoughts, tell us what you think is going on so that we can take that feedback as we start looking at our data in more depth. Yeah. So let's get started.

All right. So Trade performance indicators are designated in statute, and you can see that that's the citation here. Today we're going to talk about two of them, employment rate second quarter and employment rate fourth quarter. You'll notice that, unlike WIOA, we have five of the six indicators. The sixth indicator on employment that WIOA has Trade does not have.

We have a variety of other requirements in the Trade program on reporting. So in addition to our core performance indicators, we have a very long list of data that we have to provide to Congress every year, and that includes everything from petition data to financial data to rapid response information to detailed information about what you guys submit in your profiles.

And I also highlighted here one of the requirements in our trade program is to break down our performance results by age, education, credential attainment, and we'll talk about those as we get into the results at the end.

The other thing to remember is that, unlike other programs that negotiate individual state performance targets and have mechanisms to enforce those, Trade doesn't do that. So we set a national performance target that is just for our office to say this is where we expect the program as a whole to be.

We don't negotiate or set any individual state performance targets. We don't do any statistical modeling for states to try and determine what your state should be looking like. And we, in addition, have no sanctioning mechanism.

Now, that doesn't mean that we can't provide technical assistance. So if there's something really strange about your data or we – there's an onsite visit and it looks like what you're reporting is not actually what's occurring, then, obviously, that's something we'll follow up with and talk with you about. But there's no set mechanism to say, if you don't hit this certain employment rate, there's a problem.

I'm going to pause for one quick sec. That was really quick, but if anyone has questions on that, I want to give a moment for people to respond. You can type these into the chat. Be plenty more opportunities as well.

So we're going to talk a little bit about the definition, and these definitions model the same as what's in WIOA. So employment rate in second quarter is the percentage of participants who are in unsubsidized employment during the second quarter after the exit from the program. And fourth quarter is similarly constrained but on the fourth quarter.

So the calculation, it includes looking at the exit date to make sure it's in the relevant period, and we'll get to that in extensive detail in a minute. We exclude people who exited because they were institutionalized, in medical treatment, deceased, or reserve called to active duty.

And obviously, we filter it down to people within the Trade program when we do Trade reporting. And so in that case we're filtering it on PIRL 925, which is first date of benefit or service, because, if they haven't received any Trade benefits or services, they're not a Trade participant.

And you can see on the right-hand side that we – what we count as unsubsidized employment. So out of all the people, you get a positive outcome if they were either in standard unsubsidized employment or in a registered apprenticeship or in the military. And if they were not in one of those, then you get a negative outcome.

So we're going to talk a bit about exit dates. So the basic exit date rule, as most of you are probably familiar with, is 90 days without any benefits or services and no future scheduled service. And then the exit date gets retroactively applied to the last benefit or service date.

Self-service, information-only, and follow-up services, which are – can be provided through co-enrollment programs but not through Trade, don't extend exit. So if you have someone who is enrolled in both Trade and, say, a WIOA program where they're receiving follow-up services, that's not going to extend exit.

I have two notes here on common exit. I know most states, although it's not required, do do common exit with WIOA Title III programs for sure. And that means that, if you are receiving – if a participant is receiving benefits and services under both programs, you wait until they're ready to exit and exit them from both programs simultaneously. Like I said, that's not a requirement, but most states do it. So that's just something to bear in mind.

It also – if you do do integrated reporting – so as you know, you have the ability to submit one PIRL file that covers most of your state programs, so it could include all of your WIOA Title I and III as well as Trade, then because you can't have duplicate records in that file, you would have to be using common exit.

The final note – and this is specific to Trade – is that TRA and ARTAA are normal benefits that extend exit. So there's been some confusion around this in the past particularly around RTAA where this is the benefit that participants can get when they're reemployed at a lower wage if they are 50 or older. They can get some of that wage replaced.

But because they're employed, there's been some confusion that they may be exited then, but they're not because they are still receiving benefits and services through the Trade program. So it's not until all of that benefit is lapsed and they've been done for 90 days with no future benefit or service until we exit them.

So there's a nice little tool on the TAA website, and we have the link at the end of the presentation. And this shows you what periods are covered for exit dates. So because we allow two quarters for states to collect employment information, there is standard delay. So if you are talking about what the results are for the current quarter, a second quarter after exit is actually looking at people who exited a year ago. And you can see all the various measures here and what dates they cover.

