After years of continuing resolutions, Congress replaced the Workforce Investment Act of 1998 (WIA) with the Workforce Innovation and Opportunity Act of 2014 (WIOA), with strong bipartisan support. WIOA continues WIA’s emphasis on universal services for both job seekers and employers. However, the new law includes provisions intended to improve the workforce development system overall: more responsive services to businesses, increased access to training, better alignment between training and education programs, revised accountability requirements that will improve results, expanded public access to information about training programs that will allow workers to make more informed decisions about career options, and increased services for people with barriers to employment. It is reasonable to expect that people requiring more intensive services and training will make up a larger share of customers, and it will be important to capture information on how they are being served.

Implementation of WIOA has now begun in earnest. The increased access to training and the mandate to more fully address barriers to employment could represent a shift toward increasing services for low-income people, vulnerable adults, and youth. WIA also served those with employment barriers; that law did not specifically require emphasis on that group, but some states made it a priority. With the WIOA placing greater federal emphasis on disadvantaged adults and youth, it is important to understand how to best provide them with employment and training services.

As state and local agencies and workforce boards implement changes introduced with WIOA, they must consider how they will serve customers with barriers to employment and improve current
practices. This brief examines how services for low-income adults and youth may evolve under the new law, given experiences under WIA.³ It begins with an overview of workforce development policy, followed by a summary of how WIA served low-income people. Next is a discussion of effective workforce development strategies that states and localities have developed to more effectively help low-income people prepare for successful careers. Such strategies could be considered more widely as states fully implement WIOA.

Changes to Workforce Development under WIOA

Since 1962, workforce development legislation has served as the government’s instrument to provide structure and direction for programs that help job seekers prepare for and find good jobs in an increasingly challenging labor market (Barnow 1993; Barnow and King 2000). Under WIA, the federal government provided funding to the states, and states in turn provided direction to and funding for local workforce system programs. These programs generally offer employment and training services, such as job search assistance, counseling, and occupational training, at offices now called American Job Centers. States and their local workforce systems also address issues such as skills shortages by engaging employers and industry to prepare workers for available jobs. These overall roles and structures remain in place under WIOA, as do the services that are available. However, the approach to providing services has shifted, allowing more state and local flexibility, requiring more cross-agency collaboration, and providing more emphasis on services that will improve skills.

Types of Services

A range of employment-related services are available from the workforce development system, including basic services such as computer access and “self-service” job search, career or occupation workshops, and assessments of skills and interests. More involved services include intensive one-on-one counseling with an employment specialist, referrals to job openings, and formal job training at a community college or other institution. The types of services offered under WIA and WIOA are similar but with some important distinctions (table 1). Under WIA, basic employment services were referred to as “core” and counseling and special services were called “intensive”; “training” meant formal instruction in training courses or programs. WIA required a sequence of services from core to intensive to training. That is, job training was mainly for those unable to obtain employment through core or intensive services. Other services were also available, including job banks, labor market information, and supports such as transportation assistance, work-related tools, and child care. (Materials and forms about tax credits or subsidies for employers who hire certain workers were also available.)
TABLE 1

Service Categories under WIA and WIOA

<table>
<thead>
<tr>
<th>Service</th>
<th>WIA</th>
<th>WIOA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employment, counseling, job placement</td>
<td>Core services included outreach, job search and placement assistance, and labor market information.</td>
<td>Career services collapses the WIA core and intensive categories.</td>
</tr>
<tr>
<td></td>
<td>Intensive services included more comprehensive assessments, development of individual employment plans, and counseling and career planning.</td>
<td></td>
</tr>
<tr>
<td>Training</td>
<td>Training services included occupational training and training in basic skills. WIA-funded training was primarily provided through an “individual training account” for the customer to select appropriate training from a qualified provider.</td>
<td>Same as WIA.</td>
</tr>
<tr>
<td>Supportive</td>
<td>Supportive services such as transportation, child care, dependent care, housing, and needs-related payments were provided under certain circumstances to allow a person to participate in the program.</td>
<td>Same as WIA.</td>
</tr>
<tr>
<td>Special populations</td>
<td>Priority was given to veterans and their eligible spouses. Reemployment services were provided to unemployment insurance recipients. If funds are limited, public assistance recipients were to receive priority.</td>
<td>Same as WIA, but expands focus on people with disabilities and those facing specific barriers to employment.</td>
</tr>
</tbody>
</table>

