**WorkforceGPS**

**TAA Performance Series Median Earnings**

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GRACE MCCALL: Again, just wanted to welcome everyone to today's webinar, "TAA Performance Series Median Earnings." My name, again, is Grace McCall. I'm here if you need anything technically speaking. Hopefully you won't need to hear too much from me, but if you do have any technical questions, please let us know in the chat window on the bottom left-hand side of your screen.

That chat window is also where we'd like you to introduce yourself now. So please go ahead and type into that chat your name, your organization and how many are joining you today if you're attending in a group. You may also use that chat box to ask our presenters any questions you may have during the webinar.

You'll also notice that we have a copy of today's presentation uploaded into the FileShare window on the bottom right-hand side of your screen. You can download that at any time throughout today's webinar. Also, a copy of today's presentation as well as a transcript, recording and executive summary will be made available on WorkforceGPS in a few business days.

Additionally, to continue producing quality content, we'll be sending out an anonymous survey concerning today's event. Please take a few minutes to fill that out once the webinar concludes. We will also be sending out a follow-up survey in a month's time. Again, if you haven't already done so or if you're just joining us, please introduce yourself in that welcome chat, we'll have that chat up throughout today's presentation for your questions or comments at any time.

And welcome to "TAA Performance Series Median Earnings." So without further ado, I'd like to turn things over to our speaker for today, Robert Hoekstra, program analyst, performance management data reporting technical expert, Office of Trade Adjustment Assistance. Take it away, Robert.

ROBERT HOEKSTRA: Thank you very much, Grace. Hi, everyone. It looks like we've got a pretty small, intimate group today. So that's great. We have been through a couple of these performance calls and it looks like a lot of you are coming back, which is great. We're going to be talking through, about the second half of the presentation, on some of the results that we currently see and some trends.

And so your participation, giving us your feedback, giving us your thoughts, is really important to this process and making sure that this webinar works the way we want it to. As always, we're going to start it off by doing a really quick poll. Let's find out who's on the call. So if you could just click on the most appropriate role for you and we'll give it just a minute.

Great. Looks like it's a pretty even split between reporting staff and program staff, which is about what I expected. So that's great. So today we're going to talk a little bit about what the definition of median earnings is, how we calculate it, what you need to know.

Trade is unique in this measure, because we also use a prior earnings measure as well as wage replacement, which we'll get into and then we'll talk through some of the trends and differences we see in this outcome across different groups. So we're going to run through the basics really quick.

You'll see that we have in our trade statute the same basic priority indicators of performance as WIOA with the exception of the employer measure and we're going to be talking about the third one today, which is median earnings, but in addition, trade has a lot of other requirements in – outside of those performance measures.

So you'll see that we are required by statute to break down the performance date by age, education and credential attainment and we also have this unique measure which is median earnings as a percentage of prior earnings, which is a wage replacement.

As a reminder, we do set some national performance targets as part of the GPRA process, the Government Performance and Results Act, but we don't negotiate or set state performance targets and we don't do any statistical modeling for states.

As a result, there's also no sanctioning mechanism under trade and while we may conduct technical assistance if we see something's really substantially off, you generally aren't held accountable for your performance results, we just want to make sure we're getting appropriate data. That's different from some of the other programs like WIOA.

Before we jump into the measures themselves, I just want to give a quick chance for questions. So feel free to type any questions into the chat or any other comments or thoughts. So let's jump into median earnings. There is – here's the statute. The median earnings of participants who are in unsubsidized employment during the second quarter after exit from the program, this mirrors our WIOA definition.

So we use the same calculation, obviously, filtered down to trade participants and we'll get into what that entails in just a minute, but we also have this portion of our statute, the median earnings of workers, as described in the prior section, during the second calendar quarter from – after exit from the program expressed as a percentage of the median earnings of such workers before the calendar quarter in which such workers began receiving benefits under this chapter.

So we'll be looking at the first quarter prior to participation and comparing their – the median earnings between those two. So in the denominator, we are going to filter it down to trade participants, that's 925 containing the dates. That means that they received some sort of trade benefit or service.