So, for example, for data submitted in the 9/30/19 quarter a one-quarter employment rate to two would be covering people who exited between 7/1/2008 and 9/30/2008. And if you do a rolling forward, includes those four quarters before that.

We're going to run through a couple of examples here. Next slide.

So if you are looking at employment rate in the second quarter for this upcoming quarter, 12/31/19, and you're just querying that quarter, it would represent people who actually exited the program between December 1st, 2018 and 12/31/2018. That is a full four quarters back.

If you're doing reporting on a fourth quarter exiter or fourth quarter employment rate for rolling four quarters, that means you're going to be getting exit dates between 7/1/17 and 6/30/18. The reason is because you're looking back in addition to fourth quarter plus two quarters. So that's six quarters. Plus, you're adding on three additional quarters to get a rolling four, and so you get a full year and a half or a full two and a half years before to a participant.

Similarly, if you're doing two years of Q2 exit – employment rate ending in 9/30/19, you get an exit date between 10/1/16 and 9/30/18.

And as a reminder, Trade, unlike most programs, operates on a fiscal year. So your fiscal year FY '19 ER Q2. So FY '19 runs from 10/1/18 to 9/30/19. And so the employment rate in Q2 would represent exiters starting in 10/1/17 and running through 9/30/18. And likewise for Q4.

I highly recommend the tool on our website, if you do get confused about these dates. It will – you can select which quarter you're looking at, and the time period will show you whether it's one quarter, four quarters, and it will help you add up those quarters. But this is a point of confusion for a lot of people.

Any questions on this? Long pause. All right.

So we're going to open up the conference line now as we start talking about employment rate results. You can also type things into the chat. If you are listening through your computer, you'll have to type your questions in through the chat, any comments in through the chat.

If you are on the phone, you can do \*6 to unmute yourself. And I encourage people to do that because we do want to actually hear what you guys are talking about because we want to get your thoughts on why we get the data we do and what might be going on.

The first thing we're going to talk about is the overall employment trend. Great news is, as a general rule, employment rate has been going up year after year after year. This represents data going back for the last – since 10/1/2008, so starting FY '2019. And you can see there's some seasonality to this data. So each quarter you will see the – that line going up, but you might see dips as you get through individual quarters.

You'll also see that the blue line, which represents quarter two, extends two quarters beyond quarter four. That's because of that increased lag. But you'll also see that it's leveling out. So good news and bad news. Good news is it's going up. Bad news is it looks like the rate of increase is slowing down.

I'm going to give people – if they have any thoughts, give a moment to see if anybody has any comments on this overall trend. All right.

So as you know, we do have to break this down by a couple of different things in our annual report, and so we're going to run through some of those here. The first one we're going to talk about is employment rates by age of – at participation. And so you'll see here that we get fairly high results.

As a general rule, the younger people are the higher employment rates they get, and we see a pretty steady drop-off starting with those in their 50s and then those over 60s had a significant drop-off.

As you know, we don't specifically code retirement any longer, and so there's no good way to filter them out for those that are being – that are retiring. So some of this drop may just have to do with retirement, but if you guys have other thoughts on why we might be seeing this trend, I'm all ears.

As I wait for some comments, I'm going to also add on that, as you know, the Trade program ends up serving a particular demographic, and we end up tend to serve older workers than a lot of other programs, people who are long-tenured in their jobs. And so this type of trend, despite the fact that it might line up with what a lot of programs will see, is particularly significant for us because we tend to have people further to the right of this graph.

Be a really short phone call if no one talks. All right.

So we're going to talk a little bit by education, and here you can see we broke it down into three educational categories. We have those who are high school or less, those who have some sort of postsecondary education or associate's, and those who have a bachelor's degree or beyond.

You can see that we tend to get high results for those who are on the lower end of the spectrum, but we do see a big drop-off for those who are – have bachelor's or beyond bachelor's coming into the program. So I wanted to get some thoughts as far as why we might be seeing those outcomes for people who are already coming in with education.

So thank you, John, for that comment. John says that it's possible that those with higher degrees may not be willing to take jobs that are for lower skills or potentially for lower pay. As we'll see in an upcoming webinar, I mean, in earnings they do tend to earn more because of that extra education they came in with. So that's definitely a potential part of that.

Are there any things that you guys think we could do in order to encourage them to be able to take those jobs even if it's not their ideal or ways to make sure that they're getting to their ideal job so that they don't have lower employment rates?

