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The Response of the U.S. Workforce System to the Needs of Workers During the Current Recession

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I. Introduction

The U.S. economy is facing its toughest challenge since the Great Depression of the 1930s. Near record high unemployment rates have stressed the system of reemployment services, training, and workforce safety nets that were put in place in one form or another 75 years ago. In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA) to try to stem the precipitous decline in the economy and the mounting loss of jobs. The ARRA authorized $787 billion to be pumped into the economy over a two-year period, with the hope of creating or saving 3.5 million jobs and investing in the skills of the workforce and the infrastructure of the economy. Around $45 billion was earmarked to bolster reemployment and training services and to extend unemployment compensation benefits.

The purpose of this paper is to assess the current economic situation and to track the impact of the stimulus package on the workforce system and the economy. In addition, the paper examines the extent to which the recession and the stimulus package have changed the delivery of reemployment services and training in order to meet the current challenges and how the system has been transformed to meet future needs.

The current recession has stretched the capacity of the Federal workforce system to provide needed services to displaced and marginally attached workers. The ARRA has responded to provide needed services by doubling the amount of funds available under the current budget for employment services and training. It has also provided additional funding to the Unemployment Insurance to extend the weeks that displaced workers can receive benefits and to increase the weekly benefit amounts.

Although the Administration has stressed the importance of speed in utilizing these funds, it has taken time for the funds to actually be injected into the workforce system,. The Federal government does not spend these funds directly but must depend upon its state and local partners to contract out the services. Various factors have contributed to the fact that 32 percent of the available funds for employment and training services have been spent to date, eight months after Congress passed the ARRA. However, 63 percent of the funds targeted for the Unemployment Insurance system have been spent, helping displaced workers support themselves and their families during this protracted recession.

The unprecedented level of unemployment and the length of the recession, not seen since the 1930s, have prompted the Department of Labor to re-prioritize some of its principles for the workforce system and to encourage its state and local partners to find innovative and transformational ways to deliver services. However, no new programs of any significance have been implemented to respond to the needs. Rather, the initiatives constitute minor changes in the workforce system. However, they do continue the evolving nature of the U.S. workforce system, most of which was established in response to the dire needs caused by the Great Depression of the 1930s.

II. The Current Labor Market Situation

The US economy has been in an economic recession since December 2007, outlasting any of the 11 post-WWII downturns. Before the current recession, the longest business cycle contraction during this 65-year period lasted 16 months. The current recession is now in its 24th month, unless the up-tick in GDP in the third quarter of this year marked the trough, which is still unclear. A study of recessions by the IMF shows that business contractions caused by a financial crisis last the longest. The average duration of the 122 recessions included in the study was slightly over three quarters, whereas the 15 recessions caused by financial crises lasted longer than five quarters. Moreover, financially caused recessions involving the largest countries lasted more than six quarters. The U.S. and many other countries have already exceeded that length.[1]

