

Training That Works – Lessons from California’s Employment Training Panel Program (2003)¹

”Training Outcomes: Impact on Trainees”

Training funded by the California Employment Training Panel is examined in this book chapter in relation to its impact on worker earnings, unemployment experience, and employment stability. That is, in what ways are the trainees better off after ETP training? The total data pool examined consists of 167,415 workers.²

In every trainee group studied, “those who completed training increased their earnings relative to the comparison group, providing an unambiguous indicator of ETP program success.” The difference was more when the economy was slowing than during a recovery.³

In addition, in comparing rates of unemployment before and after ETP funded training, “training completers fared better than their comparison groups in every case, again attesting to ETP’s success in achieving its goal of reducing unemployment.⁴ The authors write: “Unemployment was increasing in the economy during the first three [trainee] cohorts [1989-90, 1990-91, and 1991-92], yet training completers’ unemployment rates increased less than the comparison groups, as shown in Table 4.3. When the economy was improving in the period of the last cohort [1994-96], unemployment was falling for everyone. Still, training completers’ unemployment fell more than the comparison group’s unemployment in this improving economy.”⁵

This is evident from “Table 4.3 Trainee Unemployment Results,” which is partially reproduced below:

“Table 4.3 Trainee Unemployment Results” [Partial Table]⁶

Retrainee Cohort	Year before	First year after	Second year after
1989-1990 Completers	0.4	0.6	1.1
Control	0.7	2.0	2.9
1990-1991 Completers	0.4	0.8	1.4
Control	0.9	2.2	3.3
1991-1992 Completers	0.5	2.1	

	Control	1.2	3.6	
1994-1996	Completers	1.8	1.2	1.2
	Control	1.4	1.2	1.3

Finally, data from the four studies of ETP trainees show a decrease of employment instability from a measure of .9 to .73, an 18.9% improvement after one year.^{7, 8} “Employment instability” an index measure devised by the authors “combining workers’ unemployment experience with their changes in industry of primary employer.”⁹

Endnotes:

1. This review focuses on Chapter 4, entitled “Training Outcomes: Impact on the Trainees,” in the 219 page book, *Training That Works – Lessons from California’s Training Panel Program* (2003), which is published by Upjohn Institute, a non-profit employment research organization, Kalamazoo, Michigan, and written by California State University management, economics and finance Professors Moore, Blake, Phillips and McConaughy.

2. *Training That Works*, p. 35.

3. *Training That Works*, p. 52, referencing “Table 4.2, Trainee Earning Results,” same page. The authors note that the source for Table 4.2 is: Moore, R.W., D.R. Blake, G.M. Phillips, D. McConaughy, and A. Cheung-von Hamm. 2000b. *Training that makes a Difference: ETP’s Impact on Trainees, Companies and the State’s Economy*. Sacramento, California: Employment Training Panel. ERIC Document Reproductive Service No. ED 4327562.

4. *Training That Works*, under the sub-heading “Unemployment,” p. 54.

5. *Training That Works*, p. 54.

6. *Training That Works*, p. 55. The authors note that the source for Table 4.3 is the same source noted in Endnote 3, above. The data

in the table refers to the “average annual weeks of UI claimed.” (See the source noted in Endnote 3, at page 21.)

7. *Training That Works*, Chapter 4, “Figure 4.7 Employment Instability in the Year Before and After Training.” Data from Figure 4.7 indicates that training “Completers” had an employment instability index of 0.9 in the year before the ETP funded training, and that they had an employment instability index of 0.73 in the year after training. The drop of .0.17 (0.90 minus 0.73) in the employment instability index divided by 0.9 equals 18.9%. The authors note that the source for Figure 4.7 is the same source noted in Endnote 3, above.

8. *Training That Works*, pp. 58-59: “[Employment instability] indicator values above 1.0 show the group [of workers] to have less stable employment than the corresponding comparison group; values below 1.0 show more stable employment than the comparison group. Before-and-after comparisons of this indicator show whether the training cohort’s employment instability increased or decreased after training.”

9. *Training That Works*, p. 58. As used by the authors, “primary employer” means the employer that pays the largest percentage of a worker’s earnings during a particular quarter. *Training That Works*, footnote 14, p. 61.