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ABSTRACT

This report reviews the accomplishments of the Timber Retraining Benefits (TRB) program of Washington's 32 two-year colleges. These colleges served 1,651 TRB workers in 1997-98, and 7,000 workers since the program inception in 1991. The report, based on data from college enrollment records and unemployment insurance system data, provides detailed information about the colleges' performance. The main findings reported are: (1) workers impacted by the downturn in natural resource jobs are able to return to employment after completing training, with 81% of TRB graduates obtaining employment; (2) workers are able to complete the training of their choice and find employment at prevailing wages, with the average TRB student entering new jobs at \$10.80 per hour; (3) workers with low educational attainment are able to enroll in basic skills training in preparation for completion of the equivalent of high school; and (4) workers are able to enroll in training programs for demand occupations requiring new skills. The report includes information on TRB student characteristics, industries of dislocation, wages and employment, and placement rates. Evidence supports the notion that community and technical college training for dislocated natural resource workers is relevant to the training needs of the state of Washington and to the workers in the program. Contains 13 charts and tables. (AS)

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Results of Training for Timber Retraining Benefits Recipients

Washington State Board for Community and Technical Colleges

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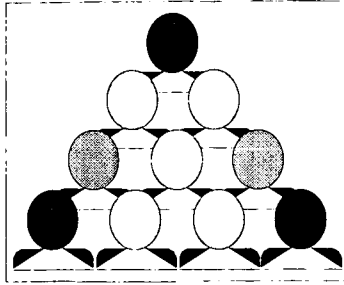
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Research Report No. 99-1

Washington State Board for Community and
Technical Colleges; Education Division

RESULTS OF TRAINING FOR TIMBER RETRAINING BENEFITS RECIPIENTS

March 1999

Background

Since 1991, Washington state has provided special funding for retraining efforts on behalf of the jobless natural resource workers who have been forced to change careers in order to re-enter the workforce due to changes in the economy.

The 1991 Omnibus Timber legislation (ESSB 5555) extended unemployment insurance (UI) benefits to natural resource workers enrolled in various training programs. This report describes the outcomes of that training at the state's community and technical colleges. Although these training benefits applied to workers impacted by the downturn in both the salmon and the timber and wood products industries, the benefits are commonly called Timber Retraining Benefits. The Timber Retraining Benefits (TRB) program has served 7,000 workers at the community and technical colleges since 1991. An estimated 1,400 workers have also been served at four-year institutions and private career schools.

The TRB beneficiaries enrolled at colleges are a limited number of tuition waiver students attending two-year institutions. Approximately 20 percent of students in the program benefit from tuition waivers. The tuition waiver program waives tuition costs and funds the colleges to provide space for workers impacted by timber and salmon industry downturns. Employment Security Department Staff determines eligibility for unemployment benefits and tuition waivers.



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This report, prepared by the SBCTC, is the third review of the accomplishments of the Timber Retraining Benefits program of Washington's 32 two-year colleges. It provides detailed information about the colleges' performance.

This report is based on data from two main sources: 1) college enrollment records, and 2) unemployment insurance system data, which provides data on the results of the program.

Workers impacted by the downturn in natural resource jobs are able to return to employment after completing training.

- TRB students completing community and technical college training obtained an employment rate of 81 percent.
- 89 percent of the job preparatory students who found employment in 1996-97 were still working in covered employment one year later.

Workers are able to find employment at prevailing wages.

- Employed former TRB students recovered 91 percent of their former wage level. They entered new jobs at \$10.80 per hour (median wage).
- Many workers entered employment in higher wage occupational areas that would not have been open to them without retraining. Information technology is the fastest growing field for TRB students.

Workers are able to complete the training of their choice.

- TRB workers are able to select the approach to education that best meets their needs.

Workers with low educational attainment are able to enroll in basic skills training in preparation for completion of the equivalent of high school.

- Three percent of the TRB workers enrolled in basic skills training. Half that group had basic skills as their main goal.

Workers are able to enroll in training programs for demand occupations requiring new skills.

- This past year, 161 students moved from the information systems programs to the job market compared to less than 30 students in each of the first three years of the Timber Retraining Benefits program. This is the fastest growing program area for TRB students. The typical student from the information system program earns \$11.93 an hour immediately after college.
- Training provided workers for more small firms (almost 400) than large firms (approximately 200) in 1998. Much of the economic growth today is in small firms employing 100 workers or less.
- 28 percent of the TRB workers found employment in the business, health, social services and manufacturing industries, which all have demands for occupations which require new skills.