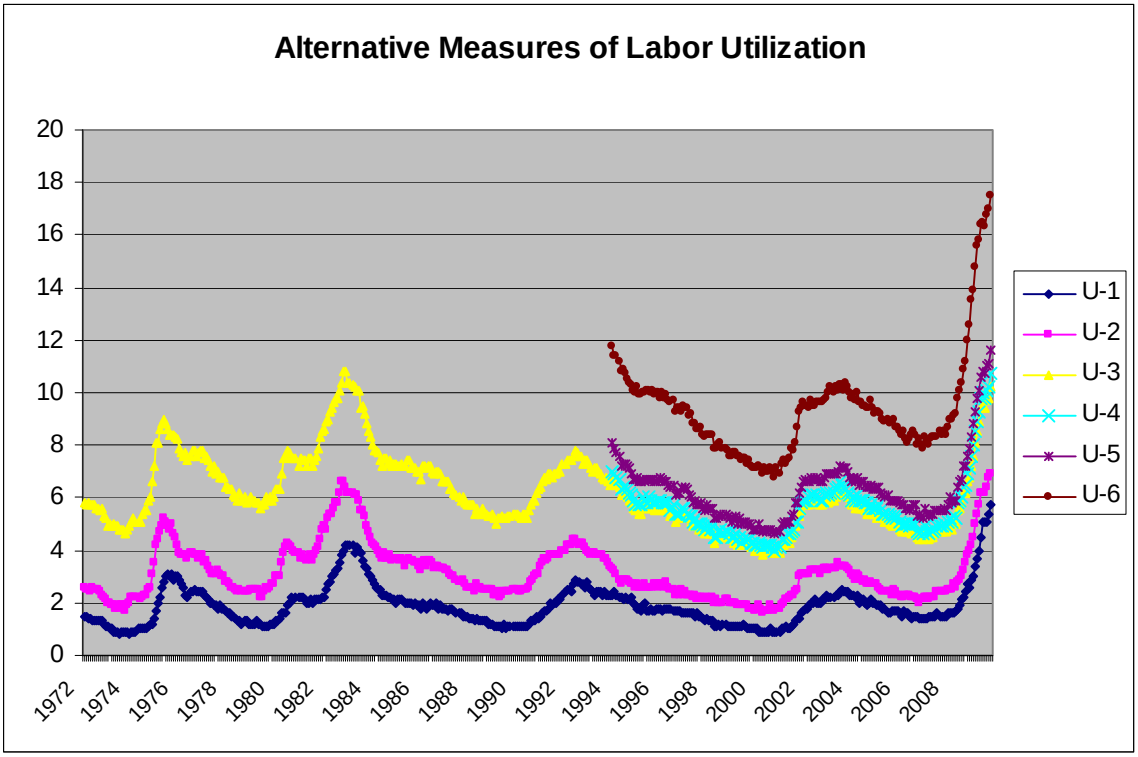
Probably the most troubling aspect of the recession is the continued employment losses marked by the sharp increases in unemployment rates. Since the beginning of the recession the number of unemployed people has risen by 8.2 million people and the number of payroll jobs has declined by 7.3 million, pushing the unemployment rate to 10.2 percent in October. This represents a total of 15.7 million unemployed persons looking for work.

The severity of the recession on workers goes beyond what is captured by the official unemployment rate. The Bureau of Labor Statistics compiles additional measures of the underutilization of labor. These measures include the duration of unemployment and take into account those workers who have become discouraged and have stopped looking for work but indicate that they want and are available for work. The measures also include those who prefer full-time work but have taken a part-time job because a full-time job is not available.

Figure 1 shows unprecedented levels for these various measures of unemployment. Although three of the measures were not compiled until 1994, they have all reached exceeded previous highs. The most comprehensive measure, which includes the traditional definition of unemployment along with marginal and economically constrained part-time workers, stands at 17.5 percent or 21.3 million unemployed. The next highest level for this measure is 12 percent, which was reached during the aftermath of the 1990-91 recession. Another indication of the severity of the recession is the duration of unemployment spells, as measured by the percentage of the civilian workforce that has been unemployed 15 weeks or longer. Since the measure was first compiled in 1948, it has exceeded 4 percent only once and that occurred during the twin recessions of the early 1980s. Today, it stands at 5.7 percent, which given the 10.2 percent unemployment rate means that more than half of the unemployed have been out of work for 15 weeks or longer. This has important implications for the capacity of the nation's workforce safety nets, primarily the unemployment insurance system, to help workers during extended periods of joblessness.

[1] "From Recession to Recovery: How Soon and How Strong?" Chapter 3, in *Business Cycles in Advanced Economies*, IMF, 2008