We obviously are checking – this is an exit-based measure. So we're checking that the exit date is within the period and we'll talk about that period in just a minute. We check that they're employed. So edit checks should be enforcing this, but you shouldn't be able to report a wage unless you have an employment status.

So we check and make sure that you're employed and then we check and make sure that you have some sort of wages reported. That includes that has – needs to be greater than zero and you don't have the all nines unknown wage value in there. If you, for some strange reason, did have someone in a quarter making $999,999.99, then we probably would run into an issue.

We also checked other reasons for exit. So we're excluding those who were institutionalized, who are in medical treatments, who are deceased, who are reserved, called to active duty and all of these have specific definitions that essentially say you are, for some reason, unable to continue with participation, so you left because of that reason.

So we count both the first quarter prior and the second quarter following wages for the same group of workers. So when someone is employed in the second quarter after exit, we look back at the first quarter and irrelevantly whether they were employed in that quarter we do look at their wages. Prior incomes that were blank because they didn't have employment at that time are reported as zero and as such – and this derives from the statutory definition that they're trying to look at the exact same group of people in the second quarter and that first quarter prior.

Some of you may be aware there have been prior iterations of a wage replacement under prior laws and there's often a debate around which quarters to use, because obviously, you want to get something that's close to participation as possible, but you do want to make sure that you're fully capturing those wages.

In this particular iteration, that statute dictates, that it's the second quarter after and the first quarter prior. So some people have questions, why do we use that first quarter prior which may be a time when they were either underemployed or not employed, but that is unfortunately how the statute is written.

So we're going to talk a little bit about exit rules. Your 901 exit date should always be equal to the last date of service that you ever received and it's retroactively applied after 90 days of no benefits or services and having no future services.

Obviously, we exclude from this the self-service, information-only and follow-up services that don't extend exit and this should follow your common exit policy, which we highly recommend includes a common exit policy that integrates you with WIOA and just as a note, a lot of people forget that our TRA and A/RTAA benefits, despite the fact that they are often administered by UI, are standard trade benefits and services that do extend exit.

This can sometimes cause some confusion in these employment measures, because particularly, the RTAA benefit is only applied to people who are employed. So you can be employed and still participate as you're receiving those benefits. Just a reminder, on our website we do have a nice little tool that tells you exactly how many quarters back.

So essentially, in this case, we're looking at two quarters after exit and we give two quarters of collection for each state. It's always a full four quarters back. So for example, we're going to be talking about data that was reported for the FY-19 Fiscal Year. Our fiscal year runs from October 1, 2018 to September 30, 2019.

And so the exiters for this measure would actually be between October 1, 2017 and September 30, 2018. So it's a full four quarters back. Questions on how the median earnings calculations work? So we're going to talk through some results and I'm hoping that we get a little bit participation in this stage.

The whole point of this part is to get some discussion around what's going on so that we can take that back and integrate that feedback as we do our analysis. So overall, median earnings trend and we trended this over 10 years. The median earnings is increasing. That's the big blue section as it goes – fully climbs up, but you'll see that the red line, which is our wage replacement, has been relatively standard.

It's gone up a little bit in the last couple years, but there's a big quarterly variation with this and this data here is actually extending all the way back into our TAPR data. This is one of the measures where we actually had all of the components in our old TAPR. So you can actually trend that all the way back. I'm going to wait for just a minute; it looks like a couple people are typing. So in this last fiscal year, this is actually using two full years of median earnings and you can see by state we did eliminate those with very few participants, but you can see the blue bars is prior income with the green bars being their median income after participation.

And we do see a drop, which is not surprising, it's usually around 80 percent, but you do see a big difference here. So you'll see as a general rule our after-participation earnings is relatively standard, but what earnings people came in with varies dramatically. And so on the far left side, you can see a couple where states are earning more after participation and a couple of outliers on the right.