Source: US Department of Labor, Employment and Training Administration and the Urban Institute.

Under WIOA, the same services are available, but the core and intensive categories have been collapsed into a category called "career services." As a means of expanding access to training, it is no longer necessary to follow a particular sequence of services.

As under the previous law, WIOA offers services and gives priority for services to special populations. Veterans, particularly those who have recently separated from the military and those who have a disability, and their eligible spouses are given priority for all services. Reemployment services are provided to recipients of unemployment insurance. In addition to a continued emphasis on services for veterans and the unemployed, WIOA further expands the focus on services for people with disabilities and others facing specific barriers to employment.

Priority for People with Barriers to Employment

The WIOA statute requires that local workforce development programs give priority to people with barriers to employment, defined as "recipients of public assistance, other low-income individuals, and individuals who are basic skills deficient," with veterans and eligible spouses of veterans with these barriers receiving the very top priority (WIOA section 134(c)(3)(E)). Box 1 presents the WIOA definition (WIOA section 3(24)).
BOX 1

Who Has Barriers to Employment?

WIOA defines the term “individual with a barrier to employment” to mean a member of one or more of the following populations:

- Displaced homemakers
- Low-income individuals
- Indians, Alaska Natives, and Native Hawaiians, as such terms are defined
- Individuals with disabilities, including youth who are individuals with disabilities
- Older individuals
- Ex-offenders
- Homeless individuals (as defined in section 41403(6) of the Violence Against Women Act of 1994 (42 U.S.C. § 14043e–2(6))) or homeless children and youths (as defined in section 725(2) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. § 11434a(2)))
- Youth who are in or have aged out of the foster care system
- Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers
- Eligible migrant and seasonal farmworkers, as defined in section 167(i)
- Individuals within 2 years of exhausting lifetime eligibility under part A of title IV of the Social Security Act (42 U.S.C. § 601 et seq.)
- Single parents (including single pregnant women)
- Long-term unemployed individuals
- Such other groups as the Governor involved determines to have barriers to employment


This provision expands on how priority groups had been included in WIA, where low-income people and those receiving public assistance were given priority if funds were limited, as summarized in table 2. Under WIOA, those with barriers to employment always receive priority, regardless of funding availability.

Under both WIOA and WIA, specifically WIOA section 3(36), participants are considered low income if they meet at least one of the following conditions when they enter the workforce development system:

- receives or is part of a family that receives cash payments from an income-based public assistance program;
- has had an income in the past six months that does not exceed the poverty line or 70 percent of the lower living standard income level;
- is a member of a household receiving food stamps;
- is homeless;
- is a foster child; or
- is a person with a disability whose own income does not meet the criteria above but who is part of a family that exceeds the limits.

Local programs report information about low-income participants and their public assistance receipt to the national office through the Department of Labor’s management information systems. The federal information system has been revised for WIOA but will continue to collect much of the same information that had been reported for WIA. Data about people served through the programs and some of their characteristics, including whether they are low income, is centralized with the Department of Labor. The system has tracked income status for those in the WIA Adult, Dislocated Worker, and Youth programs. Only data on the income status of Adult program participants designated as low income are provided in the discussion below. Dislocated workers entering the WIA program generally did not meet definitions of low income, but all were unemployed and dislocated from a job that likely no longer exists. In addition, 90 percent of youth served under WIA had to be low income, and most had barriers to employment.