Participants

The Washington state economy is marked by two contradictory characteristics: a resilient economy which is continually creating new jobs at a rate far faster than most other states while at the same time the economy is experiencing continued closings and downsizing in small and large businesses throughout the state. Unemployment has dropped to the lowest rate in several years. In the midst of this good news the stories of lay-offs continue in lumber and wood products, paper and allied products and fishing—the state’s natural resource industries.

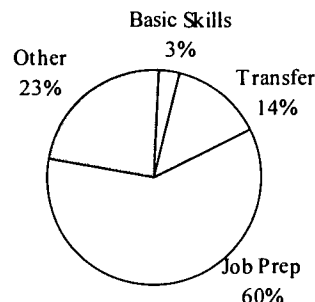
Workers Served: In the most recent year, 1,651 TRB workers were served at Washington’s community and technical colleges. The workers in the program were mostly white males (60 percent male and 89 percent white) about 11 years older than the typical student (median age of 39). Those served are a fairly well educated population; 43 percent had been to college before and just six percent had not completed high school. Enrollments by college are provided in Appendix A-I.

When the program first began (1991-94) 23 percent of the students were females and only 6 percent were students of color. The pattern today indicates that job losses in the natural resources sector are impacting a more diverse population.

TRB Workers Enrolled 1997-1998 School Year	
Characteristic	% of 1,651 Workers
Female	40%
Male	60%
African American	1%
Asian/Pacific Islander	4%
Hispanic	3%
Native American	3%
White	89%
Less than High School	7%
GED or High School Diploma	49%
Some College	40%
BA Degree or Higher	3%
Under 30	21%
30-39	32%
40-49	32%
50+	15%
Median Age	39

Timber Retraining Benefits program workers come to the training institution with different goals. The majority (60 percent) enrolled to prepare for work in a new occupation. Fourteen percent enrolled with the intention of transferring to a four-year college, three percent enrolled to work on their basic skills in reading, writing, and mathematics, and 23 percent enrolled for other reasons.

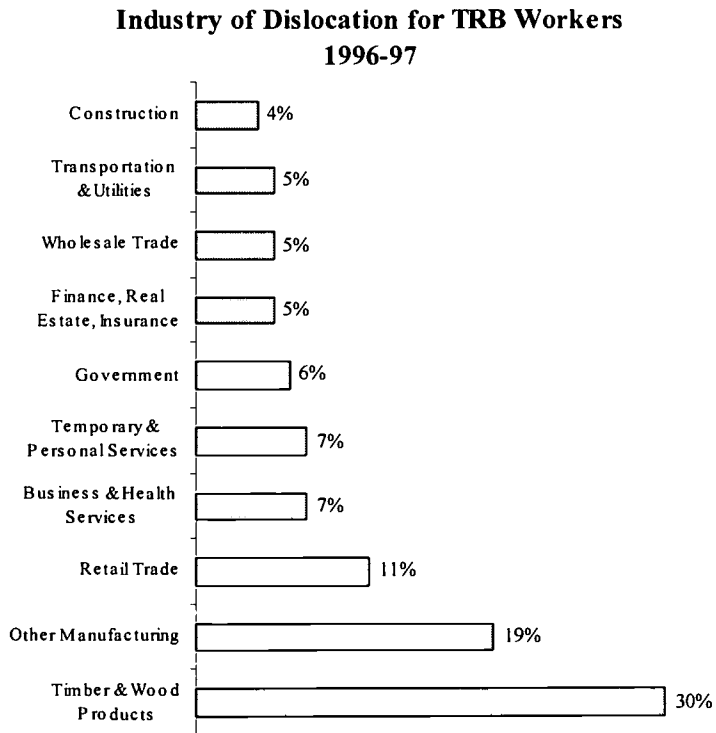
Goals of the 6,320 TRB Workers



At the colleges, students major primarily in high and medium wage programs. Of those declaring a major, 47 percent were in high wage professional and technical areas which include health occupations and fields using computer skills, and 32 percent majored in medium wage fields such as mechanics and repair, protective services, and construction fields. Administrative support (clerical training) was the most common low wage occupation selected by TRB students.

