



Austin's Hire Local Plan

Year Two Evaluation Report

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ACRONYMS

ABE.....	Adult Basic Education
ARCH	Austin Resource Center for the Homeless
ACC	Austin Community College
CBO	Community Based Organization
CCDF	Child Care Development Fund
CEP	Community Eligibility Provision
CNA	Certified Nurse Aide
CTE	Career and Technical Education
ECCE	Early Childhood Care and Education
EITC.....	Earned Income Tax Credit
ECM.....	Empowered Case Management
ESL	English as a Second Language
ETPS	Eligible Training Provider System
FPG	Federal Poverty Guidelines
GACC	Greater Austin Chamber of Commerce
GAIN.....	General Assessment of Instructional Need
GCTA.....	Goodwill Career and Technical Academy
GED	General Education Diploma
HSE	High School Equivalency
OT	Occupational Training
OSHA.....	Occupational Safety and Health Administration
CWP	Austin Metro Area Master Community Workforce Plan
MSA.....	Metropolitan Statistical Area
NAEYC.....	National Association for the Education of Young Children
NSLP.....	National School Lunch Program
PLC	Master Plan Leadership Council
RMC.....	Ray Marshall Center
RN	Registered Nurse
SNAP	Supplemental Nutrition Assistance Program
TABE	Test of Adult Basic Education
TANF	Temporary Assistance for Needy Families
TSI.....	Texas Success Initiative Assessment
WERC.....	Workforce and Education Readiness Continuum
WFSCA.....	Workforce Solutions Capital Area Board
WFSRCA	Workforce Solutions Rural Capital Area Board
WIC.....	Women, Infants, and Children
WIOA.....	Workforce Innovation and Opportunity Act

INTRODUCTION

Workforce Solutions of Central Texas serves as the leader of the Hire Local Plan which brings together the many organizations providing middle skills workforce training in the region. The Hire Local Plan grew out of a four-year regional collaborative effort (the Austin Metro Community Workforce Plan (CWP)) to bring 10,000 individuals out of poverty through workforce training and education. Key lessons learned from this multi-year initiative informed the development of the Hire Local Plan:

- (1) directly identifying individuals' low-income status prior to program entry proved difficult for some organizations; and,
- (2) measuring only the outcomes of low-income individuals receiving workforce education and training left the region without information on the size and effectiveness of our regional workforce pipeline.

Hire Local addresses both concerns by including all individuals enrolled in these programs, regardless of their income status, providing important information about the scale of the workforce development pipeline for target industries in the Austin Metro region. Examining only low-income individuals accessing the workforce development ecosystem in Austin significantly underrepresents the size of these training to employment pipelines which are more than 150% greater in size. Accurately knowing the number of enrollees and completers in these workforce training programs will better enable the region to make policy decisions on program expansion to better meet local employer needs.

According to their website, Workforce Solutions Capital Area highlights the three goals of Hire Local: “1) increase skilled local talent while better defining the region’s *capacity for training*, 2) improve income for local people by creating an affordability index; and 3) grow payrolls for local businesses.”¹

This evaluation focuses on the first two goals. Measuring the number of individuals enrolling in and completing training across the target industries determines whether this effort is increasing skilled local talent. Identifying the region’s capacity for involves two elements:

¹ <https://www.wfscapitalarea.com/community-workforce-plan-2/>

knowing the number of those receiving training and the number of jobs available. While this report includes copious information on the number of individuals enrolled in and completing training, the number of available jobs for completers are more difficult to assess. In an effort to measure the region's *capacity for training*, researchers sought information on the number of job postings that closely match those individuals are being trained for through Hire Local.

Opportunity Austin generates a regular report providing information on the number, type, and required qualifications and education level for locally posted positions. Their January 2024 Jobs Posting Report, representing the type of employment environment many Hire Local Year 2 completers faced, estimated roughly 56,360 job openings across all industries as well as educational and experience requirements.² Job openings involving the type of credentials pursued as part of Hire Local include three education levels: postsecondary nondegree awards, associate degrees, and some college, no degree. All job postings with these education and credentialing requirements across all industries totaled 6,763.³ Given that the total number of completers in year one of Hire Local totaled 4,548, the number being trained does not appear to exceed the number of available jobs in a particular month.

The evaluation of the Hire Local Plan also measures whether this effort improves income for participants and utilizes an index to better measure the ranges of earnings outcomes.

- The share of completers who find employment and who experience an increase, decrease, or no change in their pre-enrollment income; and
- Rather than focus on a single measure of income (e.g., 'Earning above 200% of Federal Poverty Guidelines') to determine success, the Hire Local evaluation considers seven categories of earnings to provide a clearer portrait of the success of training program completers in the local labor market.

Thus, the Hire Local evaluation focuses on determining whether the first two goals of the plan are being met. Since these two goals represent the necessary conditions for the third goal, growing payrolls for local businesses, this evaluation tangentially assesses the success of all Hire Local Plan goals.

An important caveat of the efficacy of education and training programs: macroeconomic

² <https://opportunityaustin.com/austin-job-postings-report-february-2024/>

³ Though results of this analysis focus on January 2024 job postings, these figures are similar to those in other months at the end of 2023 and the beginning of 2024.

effects play a significant role in determining success. The employment and hiring circumstances under which the Hire Local Plan exists reflect a very strong local economy with low unemployment (3.4% in January of 2024⁴) and where many entry-level jobs increased their employee's earnings above the federally mandated minimum wage in the post-pandemic era.⁵

These economic conditions impact both whether individuals choose to enroll in workforce training efforts as well as whether these initiatives in linking completers to good employment opportunities find easy or more strained success.