Tammy, that's a really great note. So Tammy pointed out that, as far as the age categories, in addition to retirement, it also may have to do with health contributing to the decision to exit the workforce, that we tend to see higher health issues in those populations that may make it harder for them to return to work.

And that's a really great point, Laurie. So Laurie points out that there may also be some covariance between this and the age of workers. So it may be that we have – that the people with higher educational attainment we may be seeing lower rates actually from the age or vice versa. So they may be influencing each other. That's a really great point.

I'll leave it just another minute for additional comments.

So I did want to point out Tammy also asked about health as a reason for exit. There's actually a very specific definition of health in there. So if they're just choosing not to because of some sort of health complication isn't sufficient. It has to be something like they are completely unable to work, and I was going to pull that – up that definition really quick. You give me just a minute while other people answer.

Yeah. So the definition for health requires that the – they exit the program because of medical treatment and that that treatment is expected to last longer than 90 days and precludes entry into employment or continued participation in the program. So it has to be a sufficient medical reason that actually – that is medical treatment and it prevents them from continuing the program or being employed. So it's quite a high bar.

And, Stacy, thank you very much for that comment. You're absolutely right that those with higher degrees may be looking at more specialized positions, and so it may be just a smaller job market. And so, obviously, there is – one of the unique things about the Trade program is that a lot of people are transitioning into different industries or into different job roles.

And so education, if you have a specialized education either constraining yourself to what you were working on or even getting a job knowing that you have this other specialized training, can be more complicated. That's a really great point.

All right. We're going to go on to the next one. Employment rates by training and credential. So you can see here that those who were – so we're using two years of data here. And while we do see that those who don't have a lot of training tend to have pretty high outcomes, we know from looking at the data that that's mostly people going back in the same industry or occupation. Think people who either get rehired in their old position or people who have another – there's another similar company that they can go work for.

But once you start into training, it's important both that people complete and also that they receive a credential. And the biggest difference we see in here is that if you complete without receiving a credential versus those who do. So that tells us that if people go into training plans where the credential isn't the end goal, it's not to their advantage.

You will see that we have reasonably high rates for those who do not complete and those as we've talked about in a couple of other contexts maybe because people stop their training program because they found a job, which is artificially driving that up a little bit. It's not that the lack of finishing is actually good for them.

Anything else you guys see in these trends that you think is noteworthy or interesting or you wish you knew more about?

All right. Next, we're going to look at co-enrollment, and you can see there is about a 4 percent bump between those who just participated in Trade and those who were co-enrolled in dislocated worker or adult. And interestingly enough, while it's not on this slide, you see the – the trend in the other group. So if you just look – if your denominator is people in adult and dislocated worker, their co-enrollment with Trade also increases their outcomes. So co-enrollment's good. Integrated services are good.

Why might be some of the reasons why we would get higher outcomes due to co-enrollment?

Yeah. John, that's a great point. There are a lot of additional services, like Laurie pointed out, follow-up services. So Trade does not provide follow-up services. So those kinds of services that make sure that they are getting what they need even after they exit are really important to success.

Great. All right. So we're going to do a last slide. Last one we're going to look at is job search allowances, and you can see that there is a pretty big difference between those who receive job search and those who do not. Now, this may be partially because those services are actually helpful and partially because we know that this population is more likely to move in order to find employment.

I will point out, as you guys are probably aware, job search and relocation benefits in Trade are a miniscule portion of those we serve, which is unfortunate. This – we've done a number of studies, and job search and ability for people to relocate is a major driver for employment. But I was wondering if you guys had any thoughts on what else we might do to promote that.

See a couple people typing.

Yeah. Absolutely. So Laurie points out that one of the interesting things when you end up with co-enrollment is that a lot of those case managers are not as familiar with the Trade program. And so making sure that they are aware of all of the benefits that are offered through the Trade program, since things like relocation and job search are not, to make sure that they can talk to participants about those options so that they can encourage them to utilize it. Yeah.

So that's the end of my charts. I do want to open it up a little bit more and get some thoughts not just on the trends but if you guys have particular thoughts on how it is with Trade being a little bit different. We don't have targets. We don't set specific – we don't negotiate these.

I know that also causes some difficult conversations when we start talking about co-enrollment because, while we don't have sanctions if there's an impact on performance, other programs may have concerns.

And so I wanted to kind of get some freewheeling discussion about your thoughts on how we do performance measures, particularly around employment rate, and whether you guys are co-enrolling and if you've had any problems with that or common exit or likewise.