	% of Students
Information Technology	10%
Administrative Support	10%
Managerial and Managerial Support	10%
Auto Diesel	9%
Precision, Production, Crafts	6%
Industrial Technology	5%
Protective Services	5%
Education/Social Services	4%
Associate Degree Nurse	4%
Agriculture, Forestry, Fisheries	4%
Welding	4%
Electrical Equipment Repair	4%
Accounting	4%
Electronics Technology	3%
Marketing and Sales	3%
Construction Trades	3%
Machinist	3%

Industries of TRB Workers: The Timber Retraining Benefits program serves mostly those who had worked in the manufacturing sector, primarily timber and wood products (30 percent)¹. The other sectors represent the secondary impact of dislocation in the natural resource sector.



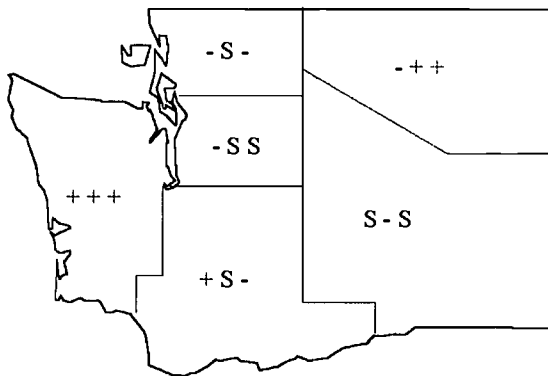
¹ Aerospace workers were excluded from this analysis. During the early years, some laid-off aerospace workers qualified for TRB. This is no longer the case for most aerospace workers. Consequently the data in this report on industry and employment outcome excludes former aerospace workers.

Enrollments Following

Shifting Needs: As shown in Appendix A-II, the enrollments of new students has shown an up and down pattern in most areas of the state, with an overall decrease in the number of new enrollments since the peak in 1995-96. While the number of students starting in the program each year from the most populated areas in the state are declining, the numbers have steadily increased in timber-impacted communities—both eastern and western Washington. In

timber-impacted western Washington, this share has grown to 50 percent of all new students in 1997-98. The northeastern section of the state has also seen its relative share double from 6 to 12 percent over the last three years. The share of students enrolled in Puget Sound area colleges has dropped from 25 percent in 1994-95 to 13 percent in 1997-98.

Shifting Enrollments in Timber Retraining



S = Stable + = Growing Enrollment - = Declining Enrollment
 Figures indicate change in TRB enrollments in each of the last three biennia.
 Note: New enrollments across the state have dropped from almost 1000 in 1995-96 to approximately 250 in 1997-98. The share of students enrolling in Timber-impacted Western colleges has grown from 32% in 1994-95 to 51% in 1997-98.

Outlook for Worker Retraining: Despite healthy economic growth for the state as a whole, economists predicted that lumber and wood products and paper and allied products industry areas will continue a long-trend of employing fewer workers on a year to year basis. The state's *Long-term Forecast of Washington Wage and Salary Employment* (OFM, April 1998) predicts that Washington's annual average growth in employment will be high at an annual rate of 2.9 percent through the end of 1999. During the next decade, the forecast calls for a slowing of the rate to 1.5 percent a year.

Between 1995 and the year 2000, the lumber and wood products industry is forecasted to lose 300 workers of the 1995 total of 35,400 workers. A similar pattern applies in the paper and allied products sector where 700 jobs are forecasted to be lost from the 1995 total of 17,300 workers.

Outcomes

Outcomes data are provided on those students who have completed training and those who left before completing who have been out of college long enough to identify outcomes. For the 1996-97 group, 1,413 students have been out of college long enough to observe employment outcomes. These outcomes apply to all TRB students including those enrolled only for basic skills, for transfer and other purposes.