Relatively high earnings for typically low-wage work places a strain on finding individuals who might qualify for or benefit from workforce education and training programs. As individuals typically defer all or a portion of their income while enrolled in workforce programs, giving up on a job that provides sufficient if inadequate earnings is a hard sell. For example, the immediate lost full-time minimum wage income for a person in a three-month training program is \$3,480 but much more (\$7,200) if the deferred income was \$15 an hour. Higher entry-level earnings make an individual's calculation about whether to engage in training highly dependent on their view of whether they can find employment without training at a reasonable wage rather than focus on the long-term earnings potential once they successfully complete training. Benefits for completing these training programs is clear. In the fourth year of the CWP, median quarterly earnings of employed low-income completers increased from \$1,764 in the year prior to enrolling in a program to \$7,524 in the quarter after completion.

⁴ https://www.bls.gov/eag/eag.tx_austin_msa.htm

⁵ Analysis also indicated that high wage earners prior to the pandemic received a higher increase in total wages, while low wage earners prior to the pandemic received the highest increase in the share of their pre-pandemic earnings post-pandemic. Analysis presented here: <https://www.adpresearch.com/pay-change-by-income-level-2024/>

OUTCOMES: WORKFORCE TRAINING AND EDUCATION

Outcomes presented include all participants who enrolled in or completed occupational skills training or an Associate Degree program within regional workforce target sectors.⁶

RESULTS OVERVIEW

Measuring all of those enrolled in workforce and education training programs greatly expands our regional understanding of the size of our industry pipelines. In Year Two of Hire Local, the number of individuals enrolled in targeted training programs increased by 1,222 from the prior year to a total of 16,092 enrollees.

Though some workforce education and training programs are short-term, some are longer or allow an individual to work at their own pace through those programs by choosing when to take courses. A total of 4,681 individuals completed their programs in Year Two, an increase of 133 from the previous year.

Of those who completed, 70% (3,298) found employment in the following quarter, a rate similar to that in previous years. Employed completers fared well in the labor market, with median quarterly earnings of \$9,951 which, if annualized, are estimated at \$38,803. This is a significant increase (of \$7029 per quarter) compared to the median quarterly earnings (\$2,921 or \$11,685 annualized) in the year prior to enrollment.

Another metric that provides context to the success of programs to link individuals to employers and jobs is to measure the share of employed completers who experience a direct increase in their income. Rather than focus on the collective change in income for employed completers, this measure takes an individual's earnings after completing a program and subtracting their earnings prior to entering a program, indicating whether they now earn more, the same, or less. A large majority (84%) of Hire Local Plan Year Two employed completers experienced an increase in earnings, with very few (1%) experiencing no or little change, and less than 1 in 5 (15%) experiencing a decrease in earnings.

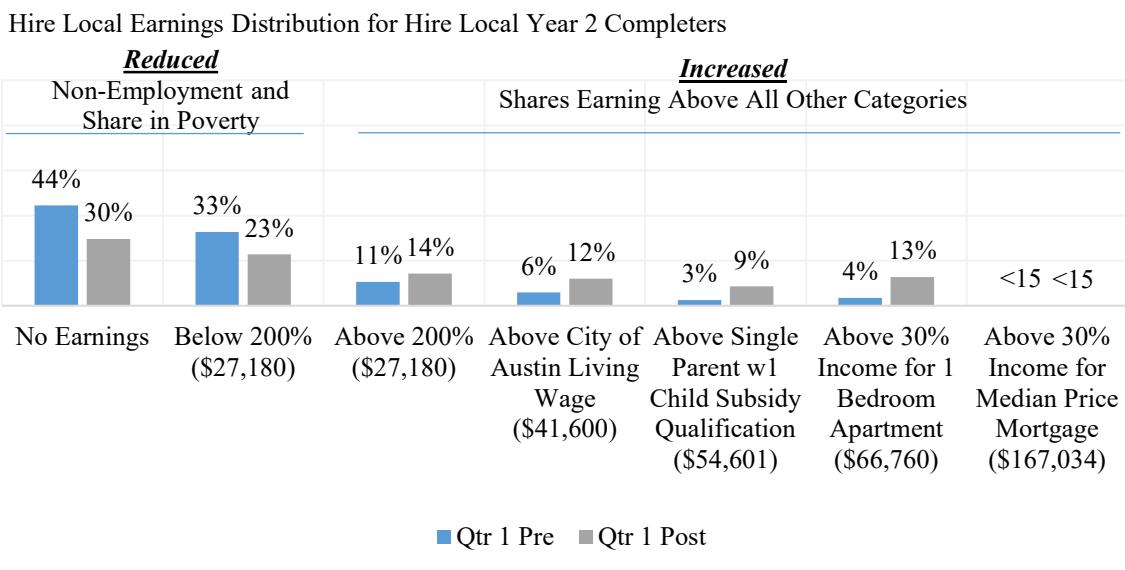
While moving individuals out of poverty provides an important lens to program effects,

⁶ Occupational skills training includes training that results in a non-degree credential such as a certificate, industry certification, and licenses.

the reality for many individuals and their families remains that earning above poverty simply is not enough to pay for the essentials of living. In an effort to measure success beyond just earning above 200% FPG, this report also considers additional thresholds for success. These category thresholds include the following:

- Non-employment (zero W-2 earnings),⁷
- Earning below 200% of the Federal Poverty Guidelines (FPG) (\$27,180/year),
- Earning above 200% FPG (\$27,180/year),
- Earning above the current City of Austin's living wage (\$41,600/year),
- Earning above the threshold for childcare subsidy eligibility (so that any one-person, one-child household earning below this value could qualify for support) (\$54,601/year),
- Earning enough that 30% of the participant's income would afford the average price of a one-bedroom apartment in the Austin metro (\$66,760/year), and
- Earning enough that 30% of the participant's income could afford the median price of a home in the Austin metro (\$167,034/year).⁸

Figure 1. Change in Income Categories, Hire Local Year Two



These multiple thresholds hint at the importance these programs can have over an

⁷ Non-employment includes individuals who may receive earnings through contract work or via the gig economy (e.g., Uber/Lyft, Uber Eats).