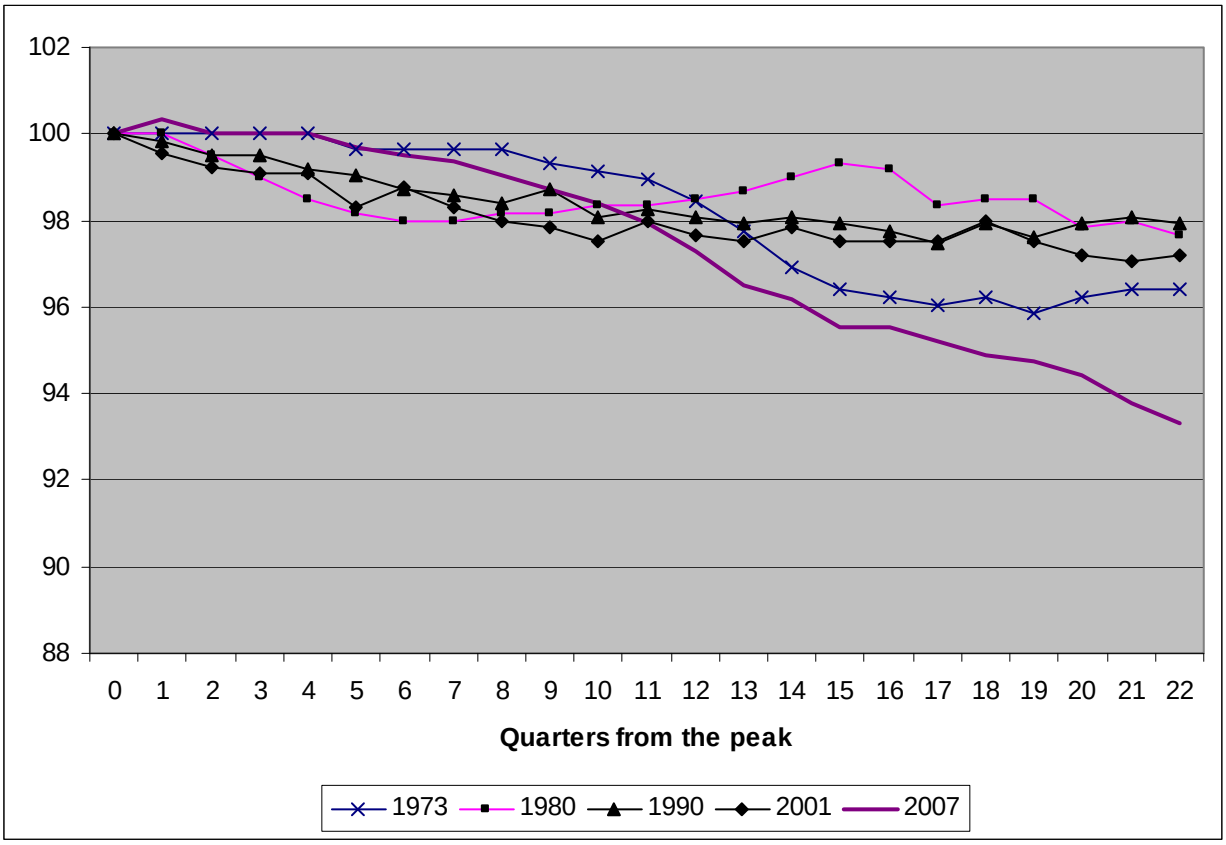
Figure 1 Alternative Measures of Labor Utilization



Note: Measures shown from bottom to top: U-1: Persons unemployed 15 weeks or longer, as a percent of the civilian labor force; U-2: Job losers and persons who completed temporary jobs, as a percent of the civilian labor force; U-3: Total unemployed, as a percent of the civilian labor force (official unemployment rate); U-4: Total unemployed plus discouraged workers, as a percent of the civilian labor force plus discouraged workers; U-5: Total unemployed, plus discouraged workers, plus all other marginally attached workers, as a percent of the civilian labor force plus all marginally attached workers; U-6: Total unemployed, plus all marginally attached workers, plus total employed part time for economic reasons, as a percent of the civilian labor force plus all marginally attached workers.
Source: Bureau of Labor Statistics Table A-12.

Another indicator of the difficulty in the U.S. labor markets is the percentage of the working age population employed. Unlike the unemployment rate, which includes only those who are actively looking for work, the employment-to-population ratio reflects a more structural aspect of the labor market. As shown in Figure 2, that ratio has fallen more during this recession than in any of the other four recessions since the 1970s. The group that has been most effected are African Americans, particularly young men. The employment-to-population ratio for African Americans overall has fallen nearly 10 percent from 57.8 percent to 52.0 percent. Whites have also experienced a decline, but by not as much. The employment-to-population ratio for whites fell from 63.4 percent at the beginning of the recession to 59.5 in October. The same disadvantage for African Americans is reflected in the unemployment rates, with their rates nearly double that of whites.