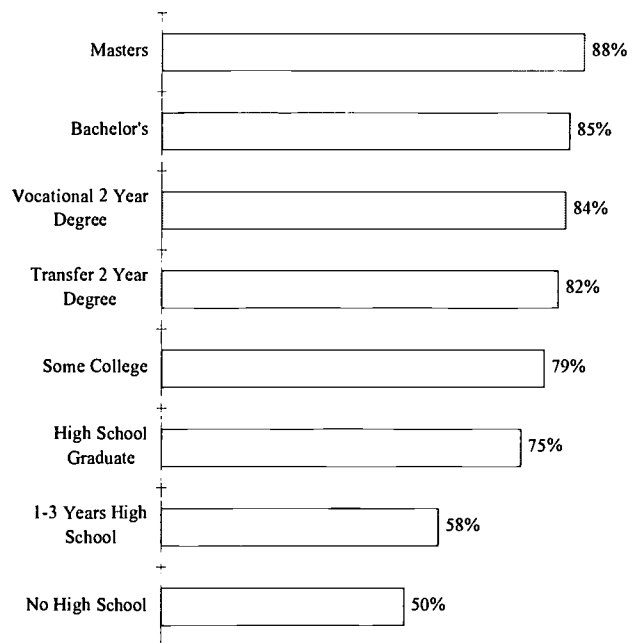
Wages and Employment: Students continue to be employed at high rates and to gain wages close to their former employment. One measure of the training quality is the rate of pay these students can command as they leave training. The typical Timber Retraining Benefits student who graduated last year or left college without completing training earned \$10.80 per hour. That rate was somewhat

lower than last year's group, due in part because their incoming wages were quite a bit lower than those of the 1995-96 group. In 1995-96, 39 percent of the students had earned \$15 an hour or more before losing their job while this year just 29 percent had earned at that high wage level. Post-program wages are impacted in part by the pre-job loss earnings.

	94-95	95-96	96-97
Number of Students Leaving Program	698	883	1,413
Number Employed	556	728	1,146
Percentage Employed	80%	82%	81%
Median Wage per Hour (in 98 dollars)	\$11.11	\$12.02	\$10.80
Median Wage Compared to Pre-Job Less Wage (Wage Recovery Rate)	82%	83%	91%

The placement rates of students are very similar to the rates of adults with the same education levels. As the graph indicates, adults² with less than an associate degree but with some college are employed at a 79 percent rate nationally. Those with vocational degrees have a 84 percent placement rate. Adults who are not employed include those at school or managing a home or are unemployed.

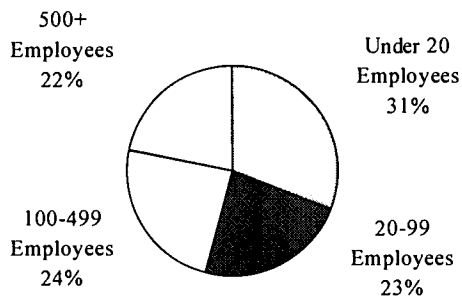
**Employment Rates by Education Level
U.S. Adults (25-64 Years of Age) in 1996**



² The data for this analysis are based on the Census Bureau's Current Population Survey. Similar data for Washington are not available, however, the Office of Financial Management has been authorized to conduct a survey in 1998 which will provide similar data for this state.

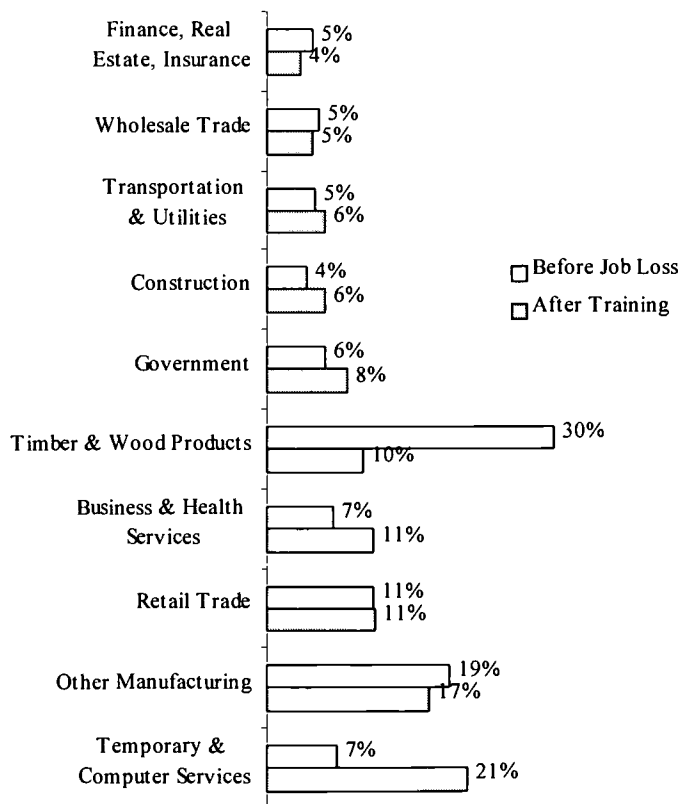
Firm Size and Industry Sector: Training has provided the skills and knowledge for TRB workers to work in both large and small businesses. About 54 percent of former students gained employment in firms employing 100 or fewer workers. That is comparable to 48 percent in smaller firms the year before. Some 394 of the state's smaller firms have benefited from the Timber Retraining Benefits program by employing former students, up from 227 the year before. At the same time, 213 larger firms hired former students from the 1996-97 group.