⁸ These values were set at the beginning of the Hire Local Plan evaluation and are based on 2021 Austin Metro statistics.

individual and their family's life, up to and including the ability to rent or even to own a home.

This evaluation assesses whether those who complete training experience *reduced* shares of negative outcomes (e.g., having no earnings, or earning below 200% FPG), or experience *increased* shares of positive outcomes (e.g., earning above one of the following categories: 200% FPG, City of Austin's Living Wage, Child Subsidy qualification, enough to affordably rent a one bedroom apartment, or enough to afford a median priced home).

Reduced Shares of Negative Outcomes: Prior to completing a program, more than three-fourths (77%) of participants earned nothing through formal employment or earned below 200% FPG. In the immediate quarter after completing a program, 52% of participants earned nothing through formal employment or earned below 200% FPG.

Increased Shares of Positive Outcomes: The share of individuals earning across all categories above 200% FPG, increased from 23% prior to entering training, and 48% upon completion. Notably the share of individuals earning above the city of Austin's Living Wage more than doubled (from 6% to 12%); the share earning above the child subsidy qualification threshold tripled (from 3% to 9%); and, the share of those earning enough to afford a one bedroom apartment more than tripled (from 4% to 13%).

Sector Overview: The increase in overall enrollment between Years One and Two for Hire Local was led by increases in enrollment in business programs (by 769) and in skilled trades and manufacturing programs (by 706), with reduced enrollment in healthcare fields. Of the 4,681 completers, most finished a program in one of the four target industry sectors (business (755), healthcare (1,371), information technology (836), and skilled trades (1,431)), with some individuals completing other (288) programs. In Year Two, the number of skilled trades and manufacturing completers increased by 142. Most program completers found employment, with those completing healthcare most likely to do so (77%), followed by skilled trades/manufacturing (74%), business (63%), and information technology (64%).

Those completers who found employment performed better in the labor market than they did prior to completing their workforce education and training. Participants who completed a business program and found employment earned the most (\$11,672), followed by those in skilled trades/manufacturing (\$10,297), information technology (\$10,105), and healthcare (\$9,512). The largest difference in pre-program to post-program earnings by sector occurred for those

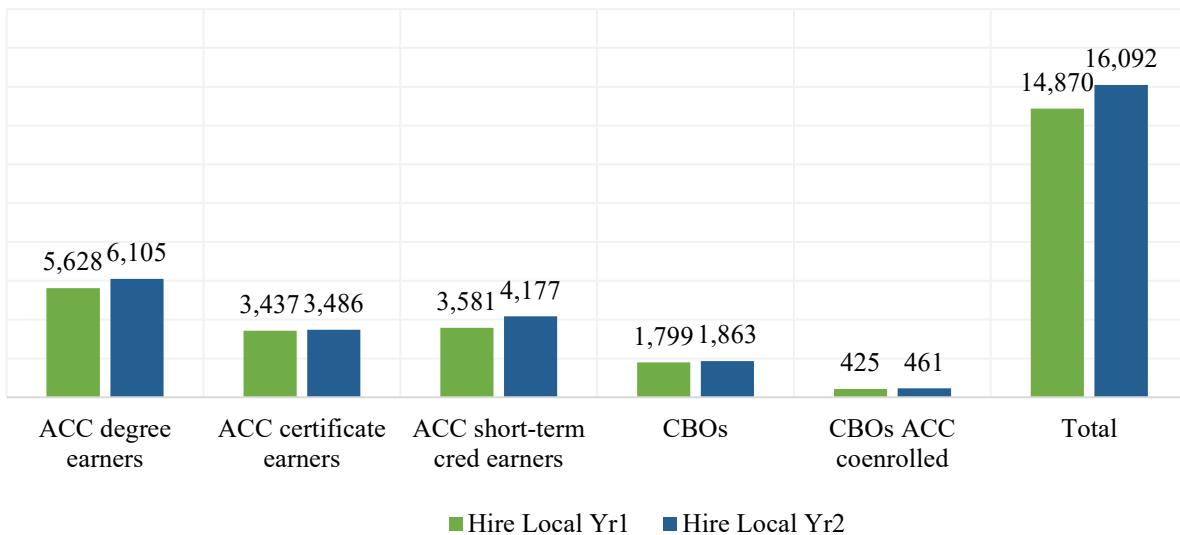
completing business workforce education and training programs (\$8,321), followed by those in healthcare (\$7,159), information technology (\$7,121), and then skilled trades/manufacturing (\$6,515). This high return for those completing healthcare programs stems from their relatively low pre-program earnings.

DETAILED RESULTS

Enrollment

Enrollment between Year One and Year Two saw a notable increase (Figure 2). In Year Two, the region enrolled 16,092, or 1,222 more enrollees than Year One. This increase in enrollment was led by ACC, which experienced an increase in enrollment of 477 degree seekers and 596 short-term credential enrollees. All other types of programs also experienced increases in enrollment between Year One and Year Two.