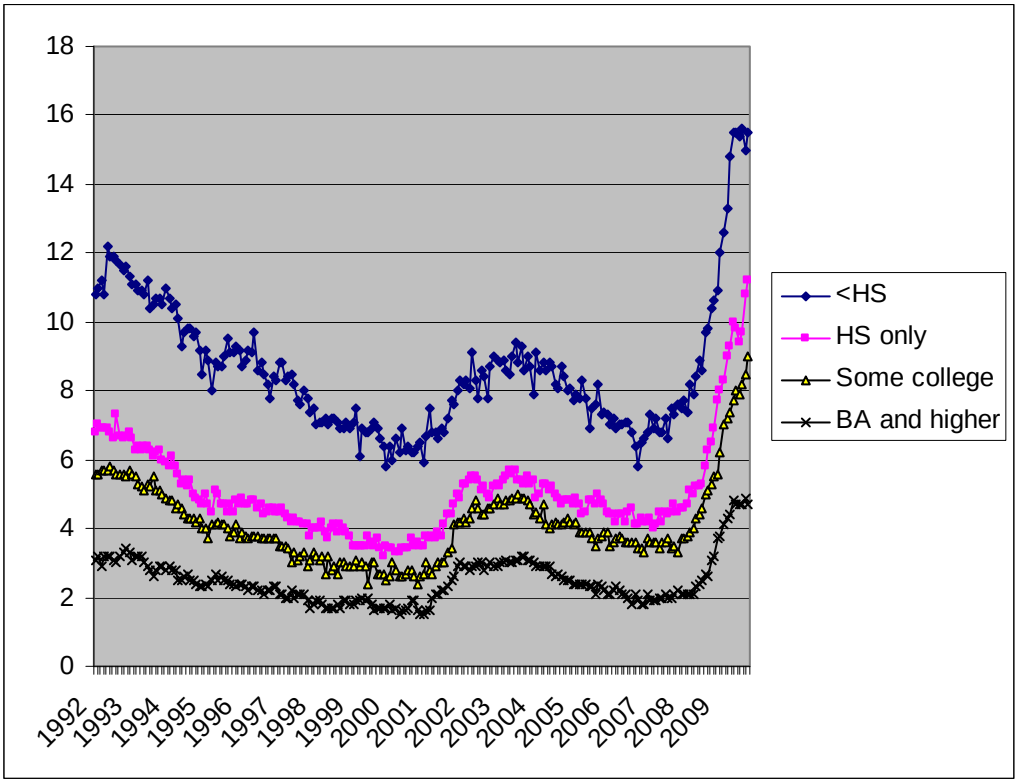
Figure 2 Employment-to-Population Ratio, 16 years and older, during the Five most Recent Recessions



Source: Bureau of Labor Statistics

Educational attainment also differentiates a person's likelihood of being unemployed. As shown in Figure 3, the unemployment rate for workers who have not graduated from high school is more than three times that of workers with a BA degree or higher. This relationship has persisted since the Bureau of Labor Statistics began collecting unemployment rates by education level in 1992. What is encouraging is that while the workforce has become increasingly more educated, their share of unemployment has not grown as fast, indicating that the economy still demands workers with higher educational attainment even as the supply increases. The percentage of workers with BA degrees or higher increased from 26 percent in 1992 to 35 percent in 2009, while their share of the unemployed has grown from 13 percent to 19 percent.