So for example, we might be interested in what Minnesota is doing who is one of the few states that came in with a very high pre-wage and is exiting people making actually even more money. Give us just a minute to look at this and ask any questions. So John, I see your question about reporting. I'm going to table that until we get through the results and then I'll take any of those questions at the end as well.

So the color-coding – Kathy asked about the color-coding on this chart. Green bars indicate the post-participation wage and blue bars are the pre-participation wage.

So on the left-hand side where you can see Oklahoma and Florida, Iowa, Idaho, they all have participants who are making more money after participation than before and on the far right side, you can see states like Washington, Connecticut, Massachusetts where their prior income was quite high and they are not making far less after participation.

So we do have to break this down by a couple demographic measures and we're going to run through those first. You can see here blue bars just like the other one. Blue bars are your pre-participation income, green bars are your post-participation income and you'll see the width corresponds to the number of participants in each group.

So the vast majority of our participants in our program have a high school diploma or less. Interestingly enough that's almost all of the high school diploma. The less than a high school is actually kind of rare. And wage replacement for both that group and those list some post-secondary education and hovers right around 90 percent.

So you can see the percentage on the left-hand side next to the bars. Those with some post-secondary have a slightly higher wage replacement, but then we see an interesting thing happening with our bachelor's degree holders or higher.

They're a very small portion of our program, but they have substantially lower wage replacements, which may just be a product of the fact that the programs tend to be geared towards serving that larger portion of participants and gearing towards leaning them towards those jobs, but it's interesting nonetheless and if your state has a greater portion of people in this bachelor's category, you might think about how your system might be designed for getting people employed in jobs that don't line up with what their pre-participation – (inaudible).

People with other thoughts I would love to hear them. So – (inaudible) – has a great question, this is not filtered down to those who received training. So this is all participants. We'll get some breakdowns in a minute on trainings and other benefits and see how it differentiates between that. So you will see a difference here based on that embedded within this.

I will say it's about 50 percent of our participants train, maybe a little bit higher, 60 percent, but since those groups are both fairly large and then you don't get a huge skew based on pre-participation education, this is probably pretty consistent even if you were going to filter it down to one of those.

Here is our gender breakdown and you'll see that not only are women coming in with lower wages, but they actually have a substantially lower wage replacement. They tend to find positions with only 80 percent – 82 percent wage replacement versus men who are up at 92. Any thoughts on why that might be?

We also see part of what might be going on here, and we'll get to it in a couple of slides, is that there is a particularly gendered difference in where people are getting placed into industries and certain industries make more money than others. So that's something to look at as well.

Here's our median earnings by age and it's interesting to see that for our youngest cohort, those under 30, we actually have them making a substantial portion more after participation than when they came in, which is great news for them. Even for the next higher group, those 30 to 39, they make right about the same amount, maybe a little bit more.

But as we get older, it starts to drop off down to those who are at 60 plus that only make 66 percent of the original income. Now, there's two parts to the story. One is just the position after, right, but it's also the position that they came in with.

So you'll see that while it is true that those, say, 50 to 59 are actually making more than those under 30 when they come out of participation, but because they came in with much higher earning, that wage replacement is much lower.

I'm going to give just a minute for people to come up with some questions, more thoughts. As compared to other workforce programs, trade tends to also have a substantially older working workforce. And so because of the demographic we serve, we tend to be much more in this 50 to 59 range. Fun story, so here is training/credential.

So this goes to what John was originally asking about. You can see that those who don't enroll in training actually have reasonably good wage replacement rates. They are about the norm and like I said, about half of our participants don't engage in any kind of training at all. So we'll see in a minute that a lot of this story might be changing industry, but it's also interesting nonetheless.

Now, when someone receives their credential, they get something very similar to when they didn't enroll in training at all. You do see some exceptions, although they're a small portion of our total population, that the lowest group is those who complete training and don't end up with a credential, but our highest group is actually those who enroll in training but leave it at some point.

That's often as we know, because they are leaving for employment and because they haven't, at that point, attained their new skillset and they are likely returning back to the same industry that they came out of. So great question, John. The bar thickness represents the number of individuals in that cohort.