Figure 2. Enrollment by Year and Organization

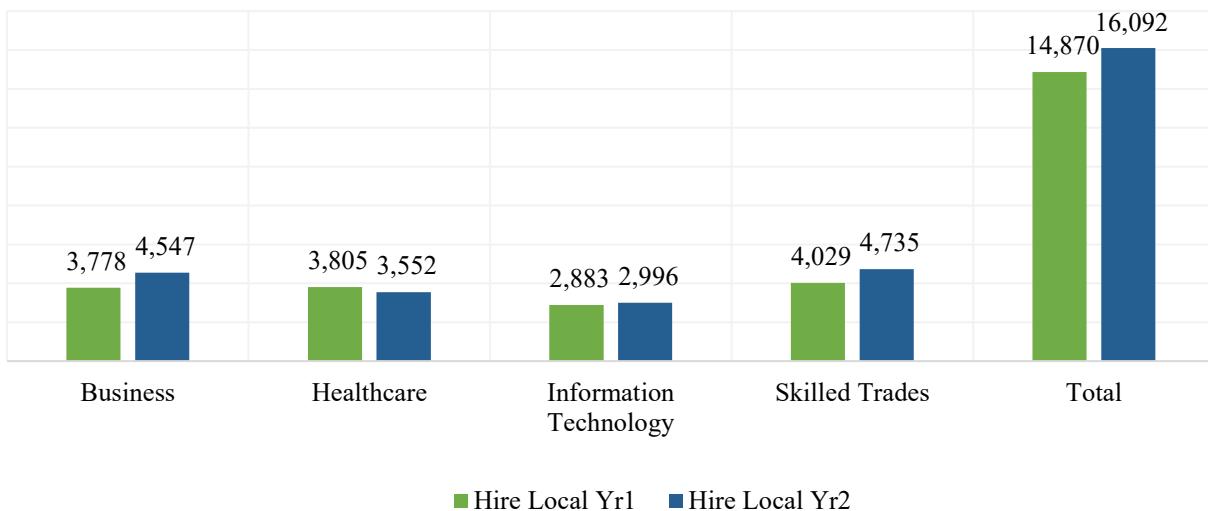


Sector of Enrollment

The most popular enrollment sector in both Year One and Two of Hire Local was Skilled Trades and Manufacturing (Figure 3). Enrollment in Business programs increased by 20% between Year One and Two, while Skilled Trades and Manufacturing increased by 18% over the same time period. and Information Technology each comprising roughly between 14% to 20% of

program enrollment.⁹ These increases in enrollment contributed to the overall increase in workforce training enrollment in the targeted sector by 8% (1,222 participants). Because some of these training and education programs take longer than one year, some of the enrollees in Year One were still enrolled in Year Two.

Figure 3. Sector of Program Enrollment¹⁰



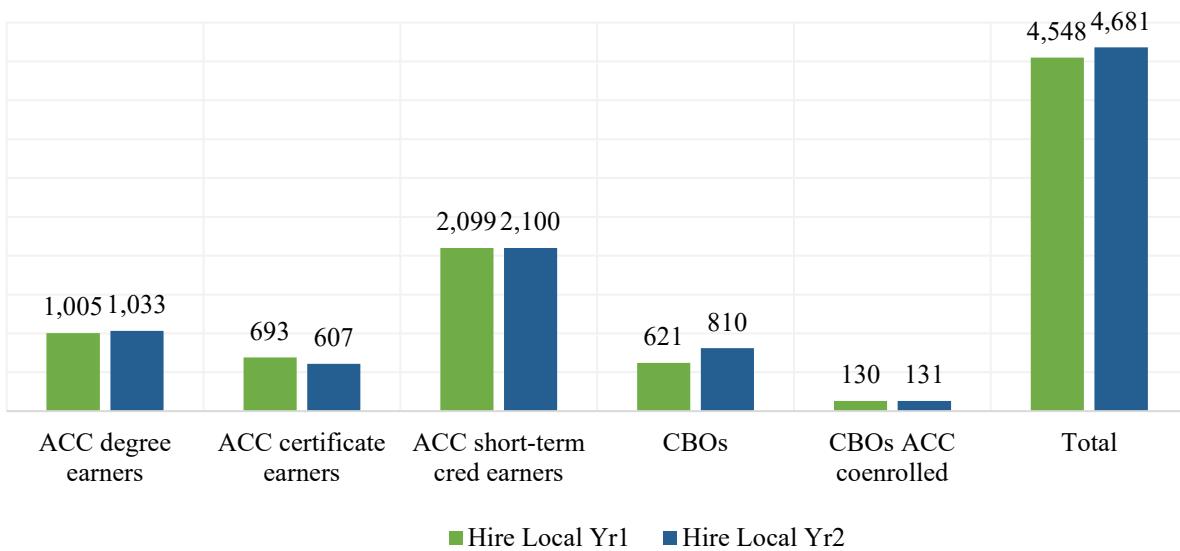
Completion

The region graduated 4,681 participants in Year Two, an increase of 133 completers from the previous year (Figure 4). Completion numbers increased for all organization types except for ACC certificate earners. The largest increase in the number of completers came from CBOs, which experienced an increase of 189 completers between Year One and Two. This increase brought the number of completers from CBOs close to pre-pandemic levels.