Figure 3 Unemployment Rates by Educational Attainment



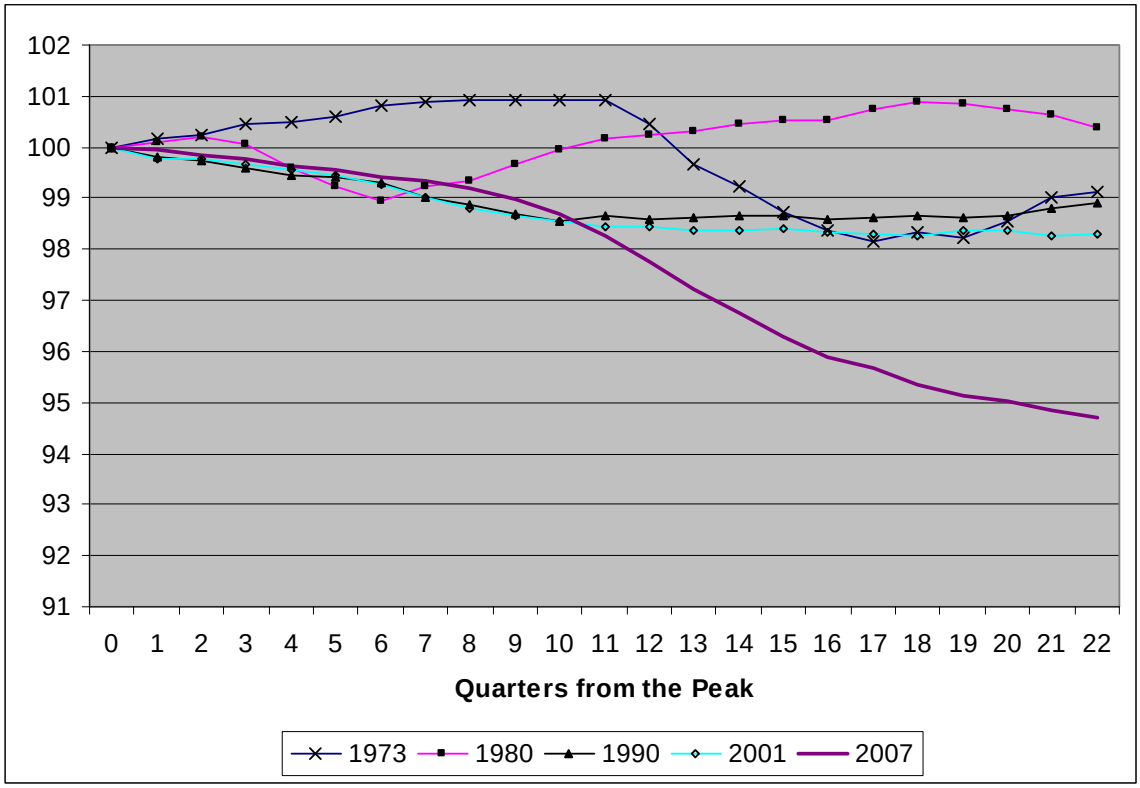
Source: Bureau of Labor Statistics

While education and skill attainment are helpful in maintaining employment during a recession, the basic issue is the availability of jobs. The first 10 months of the recession experienced a steady but modest decline in employment. Then beginning in October 2008, heavy mass layoffs occurred and continued for the next three quarters. Layoff events jumped from 1,581 prompting 290,453 layoffs to 3,582 causing 641,714 separations in just one quarter. Mass layoffs peaked in the first quarter of 2009, with nearly 4,000 events causing 705,000 layoffs and initiating 835,000 unemployment insurance claims. As a result, the economy lost more than 7 million jobs (or 5 percent) since the beginning of the recession, which also marked the peak in U.S. employment. By this time in the previous four recessions, employment had already been back on track by either exceeding the pre-recession levels or at least stabilized (as occurred in the two "jobless" recoveries of 1990 and 2001 (Figure 4).

Given that the recession was caused by a financial crisis and that the previous two recoveries generated only modest employment growth, it is likely that the high jobless rates will persist for some time. A recent study by the Kansas City Federal Reserve Bank underscores this point.[2]

[2] "How will unemployment fare following the recession?" Edward S. Knotek II and Stephen Terry *Economic Review*. v. 94, no. 3. Q III, 2009 - p. 5-33.