**TABLE 2**

**Changes to Provisions for Serving Low-Income Participants, from the Workforce Investment Act to the Workforce Innovation and Opportunity Act**

<table>
<thead>
<tr>
<th>Adults</th>
<th>WIA</th>
<th>WIOA</th>
</tr>
</thead>
<tbody>
<tr>
<td>When funds were limited, priority was given to adults who receive public assistance or were low-income.</td>
<td></td>
<td>Regardless of funding availability, priority must be given to public assistance recipients, low-income adults, and adults deficient in basic skills.</td>
</tr>
<tr>
<td>Temporary Assistance for Needy Families was a suggested workforce system partner.</td>
<td></td>
<td>Temporary Assistance for Needy Families is a required workforce system partner, unless the governor opts out.</td>
</tr>
<tr>
<td>A sequence of employment services was required before a person could enter job training.</td>
<td></td>
<td>Training is an option for all, with no required sequence of services.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Youth</th>
<th>WIA</th>
<th>WIOA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility ranged from ages 14 to 21.</td>
<td></td>
<td>Eligibility is increased to age 24.</td>
</tr>
<tr>
<td>30 percent of funds were set aside for out-of-school youth.</td>
<td></td>
<td>At least 75 percent of youth funds go to out-of-school youth.</td>
</tr>
</tbody>
</table>

**Source:** US Department of Labor, Employment and Training Administration and the Urban Institute.
As shown in figure 1, 158,000 low-income WIA Adult participants exited the program between April 2015 and March 2016, the most recent data available. The number of low-income WIA adults rose and fell over the eight years shown, from about 153,000 in program year 2008 to 260,000 in program year 2010 (in the aftermath of the Great Recession). During this time, intensive services and training were in greater demand, and the American Recovery and Reinvestment Act of 2009 increased funding for these services (Barnow and Hobbie 2013). Program year 2013 had the lowest activity, with 134,000 low-income WIA adults receiving intensive services and training. Figure 1 also shows the public assistance status of WIA adults in intensive services and training. Few low-income adults received Temporary Assistance for Needy Families (TANF), with many more receiving other public assistance such as the Supplemental Nutrition Assistance Program (SNAP) and Supplemental Security Income.

In fact, the percentage of WIA adults who were low income and receiving intensive services and training increased during this period, from about 41 percent in program year 2008 to 52 percent in program year 2010 (figure 2), before gradually declining in subsequent years.

FIGURE 1
Adults Receiving Workforce Investment Act Intensive Services and Training by Low-Income and Public Assistance Status, Program Years 2008–15

Low income On public assistance Receive TANF Receive other public assistance


Note: These data are for Workforce Investment Act Adult exiters only.
FIGURE 2
Share of Adults Receiving Workforce Investment Act Intensive Services and Training Who Qualify as Low Income, Program Years 2008–15


Note: These data are for Workforce Investment Act Adult exiters only.

The 2015 WIA data also include the public assistance status of participants. A little over one-quarter (27 percent) of adults in WIA intensive services or training were receiving public assistance, which includes TANF, SNAP, and Supplemental Security Income, when they entered the program. WIA data also show that 55 percent of female participants, nearly two-thirds of black and Hispanic participants, and 56 percent of participants with a disability were low income. In addition, 60 percent of participants without a high school credential were low income.

Challenges of and Opportunities for Providing Services to People with Employment Barriers

People served by the workforce development system are not a homogeneous group. Some are already employed and interested in finding out about new job options; others are unemployed and looking for work. Some, including many young people, have very little work history but want to increase their labor market activity. And some, such as recipients of public assistance under TANF and SNAP, are referred by other programs and agencies. Those with limited skills, education, or work history (or other barriers...
to employment) require more specialized services to increase their employability than, for example, those with substantial work experience and education.