Percentage of 1996-97 TRB Worker Employment by Size of Firm



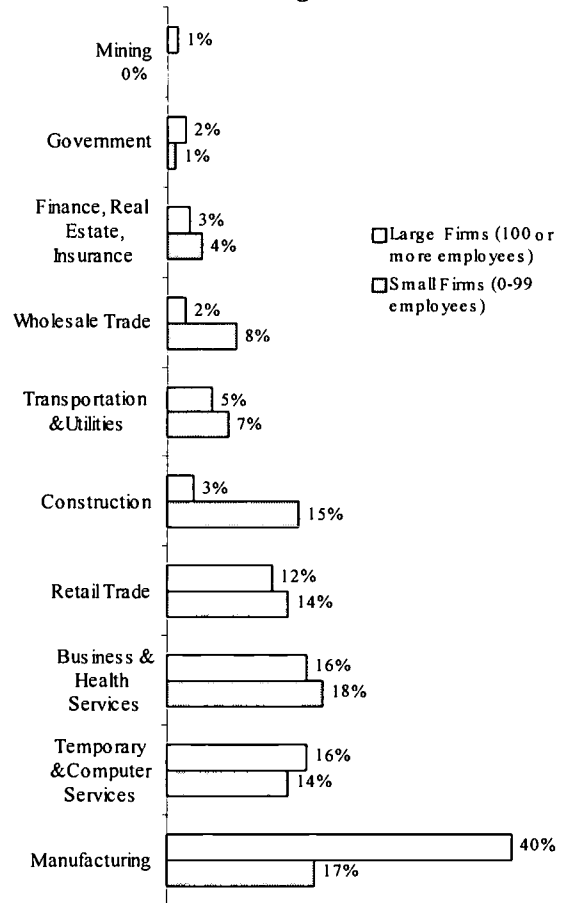
Industry of Employment: Natural resource workers are moving out of manufacturing into business, health, and social services (11 percent) or temporary and computer services (21 percent).

Industry of Employment for 1996-97 TRB Workers Before Job Loss and After Training



Workers in smaller firms were more likely than those in larger firms to be in the construction, wholesale trade sectors and in the business, social and health service sector. Firms in that sector include: hospitals and doctor's offices, schools, engineering firms, accounting offices, researchers, public information firms, accounting offices, and legal offices. Workers in larger firms were more likely to be in manufacturing jobs and in the temporary worker pool or the software industry (computer services industry). For example, while 17 percent of those who worked in smaller firms worked in the manufacturing sector, 40 percent of those in the larger firms worked in that industry sector.

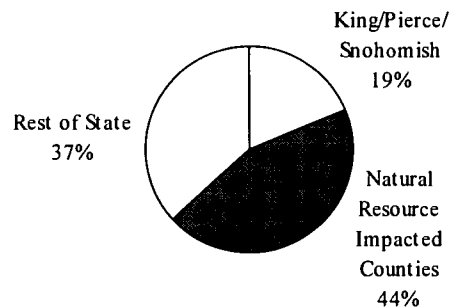
Percent by Industry of Employment for 1996-97 TRB Workers Working at Small and Large Firms



Location of New Work:

The growth in jobs in natural resource impacted counties means a demand for the workers in completing training at their local community or technical college. Data indicate that many of the employed TRB workers found employment in their home county or an adjacent county. For example, in Lewis County, 90 percent of the TRB workers found work in Lewis County or an adjacent county. Another example is Snohomish County. TRB workers for Snohomish County enrolled in training programs from Tacoma to

TRB Workers by County of Employment After Training



Bellingham and 97 percent found work either in their county or in an adjacent county. Keeping these workers in the community maintains economic viability of families and communities.

Job Retention: Class of 1995-96 Timber Retraining Benefits students had a high rate of job retention in the full year after training. Some 89 percent of that group were still employed in Washington State a year after the first employment rates were calculated. Additionally, almost 100 (37 percent) of those who were not working in Washington state under covered employment in the first six to nine months after the program had gained such employment a year later.