Figure 4 Total Nonfarm Employment, Seasonally Adjusted, During the Five most recent Recessions



Source: Bureau of Labor Statistics

III. The Recovery Act and the Current Workforce System

In February 2009, Congress passed the American Recovery and Reinvestment Act (ARRA) of 2009 and President Obama immediately signed it into law. The purpose of the bill is to preserve and create jobs and to assist those most impacted by the recession. The bill authorized $787 billion dollars that could be spent in two years, although the intent was to spend as much as quickly as possible to help pull the economy out of the depths of the recession. For the workforce system, the bill authorized nearly $56 billion. The bulk of the expenditures, around $45 billion, were targeted for the Unemployment Insurance system. About $4.4 billion is for training and employment services, provided principally through the Workforce Investment Act (WIA) programs, administered by the Employment and Training Administration of the U.S. Department of Labor.

The bill created no new workforce programs of any consequence, primarily because the U.S. already has in place a comprehensive workforce system. However, the bill did help to reinvigorate the system by doubling the funding for employment services and training above the amount appropriated in the 2009 annual budget. In addition, the increased funding for the Employment Service helped to reestablish Wagner-Peyser reemployment services after the program had suffered sizable budget cuts in recent years.

Therefore, to understand the Federal government's response to the needs of U.S. workers, it is first necessary to understand the U.S. workforce system.

The U.S. workforce system is made up of three basic types of services: unemployment compensation, public employment service, and job training. The first two programs were established in direct response to the Great Depression. Before that time, there was no federal workforce system, only a smattering of state programs. Federal training programs were established in the 1960s.

Although there is some overlap among the three programs, each serves a specific purpose. The unemployment insurance (UI) system offers the workforce a short-term safety net by providing laid-off workers weekly cash assistance for up to 26 weeks in normal times and longer in times of severe recessions. The Wagner-Peyser public employment service provides job search assistance for those searching for jobs, either because they are unemployed or because they would like a different job. Job training for economically disadvantaged workers, dislocated workers and youth is provided predominantly under the Workforce Investment Act (WIA) programs and to a lesser extent under the Trade Adjustment Assistance (TAA) programs, which provides training and other assistance to workers displaced because of foreign competition. WIA also provides reemployment assistance to these groups. During times of severe recessions or natural disasters, other programs such as National Emergency Grants are also available to help workers and their families. Training for disadvantaged youth is also provided by the Job Corps.

The U.S. workforce system, with its three components of unemployment benefits, public employment service and training, is similar to workforce systems found in other countries. However, according to figures compiled for OECD countries, the U.S. workforce system comprises a smaller share of GDP than other developed countries. As seen in Table 1 (at the end of the paper), full unemployment benefits in the U.S. account for 0.24 percent of GDP in 2006, whereas the OECD average that year was 0.71 percent. Public Employment Service placement and related services comprise 0.01 percent of U.S. GDP, compared to the OECD average of 0.06 percent. Training accounts for 0.05 of GDP, versus the OECD average of 0.17 percent. Participants, as a percentage of the labor force, are also lower in the U.S. than in OECD countries on average, for both unemployment benefits and training.

Unemployment Insurance System

The purpose of the UI system is to partially replace lost income for individual workers who are involuntarily displaced. It is designed to provide benefits to most individuals who are out of work, generally through no fault of their own, for periods between jobs. UI combines the incentives of private insurance and the relief against widespread unemployment of an income assistance program. To be eligible for benefits, jobless workers must demonstrate workforce attachment, usually measured by the amount of wages and/or weeks of work, and must be able and available for work.[3] The UI

[3] Unemployment Compensation, Federal-State Partnership, U.S. Department of Labor, October 2009.

system operates counter-cyclically, paying out benefits during recessionary times and collecting revenue during recovery periods. Consequently, it plays an important role in maintaining purchasing power and in stabilizing the economy during recessionary periods.