So that's a great question, John. John's asking if something like questions – like targets and sanctions will be coming in the future.

And the short answer is no. Part of the reason that we don't do that is that we're not actually authorized to do it under our statute. So there are no plans in Trade to do that. It wasn't part of our proposed regulations. So we have no future plans that are considering doing targets and sanctions in the future.

So part of the reason why we're having these performance series and talking through these things is, as you guys know, we are launching these TAA administrative collection of states. That will be due here in a little over a month, and we have a webinar on that a week from today.

And what we're going to be doing is, in addition to our normal digging into the data to see what kinds of benefits and services are tied to performance outcomes, we're going to be combining the PIRL data you supply with some information about how the programs are administered, as well as some locality information so that we can get some information on whether they're in a rural or urban state or unemployment rates within the particular counties that they're in so that we can take a look and see if there are major trends or things – takeaways that we should be looking at that are related to better performance outcomes.

And so this is really a great opportunity for you guys to give us some feedback about things you would be interested in learning more about and how they influence the employment rate so that we can take that as a note as we start doing that analysis.

There isn't anything that you really thought, hmm, we implemented this new policy. I wonder if it's really making a difference? Or, boy, I really think that there's probably some difference between people in this situation versus this situation that you'd be interested to see if there's a general trend around?

All right. I'll take Laurie's question when she sends it, but I do want to move over. We have a variety of resources here.

As you probably know, TEGL 10-16, Change 1 provides the actual calculations for the vast majority of our performance measures. We will talk a little bit about measurable skills gains being an exception to this when we get to that webinar.

TEGL 14-18 is a particularly important resource here that describes how each program is a little bit different in performance. So Attachment 10 relates to Trade. It has most of the notes that are in here. So, for example, it talks about co-enrollment and – or it talks about common exit and it talks about the TRA and ARTAA benefit and exit. So if you're looking for resources, here's a pretty good list.

And you'll also find on the website we provide data on this every – both every quarter and every fiscal year. So you will be able to see if you're curious where your state stacks up in terms of everybody else. We provide a quarterly analysis every quarter that says for every state what is their – what are their performance outcomes as well as their participation rates and a variety of other things.

And we also put up, along with our annual report, a breakdown state by state of a variety of measures, including all of the performance measures. So if you're curious how your state stacks up, I highly encourage you to take a look at the website and see where you are in that.

Next, I'm just going to move over and remind people about the TAA community. So if you have further thoughts on this or you want to start a discussion about any of the topics we talked about here, that's a really great place to have that discussion.

There is a new PIRL reporting online resource, which is PIRL Handbook, that will – that outlines these performance measures and how the various programs work. So take a look at that.

If you have new people to performance reporting, this is a great briefing on how WIPS works and how the data is integrated for performance reporting and a variety of other things. So take a look at that.

Laurie, that's a really great comment. She notes that sometimes we lose contact after exit, and so – and it's difficult sometimes to get information on employment. Obviously, a lot of states are using UI wage records through a variety of agreements to be able to get at those. But there is an important follow-up component to this. That's part of the reason we do give two quarters to be able to get that data. But yes.

If your state is not part of one of those wage agreements, I would also highly encourage you guys to – if you are finding that there is difficulty in Trade, talk to your WIOA partners because they do all of the same performance follow-up. So integrating with your own side about the procedure for getting that follow-up information, they are obviously quite rigorous about it because they can be sanctioned if they do not get appropriate information. So that is a really great place to make sure that your Trade program is getting all the information you should.

All right. Last call for questions and comments. There is going to be a couple of these – thanks, John, as well. I missed your comment earlier that you'll follow up. Yeah.

If you guys have any comments on questions, trends, things you wish you knew after talking amongst yourselves or with other people around you, we definitely want to hear that because we want to make sure that the results we start talking about once we pull all of our data together really speaks to what you guys want to know.

Yeah. So this is part of a performance series. We're going to walk through the other measures. It will be something similar. You'll see some unique things about Trade. So, for example, next topic is going to be mid-February on median earnings. We get some unique measures in Trade where we actually look at prior earnings and do a wage replacement that no longer exists over in WIOA. So we are going to talk about that pretty extensively as well.

So stay tuned for these, and as a reminder, next week we have one on TAA administrative collection of states that I hope you'll tune in for. Thank you very much.

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