So you can see that the – because, for example, training completed with no credential is very small, we have almost no participants that actually end up in that path whereas those receiving credential or those who don't enroll in training are the vast majority of our participants.

Rapid response, so you can see here for rapid response that we end up with a 5 percent bump in median earnings just by getting to them earlier, making sure that they understand the appropriate benefits and getting them enrolled into workforce programs. Anything else that might be going on here that you guys can think of where we might end up with certain groups more likely to get rapid response than others?

And while you guys ponder that, I will say I'm hoping that we can show this one pretty soon here, because as you guys know, the statute requires rapid response to be provided to all petitioning worker groups. So there are more people getting rapid response than not, but it's not in substantial quantity not getting rapid response.

So that's the part that we can fix here. So I'm going to put a couple caveats on this as we jump into this. This looks at your pre-participation industry and post-participation industry and checks to see if, at a high level, it changes so we don't do a full six-digit code because that's – you end up in a very related industry if it's very granular.

So this is just a high-level think changing from manufacturing to service sector or something like that. You can see that those in the same industry make more money after participation whereas those who are starting in a new industry make substantially less. I think that's relatively self-explanatory, but I am going to use this chance to do a little bit of a plug for better data quality.

We are now collecting occupation codes for these. I know that most states are not currently reporting them partly because occupation codes are not coded on wage records unlike industries, but as you can probably tell, the industry is kind of trying to hit the did you change what you do with a mallet rather than a scalpel and we'd love to be able to see how people are actually changing their jobs rather than what thing the company is producing.

So here's my plug, if you guys put in some good effort to figure out a way to get occupational codes in here, this would become much more interesting. And as we kind of alluded to earlier, there's a correlation here between changing industry and training. So this is part of the reason why training numbers look depressed is because people training are much more likely to be in the industry change category than in the same industry category.

So this next one is where people are coming out of, what employment did they leave and you can see just from the bar thickness that the manufacturing is the vast majority of our participants. Now, if you are lucky enough to be coming out of construction, you have a very good chance of having a solid wage replacement. They make time and a half more when they – after training, which is great.

For manufacturing, it hovers a little bit higher than our average nationally across everything, but it's still only about 90 percent and that's because they do represent the vast majority of others. And here is where they ended up going into. So as people go back into manufacturing, which is, once again, our majority, although it's not quite as – (inaudible), they do have a tendency to make a little bit more money. Interestingly enough, people going into mining make far more. So your ideal individual would be leaving construction to go into mining.

Some of these are unsurprising, but for example, we do have some participants going into arts and entertainment. I think it's unsurprising that the wage replacement in that industry is not always great, but this is definitely something to bear in mind when you guys are trying to figure out where the good placements are and counseling people where their job – or where to train into for industries.

Obviously, make sure you're looking at your own – (inaudible) – data as well. So that's the extent of the results I had up, but I'm happy to talk through any one of these or to talk about what you guys think is going on. I'd love to hear some thoughts on what people think in terms of how the way our current trade service system might be accentuating some of these differences.

It would be really great to hear. Obviously, there are multiple things going on with all of these. Some of those are much broader than what we can address, but some of them are probably things we can address. So the one off the top of my head is education that our programs tend to be geared towards those in the largest demographic group goes with a high school education.

The – we may be underserving or mis-serving those who don't fit that demographic coming in, but I'd love to hear other people's thoughts. If no one has any thoughts, this will be a short show and tell, but I'm hoping we can get a little bit more in details. I've been giving a long enough pause to make sure someone decides to chime in.

Well, if there is no other thoughts, we're going to run forward and just do some closing notes. As a reminder, all of these are outlined in TEGL 10-19, Change 1. You can find a lot of this analysis including your current state results on our trade website. This information does get included in large part in our annual report.

So if you're ever curious how these things break down based on education or training or those kinds of things, we do publish that in the annual report every year. We do a lot of ad hoc analysis on this as well. So if there's particular things you're interested in or you'd like to see broken down in some way, we would love to do that and have a conversation with you about that.

