

Automated Student and Adult Learner Follow-Up System LWDA Workforce Dashboard: 2014-2015 Exit Cohort Third Year Report

Note on Methodology



Purpose of the Report

The Texas Labor Code, Chapter 302, requires the Texas Workforce Commission (TWC) to issue an analysis of the job placement performance of each workforce development program by occupation and by training provider (possibly including other relevant data), for the previous one-year, three-year, and five-year periods. TWC's Labor Market and Career Information (LMCI) department fulfills this mandate.

LMCI's mission is to improve the way Texans make career and educational decisions by providing useful and reliable information about careers, educational training options and jobs. We provide data in the spirit of continuous improvement; our goal is to provide a useful tool for key individual and institutional decisions, and not to single out or criticize any program, institution or field of endeavor. For more information, visit www.lmci.state.tx.us.

Methodology

Every year, LMCI downloads seed record files from TWIST (The Workforce Information System of Texas) for each workforce development program. Each seed record represents a unique program service event associated with

a participant Social Security Number (SSN). Because many participants receive more than one service, the original file contains duplicate rows. LMCI groups the records by SSN and service code in order to eliminate as much duplication as possible.

LMCI then links these records to several databases to determine participants' labor market outcomes. Primarily, we link to the Texas Unemployment Insurance (UI) Wage Record database to identify participants employed in Texas. We also link to other databases to supplement the Texas UI Wage Record results: employment records from the Office of Personnel Management and the Department of Defense to find participants in federal employment, as well as the Wage Record Interchange System to find participants employed in other states. If any linkage to these databases resulted in a match for any participant, we retained that participant's earnings and the North American Industry Classification System (NAICS) code of the employer of record for analysis. If the linkage found a participant employed by more than one employer, we retained the sum of the participant's earnings and the NAICS code of the employer paying the most wages.

Finally, LMCI compares labor market outcomes for each cohort over time. Each year, we compare the outcomes of each exit cohort in the fourth quarter of the exit year with the second quarter of the year prior. We conduct both three- and five-year follow-up analyses, comparing the fourth quarter of the exit year to the fourth quarter three and five years after exit.

We define "exit cohort" as the group of program participants who have:

- 1) Received services from a Workforce Development Board location in the target program year (Sept. 1st, 2014 – Aug. 31st, 2015) and*
- 2) An exit date recorded in the target program year.*

"Exiter" refers to an exit cohort member according to this definition.

Historically, the unit of analysis for these reports has been the workforce program or funding stream, presented at the state level. Based on feedback from Workforce Board staff, we have changed the unit of analysis to the LWDA. As a result of this change, program managers can examine outcomes for each LWDA, by program or for the exit cohort in their region as a whole. This more granular approach better reflects the reality of workforce service delivery, where participants receive services from multiple fund streams. For example, the majority of individuals who receive services under Texas's Temporary Assistance for Needy Families (TANF) employment program, Choices, will also qualify for services under the Employment and Training component of the Supplemental Nutrition Assistance Program (SNAP). Labor market outcomes for these individuals can be impossible to associate with one particular program but *will* often accrue to a single LWDA. LMCI also includes the original statewide data by program and in total for TWC management, for those interested in state-level analysis.

In order to prevent the possibility of outcome data being identified for individual exiters, any cohort size smaller than or equal to five ($x \leq 5$) have been obscured in aggregate reports. This practice is needed to assure the maintenance of program participant privacy.

Data Disclaimer

UI wage records are the best available source of data on labor market outcomes, but this source has some limitations. UI wage records do not cover individuals engaged in certain types of employment, including domestic work, self-employment, and work in certain industries. SSNs are not validated against a national database: fraudulent SSNs may be present in the data as well as multiple individuals using one SSN. Neither occupational title nor hours worked per quarter are reported, preventing us from calculating hourly wage or part-time/full-time status, or determining whether the job is an adequate match for the field of study and degree of educational accomplishment.

In particular, very low earnings can be reported for individuals who worked for only a portion of the fourth quarter following the year of exit. These outliers can distort mean wage averages when exit group sizes are small. For this reason, we present the median wage for exit groups instead of the mean.

These measures are developed for research and continuous program improvement purposes as authorized by the Texas Labor Code, Chapter 302. These criteria differ from official TWC state and federal performance measures and this dashboard should not be used for that purpose, either as a report or a point of comparison.

For more information, please contact Matthew Tichenor at matthew.tichenor@twc.state.tx.us.