⁹ Individuals select a program at entry but may complete in another program or another sector. This change is unlikely for those enrolled in a CBO program but does occur more often for those enrolled in an ACC program.

¹⁰ As a small number of individuals enrolled in other sectors, totals will not equal all enrollees.

Figure 4. Completers, by Organization Type

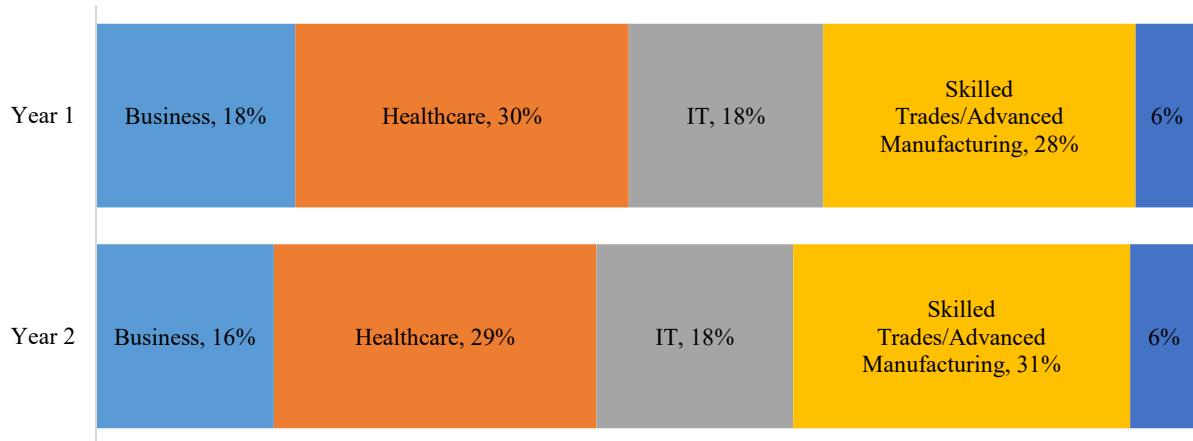


Note: Variation in the number of completers of ACC short-term credentials from year to year may be the result of irregularities in the timing of official reporting of completions due to issues with staffing and tracking systems.

Sector of Completion

An increase in the number of Skilled Trades and Advanced Manufacturing completers between Year One and Year Two made that sector the largest (31%) for regional completers, followed by the Healthcare sector at 29% (Figure 5). Enrollment in Business and Information Technology each comprise the smaller share of completers in Year Two, at 16% and 18% respectively.

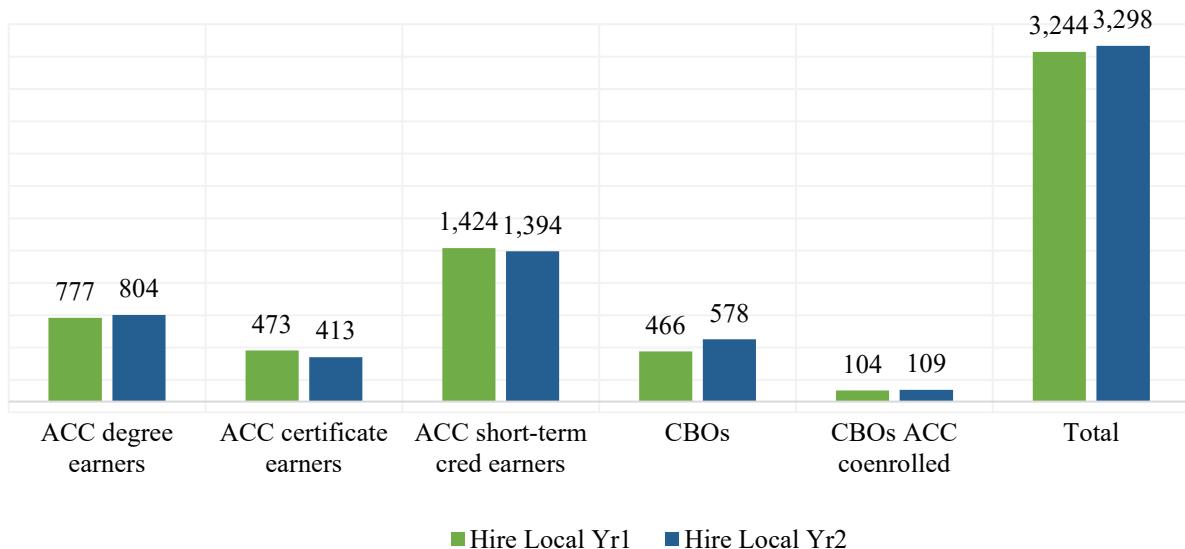
Figure 5. Sector of Program Completion¹¹



Employment

Researchers linked Hire Local completers to Texas employment records to determine employment status and earnings (Figure 6). Completer outcomes presented here measure their employment and earnings the quarter following their completion.