Local workforce systems and American Job Centers have also faced some programmatic challenges in serving low-income, more disadvantaged participants. As an unintended consequence of federal performance measures, some centers enrolled only people viewed as more likely to obtain and keep a job—a practice called “cream skimming.” Local workforce systems must manage already scarce resources simply to support basic infrastructure, much less to provide more resource-intensive services, such as career counseling and training vouchers, that disadvantaged participants may need to succeed in the workforce. A lack of alignment or coordination with other service systems, such as SNAP or the child care subsidy system, and other community resources may also contribute to inadequate assistance for low-income participants.

State and Local Strategies to Improve Services for Low-Income Adults and Youth

WIOA provides new opportunities and continued flexibility for serving adults and youth with barriers to employment. In recent years, states and local entities such as community colleges have experimented with strategies focused on better connections to employers and their workforce needs, more comprehensive and targeted supports for adults and youth in education and training, and improved coordination between systems.

Work-Based Training

Considerable evidence from evaluations over many years indicates that employment and earnings results improve when job training is closer to actual jobs and job requirements. Work-related training includes various strategies, such as on-the-job training, apprenticeships, sectoral training, and career pathways, all of which are allowable under WIOA. Local workforce boards are required to develop industry or sector partnerships to improve the connection between job training and the skills employers demand.

ON-THE-JOB TRAINING

WIOA encourages on-the-job training (OJT) by increasing the maximum wage subsidy from 60 percent to 75 percent and allowing participants to use work experience as a training option.

Features of OJT

- OJT contracts, which have been used in public workforce development policy for half a century, subsidize a portion of workers' wages to cover the costs of training, usually for six or nine months. Employers with OJT contracts, if satisfied with the worker's performance, are expected to hire them at the end of the subsidized period.
Typically, the wage subsidy (usually at minimum wage) is for a specific period (e.g., from six to nine months. Employers with OJT contracts may hire the worker at the end of the period, or the sponsoring agency or program will attempt to place them in a regular job.

Many programs also provide career support services such as job coaching or counseling to people in OJT to improve their subsequent employment outcomes.

Why OJT looks promising for low-income adults and youth

Earlier evaluations of OJT found positive impacts on earnings for low-skilled workers (Plimpton and Nightingale 2000).

REGISTERED APPRENTICESHIPS

WIOA funds can also be used to support registered apprenticeships—partnerships between government, businesses, and (often) unions that provide structured training and work-based experience leading to a specific license or certification. The apprenticeship is registered with the Department of Labor, which confirms that the program and its training meet industry and government requirements. Although apprenticeships are most commonly used in the trades (e.g., plumbing, construction, electrical engineering), the Department of Labor and state apprenticeship agencies are encouraged to increase apprenticeships in other occupations (e.g., health, technology) and for low-income people and women. The agency has also recently awarded state program grants through the National Apprenticeship Act and other legislation. Under these new initiatives, states will expand apprenticeship occupations and programs, partly through increased partnerships between colleges and registered apprenticeships, and test the effectiveness of new approaches.

Features of apprenticeships

- Training is provided at the workplace and often also in a classroom (e.g., at a community college or another institution).

- The employer bears most of the cost of the apprenticeship (e.g., wages, workplace supervision, and other costs).

- Depending on the occupation, the apprenticeship could be long (e.g., three years), during which time the trainee receives an apprentice wage.

- Upon completion, the worker converts to regular employee status and the wage is increased from the apprenticeship wage to the wage standard for that occupation (e.g., union journeyperson wage in trade occupations).

- Many states offer tax credits to employers that sponsor apprentices.
Why apprenticeships look promising for low-income adults and youth

- Participating in a registered apprenticeship is associated with average annual earnings gains of nearly $7,000 in the sixth year after enrollment compared with workers who did not enter apprenticeships, and the social benefits are greater than the social costs (Reed et al. 2012).
- Employers tend to receive a return on their investments in apprenticeship within one to two years (Helper et al. 2016).