Those not found in “covered” employment in Washington state may have moved to another state, become self-employed, worked for the federal government, left the workforce (retired, homemakers or discouraged workers), or were unemployed at the time of the follow-up.

High Demand, High Wage Programs: The Timber Retraining Benefits program allows former natural resource workers to train in high demand, high wage fields. The information technology field provides an excellent example. It is one of the top three training choices of TRB students. In each of the first three years of the Timber Retraining Benefits program, 30 students left for the job market with information technology skills. In 1995-96 the number had grown to 63 in this high demand field and currently, there are 161 enrolled in information technology programs. The information technology program is the fastest growing field for Timber Retraining Benefits students.

The typical student from information technology classes gained employment at \$11.93 an hour. Some 39 percent worked in business, health, and temporary and computer services. Other students are working in a wide variety of industries because information technology is a part of most industries today.

Summary

This report provides evidence that community and technical college training for dislocated natural resource workers is **relevant** to the training needs of the State of Washington and to the workers in the program.

Most of the workers served had a long tenure with a natural resources firm that either had closed its doors or had downsized. Others lost their jobs due to the secondary impacts of decline in the natural resources industries. Job loss of this type typically has negative impact on future earnings. The idea of the Timber Retraining Benefits program is to mitigate, to some extent, this negative impact of job loss by providing the opportunity for workers to learn the skills needed to compete for better paying jobs.

Results from this study shows that retraining does pay off for most workers. This past year, 81 percent became employed within seven to nine months after leaving training. Workers obtain jobs that provide them with 91 percent of their inflation adjusted hourly earnings before their job loss. Not only do students obtain jobs at high wages but they also keep them. The retention rate was 89 percent.

Although the state's overall economy is healthier today than when the Timber Retraining Benefits program began, the need to serve dislocated workers continues. The industry decline and industry change trends signal that even in a strong economy the demand for retraining continues.

Table A-I
New Timber Retraining Students by College

	1993-94	1994-95	1995-96	1996-97	1997-98
Peninsula	75	82	154	206	38
Grays Harbor	93	115	200	114	85
Olympic	13	13	41	24	8
Skagit Valley	23	44	50	36	6
Everett	18	32	10	4	2
Seattle Central	2	1	2	1	0
Seattle North	1	5	4	0	0
Seattle South	2	4	2	0	0
Seattle Voc Inst.	0	2	0	0	0
Shoreline	2	5	3	2	1
Bellevue	2	7	1	0	0
Highline	2	3	1	0	0
Green River	5	5	1	0	0
Pierce	6	7	7	1	1
Centralia	30	38	111	57	26
Lower Columbia	32	21	34	30	9
Clark	17	23	91	36	3
Wenatchee Valley	13	23	21	41	18
Yakima Valley	20	21	15	6	3
Spokane	8	16	20	9	7
Spokane Falls	13	23	19	9	5
Big Bend	0	0	0	0	0
Columbia Basin	0	1	0	1	0
Walla Walla	4	6	39	7	1
Whatcom	7	14	10	12	0
Tacoma	2	8	6	4	2
Edmonds	11	13	4	4	0
So Puget Sound	13	27	64	79	9
Bellingham	20	14	20	13	1
Lake Washington	11	4	7	1	3
Renton	5	7	1	1	0
Bates	17	14	30	22	9
Clover Park	15	24	29	26	6
System Total	482	622	997	746	243
New TRB Students					

Source: SBCTC Data Warehouse. System count is each person counted only once even if enrolled at more than one college.

Table A-II
New Timber Retraining Program Students by Region

	1993-94	1994-95	1995-96	1996-97	1997-98
Central & Agricultural Eastern Washington	24	28	54	14	4
Percent of Total	5%	5%	5%	2%	2%
Puget Sound	114	154	149	90	32
Percent of Total	24%	25%	15%	12%	13%
Southwest Washington	92	109	300	202	47
Percent of Total	19%	18%	30%	27%	19%
Timber Impacted Eastern WA	34	62	60	59	30
Percent of Total	7%	10%	6%	8%	12%
Timber Impacted Western Washington	168	197	354	320	123
Percent of Total	35%	32%	36%	43%	51%
Northwest Washington	50	72	80	61	7
Percent of Total	10%	12%	8%	8%	3%
System Total New TRB	482	622	997	746	243
% Change		29%	60%	-25%	-67%



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