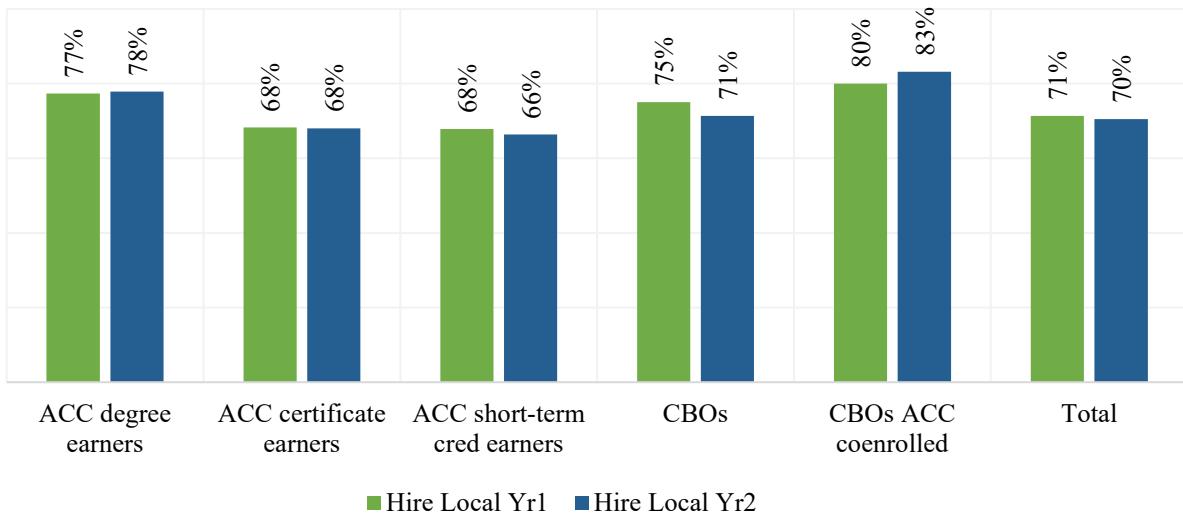
Figure 6. Employment Numbers, 1st Qtr After Program Completion



¹¹ A small share of students completed in a sector outside these four, so totals across sector will not equal all completers presented in other charts.

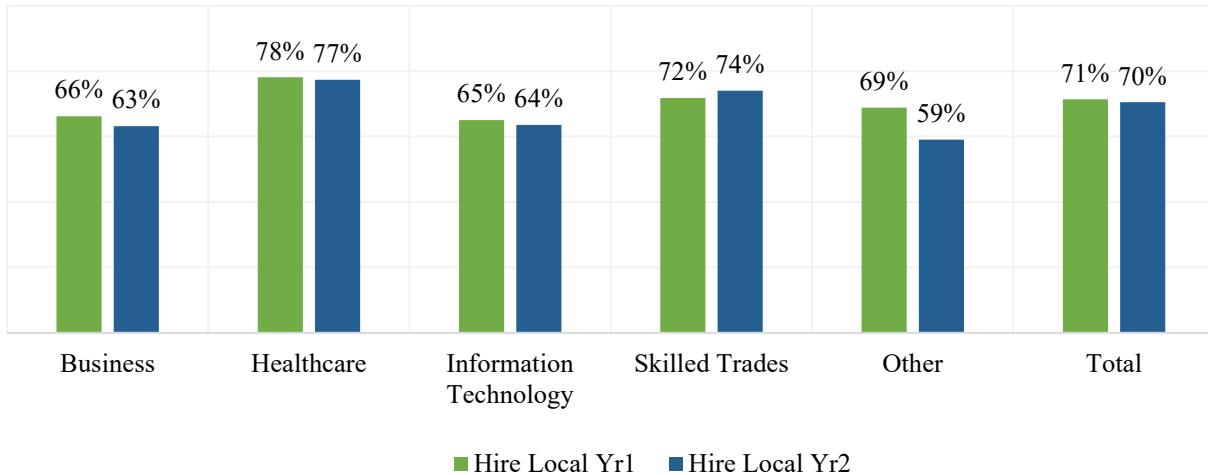
Despite an increase in regional completion, the number of completers finding employment did not change statistically significantly (Figure 7). Participants completing ACC degree programs and completing co-enrollment programs involving ACC and a CBO experience marginally greater employment success than their similarly enrolled peers.

Figure 7. Share of Employed Completers, 1st Qtr Post Completion



Though overall employment outcomes did not significantly change between Year One and Two, there are clear patterns of employment success depending on the sector of employment, with Healthcare (77% in Year Two) and Skilled Trades (74% in Year Two) having a readier immediate connection to employers post-completion (Figure 8).

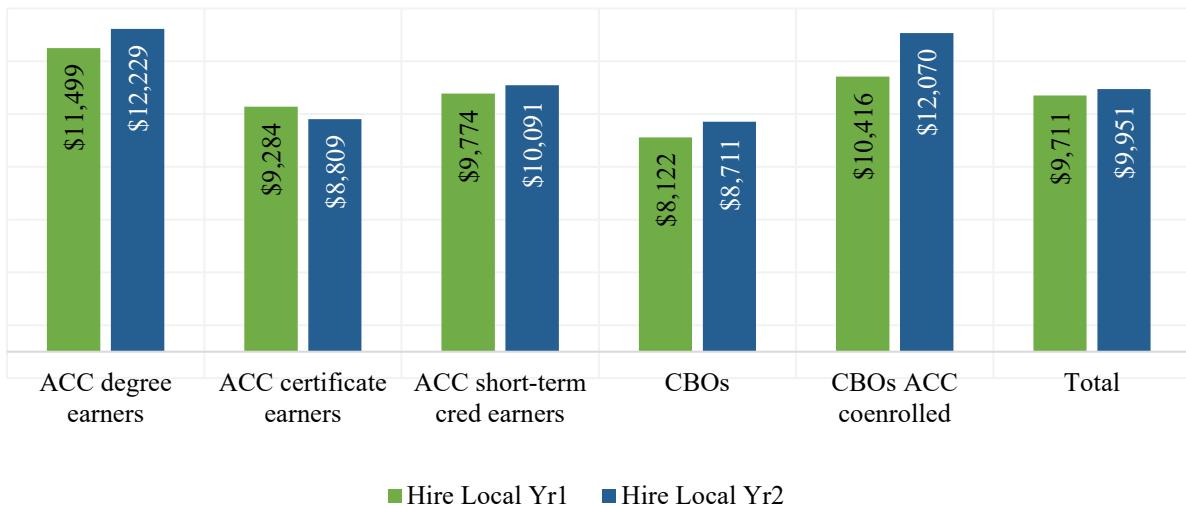
Figure 8. Share of Completers Found Employed, by Sector of Completion