CAREER PATHWAYS AND OTHER INDUSTRY-FOCUSED TRAINING

Career pathways are allowed under WIOA to encourage industry-driven training and alignment across workforce development and education systems.

Features of career pathways

- Occupational training is directly linked to employer demand.
- Pathways outline clear education and training steps participants can take to support career advancement.
- Skills are taught in the classroom and the workplace.
- Classroom instruction can be provided by community colleges or nonprofit organizations.
- Participants often receive wraparound services, such as basic education and supportive services, to help them complete the program.

Why career pathways look promising for low-income adults and youth

- Program participants earned about 18 percent more and were more likely to find higher-wage employment with benefits than a control group of people who did not participate (Maguire et al. 2010).
- Participants in five industry-based training programs in the WorkAdvance demonstration earned an average of $2,000 (or 14 percent) more annually compared with a control group that did not get the training. Participants in one site had earnings gains of $3,700 (or 26 percent) (Hendra et al. 2016).

Client-Centered Supports

The streamlined service delivery permitted under WIOA will allow local programs to provide career services more efficiently. Staff can provide various intensive services to facilitate employment, job placement, and referral to job training or education without first requiring a preliminary sequence of services. Research suggests that having a range of supportive services in job training programs is important, particularly for low-income people, parents, and youth. Several models are used to provide
services and support, both within the job centers and through partnerships with other agencies. Examples include mentoring, coaching, counseling, and support services such as transportation and child care.

CAREER COACHING AND COUNSELING
Career services can be provided through American Job Centers or in collaboration with other service providers.

Features of career coaching and counseling
Career and employment-related services may include

- assessments and testing,
- job search skills instruction, and
- individualized assistance and job-readiness workshops.

Why career coaching and counseling look promising for low-income adults and youth

- Veterans who receive assistance from specialized staff have better employment outcomes than veterans who receive general core services (US Department of Labor, Chief Evaluation Office 2015).
- Trainees who receive help selecting their training do better than those who make their own choices without any career coaching (Mathematica Policy Research 2012).
- Interim results from the WIA Gold Standard evaluation find that people who use staff-supported services such as workshops and counseling do better than those who have access to only basic self-service resources (McConnell et al. 2016).
- Findings about the importance of student supports for academic, career, and personal issues are also coming from evaluations of community college programs (Anderson et al. 2016).

FORMAL MENTORING MODELS FOR YOUTH
Some research on adolescent development suggests that a sustained relationship between a youth and a caring adult greatly affects the young person’s successful transition to adulthood.

Features of youth mentoring
Youth programs use various mentoring models, including volunteers or paid staff and one-on-one or group mentoring.

- Youth are matched with a volunteer or a paid mentor, usually in addition to staff who may be providing direct services for education, employment, case management, or social services.
- The highest-quality mentoring involves activities designed to improve the youth’s relationships, attitudes toward school and work, and healthy behaviors.
- Paid mentors may also provide some additional case management services.
- Mentors must receive training and commit to engaging youth for a sustained period.

Why youth mentoring looks promising for low-income youth

- A large-scale study found that different mentoring models had similar, generally positive results for youth, including a decrease in depressive symptoms and an increase in academic attitudes, grades, and social acceptance (Herrera, DuBois, and Grossman 2013). Example models include the Young Parents Demonstration Program (17 sites) and the Latin American Youth Center’s Promotor model.

COORDINATION OF THE PUBLIC WORKFORCE DEVELOPMENT SYSTEM WITH OTHER SYSTEMS

People with barriers to employment are likely to require services from multiple systems, including social service and public assistance agencies, schools, housing authorities, legal services agencies, health providers, and nonprofit service agencies. WIOA’s focus on cross-agency coordination emphasizes such collaboration, which should improve services to low-income people and others with barriers to employment or training. State and local agencies are encouraged to conduct joint planning to better coordinate services for adults and youth. In addition, the federal WIOA performance standards for workforce development programs, adult education, and vocational rehabilitation are better aligned to facilitate coordination when compared with those of WIA.