You see a number of other resources here. The definition for this one has been relatively consistent between the various version of the new primary indicators of performance, but the prior earnings isn't detailed in these, though, I'm happy to provide anybody the calculation to that, because that is trade-specific, but it very much models the same calculations for median earnings in the second quarter very intentionally.

So it's the exact same denominator, the exact same group and we just changed those – (inaudible) – to zero before calculating the median earnings in the prior quarter. I am going to talk about John's question for just a moment. So the edit check shouldn't block out nine nines that are not all nines. We do flag those in TODI. So it will show an error in TODI.

That is something that you can send us a note at the time of submission so that you can get and explain in TODI for wages five that you know are accurate that are all nines and then either zero zero or nine nine. I don't recommend people change these. If you are hitting actual edit checks that prevent them from being submitted, I hope you will send an email.

You should be able to see in the logical edit check rules that there are some that prevent it from being all nines, but that should only do it if it's actually $999,999.99. So you should be able to get in with $99 and $999, although, it will be flagged in TODI, because that looks like someone probably typing in something that wasn't – rather than actually looking it up, typing it as a number.

And John, if you are seeing that – great. So it should – it will go through on WIPS. It will not – it will get flagged on TODI, though.

So if you do see that rather than changing the wage, make sure you send us a note at the time you submit in the WIPS so that when we run TODI, if those are, again, only income errors, we can mark it as explained instead of getting you the 99 percent that'll make it yellow and require you to respond, because what we really want is people to make sure that their data is valid and as long as you've done that, we're happy to give you explained on that.

Second set of resources, the TAA community, I highly recommend people take a look at that. There are some good discussions that go on on our community page on WorkforceGPS. There is a relatively – there's a new version of the PIRL recording online resource that has been recently posted.

So this is the so-called PIRL handbook and it gives both a nice clean document that explains how the performance system works, what are general performance measures, what programs use what and it's a nice clean explanation of a lot of the different moving components in the data world.

In addition, for people who are brand-new coming in and trying to learn this stuff, there is an e-learning module on the first portion of that that lets – that steps you through basics of submitting profiles, basics of what performance reporting is all about. So definitely check that out.

And there's likewise a resource page for – so TEGL 14-18 worked to kind of line up everybody's performance measures that is – has attachments for each of the different programs on the things we do weirdly.

Attachment 10 refers to trade and this is where you can get more information, a nice clear explanation. It talks about how, for example, TRA and A/RTAA extend benefits, it talks about co-enrollment policies, it talks about what measures we use and don't and how we negotiate or don't in the case of trade those performance measures.

So if you're looking for a nice clear documentation, it's all in that TEGL. There is this resource online, which includes some really quick recorded walk-thoughts of what's in each of the attachments as well. So definitely check that out. And otherwise, we are going to be doing a couple more of these.

There's two more left. We're going to do one both in March, one on credential and then one on measurable skills gains. I expect the measurable skills gains one to be thrilling since nobody understands that measure, including myself sometimes. So we'll dig into that in some detail as well. Otherwise, I don't have anything else unless there's other questions.

So I'm just going to ask people to stay on for a minute to fill out the survey at the end, and we're missing minutes there, and thank you very much. Back to you, Grace.

MS. MCCALL: All right. Excellent. I'd like to thank all the participants and the presenter for today's webinar and as Robert mentioned, if you could please stay logged into the room for just a minute longer to provide us with some feedback, it would be most appreciated. You'll see a feedback window where you can let us know what you thought of today's webinar.

Please take a second now to share your thoughts, let us know what you liked or what we can improve on. There is also an additional topics window where you can let us know what you'd like to hear in future webinars. A recording of today's webinar as well as the transcript will be made available on WorkforceGPS in a few business days.

Also, to better connect with your WorkforceGPS colleagues, please take a few minutes and sign up for the member directory on WorkforceGPS. That link is located at the top of the feedback window. Thank you everybody for joining us and with that, have a wonderful day.

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