Earnings

Median quarterly earnings for the first quarter after completing a program increased for employed completers between Year One and Year Two and varies depending on the type of program an individual completed (Figure 9). Employed completers from ACC degree programs and CBO programs incorporating ACC degree programs receive higher earnings from employers than those who completed other types of program.

Figure 9. Median Quarterly Earnings for Employed Completers 1st Qtr Post Completion



Employed completers experienced differential earnings depending on their sector of

completion, with those in Business receiving the highest median quarterly earnings post program completion, followed by those finishing skilled trades programs, then IT programs, and finally, Healthcare programs (Figure 10).

Figure 10. Median quarterly earnings for 1st quarter post program exit for employed completers



These earnings increases are also reflected across years when considering income prior to enrolling in a program (Figure 11). Compared to their earnings prior to enrolling in a program, employed completers of Business programs saw the largest increase in quarterly earnings, followed by Healthcare, Information Technology, and Skilled Trades (Figure 12). These differences reflect the unique starting points in terms of earnings for those prior to enrolling in a training or education program.

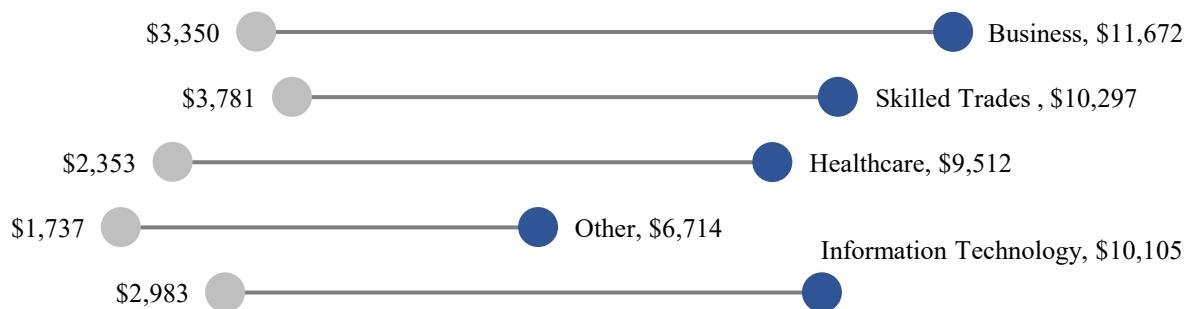
Figure 11. Median Earnings Pre/Post Program

1 year prior to program entry to **1 quarter post program completion**



Figure 12. Median Earnings Pre/Post Program, by Sector

Increase in median quarterly earnings for employed Hire Local Yr 2 completers, from 1 year prior to program entry to **1 year post program completion**



Earnings Distribution and Change in Income

Many completers of Hire Local education and training programs experienced success at meaningfully lifting their income (Figure 13). While moving individuals out of poverty provides an important lens to program effects, the reality for many individuals and their families remains that earning above poverty simply is not enough to pay for the essentials of living. In an effort to measure success beyond just earning above 200% FPG, this report also considers additional thresholds for success. These category thresholds include the following:

- Non-employment (zero W-2 earnings),¹²
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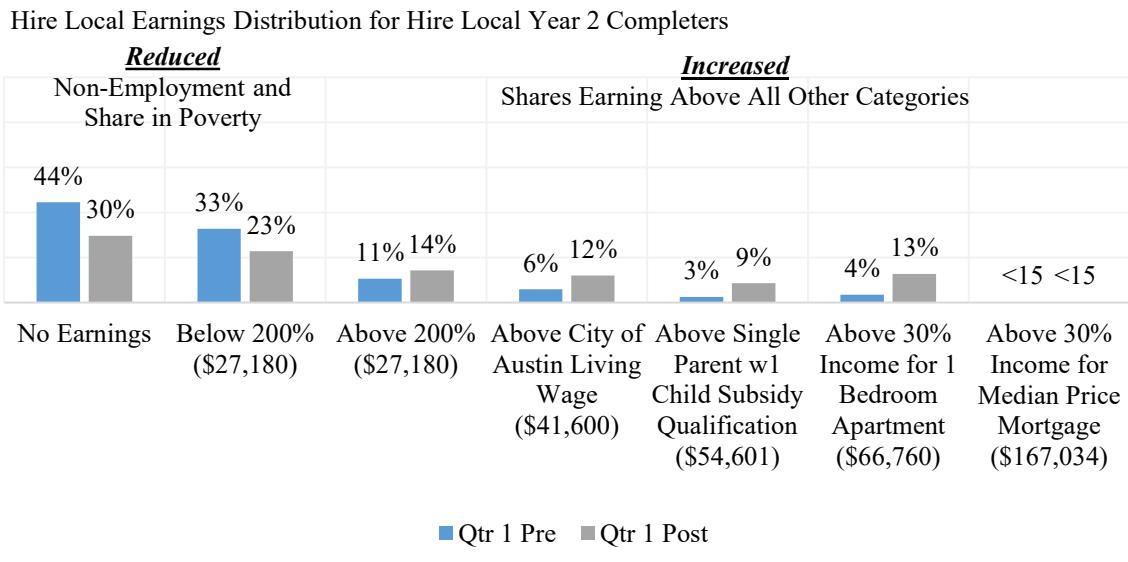
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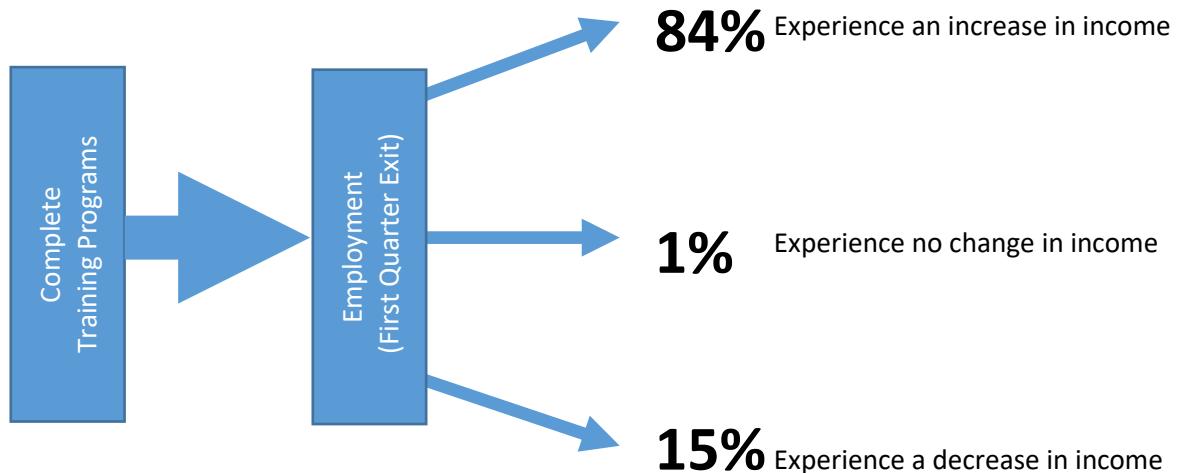
¹³ These values were set at the beginning of the Hire Local Plan evaluation and are based on 2021 Austin Metro statistics.

Figure 13. Year Two Hire Local Earnings Distribution, 1st Qtr Post Completion



A large majority (84%) part completers experience an increase income after completing their program, with a negligible share (1%) seeing no change in their income, and a small share (15%) experiencing a decrease in income, at least as measured in the first quarter post-completion (Figure 14).

Figure 14. Share of Completers Earning Above 200% FPG, 1st Qtr Post Completion

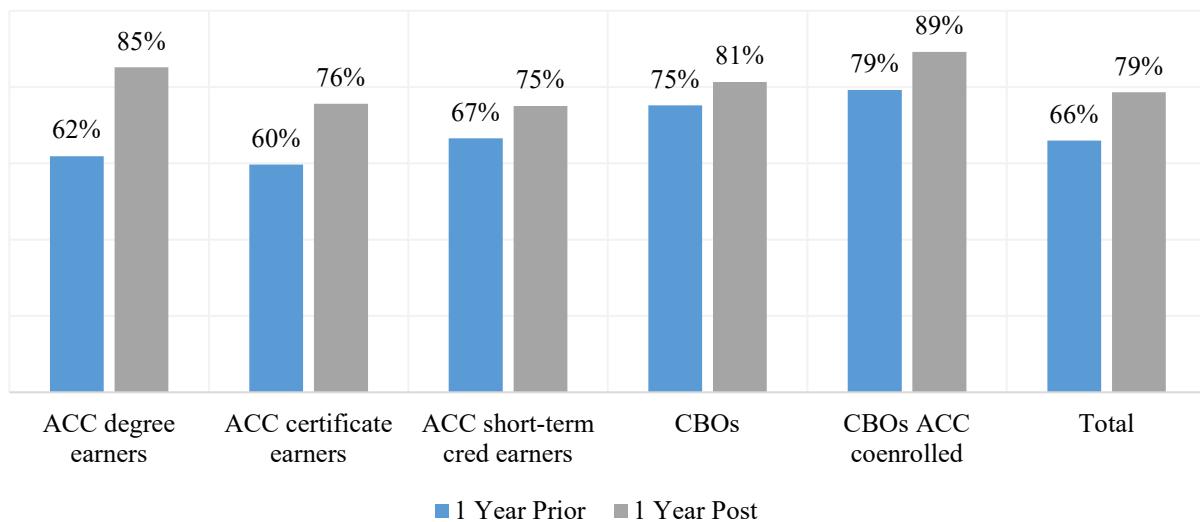


UPDATE ON OUTCOMES FROM PREVIOUS COHORTS

Employment

A large majority (79%) of Year One Hire Local participants found employment in the year following completion (Figure 15). The share of those found employed a year following program completion was higher than those found employed in the first quarter after completion, regardless of the type organization. ;

Figure 15. Share of Employed Completers for Hire Local Year 1



Earnings

Employed completers' yearlong median earnings outpaced initial quarterly earnings expectations. Given initial median earnings in the first quarter post-completion, estimated median yearly earnings should have approached \$38,844 based on the first quarter of employment earnings. Instead, we see a 15% increase to that prediction, with median earnings of \$44,824. This indicates continued income growth for those who found employment after completing their program.

Figure 16. Median Annual Earnings 1 Year Post Exit