Features of systems coordination

- Most job centers provide employment and training services for WIOA participants, TANF recipients, SNAP Employment and Training Program participants, adult education students, and others. Joint guidance and regulations across federal executive departments (Labor, Education, and Health and Human Services) encourage close service delivery coordination.
- Some state and local agencies streamline communication and data systems and align policies to improve access to services for job seekers and employers.

Why systems coordination looks promising for low-income adults and youth

- Coordinating administration, management, and staffing can support common structures to facilitate better service delivery. Sites that achieve close coordination use identical training entry requirements for all programs. The extent to which coordination grows and shrinks is based on political and economic climates (McConnell et al. 2016).
- The network of Health Profession Opportunity Grant (HPOG) program operators, partners, and other stakeholders saw collaborations strengthen over the grant period. The grants allowed HPOG network members to work together effectively, with most partners and stakeholders satisfied with local HPOG programs and expecting the collaboration to last beyond the end of the grant (Bernstein et al. 2016).
Implications for WIOA Implementation

This brief provides key information on strategies that may help state and local agencies determine the best methods for serving low-income adults and youth. As discussed, state and local workforce agencies and boards are introducing changes mandated by WIOA and deciding how they will help low-income and disadvantaged youth train for, find, and retain employment.

As states move ahead with implementation, what is known from WIA and other workforce training programs should inform their actions. Based on the evidence and issues briefly highlighted above, four considerations for policy and practice may be particularly relevant:

- Will WIOA-funded programs enroll more low-income people and people with barriers to employment than they have in the past? As noted above, the system has enrolled many low-income people nationwide, including recipients of public assistance. The rates vary by locality, meaning that some local boards may consider new strategies as their mix of participants changes under the new law.

- Do the new provisions in WIOA allow local programs to more effectively serve people with barriers to employment? The expectation is that even if job centers do not serve more low-skilled customers, WIOA should provide enough flexibility that those who do enroll will be better served. Will there be more substantive coordination between job centers and partner agencies (e.g., public assistance and social services agencies) and nonprofit service organizations?

- If the system places higher priority on low-skilled workers and those with barriers to employment, how, if at all, does this change employer relations or engagement, or planning for career and skills development for jobs in demand?

- If federal funding for workforce development programs remains stagnant or decreases, how will state and local agencies maintain or improve cost-effectiveness when selecting strategies for serving adults and youth with employment barriers?

These questions are important for state and local agency administrators developing strategic plans. Moreover, they can form the basis for research questions and pilot or demonstration programs that could build evidence about effective strategies for serving low-skilled workers in the restructured workforce development system. As the first WIOA performance data become available in 2018, state and local agencies will be able to understand how their low-income participants are being served and what their outcomes are, allowing states and localities to incorporate workforce strategies to improve services for low-income adults and youth.
Notes

1 The federal government released regulations governing WIOA in August 2016. During spring and summer 2017, the Department of Labor issued guidance material and held training sessions supporting early implementation of the law. The program reporting requirements have been revised, and the first data will become available after 2017.


3 This brief focuses on employment and training programs for adults, dislocated workers, and youth under Title I of WIOA. It references programming under Title II (adult education), Title III (the Wagner-Peyser Act/employment services), and Title IV (rehabilitation services), but they are not fully addressed in this brief.

4 According to the US Department of Labor, an exiter is a person who meets the definition in the WIOA legislation as having exited the program. “Exit from a program generally occurs...when the participant has not received services for a specified period of time and has no additional services scheduled.” For the Adult, Dislocated Worker, and Youth programs, the specified period is 90 days. In other words, if a person has not received any services for 90 days, that person is considered an exiter. Exiter include some who completed services or training and some who withdrew. This definition was also used under WIA.


5 This may be an underestimate because of reporting differences across states.

References


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