The Unemployment Insurance System was established during the depths of the Great Depression through the passage of the Social Security Act of 1935. It is a federal-state partnership. Federal law specifies broad administrative standards to which states must conform. Within these Federal rules and guidelines, each State administers a separate unemployment insurance program. The system is financed through a payroll tax. The federal tax (Federal Unemployment Tax Act, FUTA) covers the costs of administering the Unemployment Insurance and Job Service programs in all states. In addition, FUTA pays one-half of the cost of extended unemployment benefits (during periods of high unemployment) and provides for a fund from which states may borrow, if necessary, to pay benefits. The FUTA tax rate is now 6.2 percent of taxable wages of employees. The taxable wage base is the first $7,000 paid in wages to each employee during a calendar year. The law provides up to a 5.4 percent tax credit against the 6.2 percent, which leaves the employer a maximum payment of $56 per covered employee. State taxes differ by state according to the amount of benefits paid and the industry in which the beneficiary worked.[4] For example, in 2008 the average state tax rate was 0.6 percent of total wages, ranging from a high of 1.4 percent in Alaska (taxable wage base of $32,700) to a low of 0.1 percent in the Virgin Islands (taxable wage base of $22,100).

States have developed diverse and complex formulas for determining workers' benefits, eligibility and length of benefits, in the absence of federal standards governing these decisions. However, most states provide regular benefits for a maximum of 26 weeks, and Massachusetts and Washington have extended the maximum length to 30 weeks. The average replacement rate is 47 percent of earnings in the quarter in which the worker received the highest earnings. However, this replacement rate varies from a low of 30 percent for Alaska and a high of 58 percent for Pennsylvania up to specific maximum weekly amounts, which also by state. The maximum weekly benefit amount varies from $235 for Mississippi to nearly $1,000 for Massachusetts. Benefits are restricted to workers covered by the UI system and who are genuinely attached to the workforce. The UI system covers all wage and salary employees. The groups that are not typically covered are agricultural workers on small farms, self-employed workers, and household workers and those employed by religious organizations. All told, nearly 90 percent of the workforce is covered. Eligibility requires that claimants must have earned a specified amount of wages or worked a certain number of weeks and must have been laid-off for no fault of their own. They must also be able and available for work.

A number of states (17 to date) also include a short-time compensation program that provides partial benefits to individuals whose work hours are reduced from full-time to part-time on the same job. Therefore, an employer, faced with the need for layoffs because of economic reasons, can reduce scheduled hours rather than dismiss employees, and the benefits are payable to workers for the hours lost. Legislation to strengthen the

[4] State taxes are based on the experience rating of firms within industries. Employers within industries that experience higher rates of layoffs pay higher taxes.

short-time compensation program has been introduced into Congress, and it is likely to be included in the next budget appropriation.

During severe economic downturns, UI benefits are extended beyond the typical 26 weeks, in order to provide additional cash assistance to workers because of the lack of available jobs. Currently, several programs to extend regular benefits are in place. The first is a permanent extension that triggers on when unemployment rates reach specified levels. This adds 13 weeks. The second is the Emergency Unemployment Compensation (EUC08) program, which provides up to 20 weeks of benefits to eligible jobless workers in every state, and up to an additional 13 weeks (for a maximum of 33 weeks) in states with high unemployment. Under this program, States are considered to experience "high unemployment" when their unemployment rate exceeds 6 percent. The federal government pays for the EUC08 costs, relieving states of the added burden of paying out the additional benefits. On November 5, 2009, Congress extended benefits for 14 additional weeks and for 20 weeks for jobless in the more than two dozen states where unemployment rates exceed 8.5 percent, which brings the maximum number of weeks of benefits to 92 weeks in the hardest hit states.

During this recession, the UI system has been critical in supporting laid-off workers and their families and in helping to stabilize the economy. As the national unemployment rate has climbed, billions of dollars of benefits have been paid out from current tax revenues and from funds that have been held in reserve for times like these. Figure 5 shows the unprecedented amount of benefits paid during the current recession. The amount started to inch up during 2008, and then in December 2008 benefits paid jumped 50 percent and peaked in March 2009 at $8.1 billion. The payout in March is the largest at any time during the past four decades, and probably even before then although data are not readily available before 1971. These record payouts reflect the unprecedented increase in initial claims, the duration of benefit weeks (Figure 6), and the extended benefit programs recently put in place.

Figure 5 Unemployment Insurance: Number of First Payments and Benefits Paid (smoothed with a 12-month moving average)

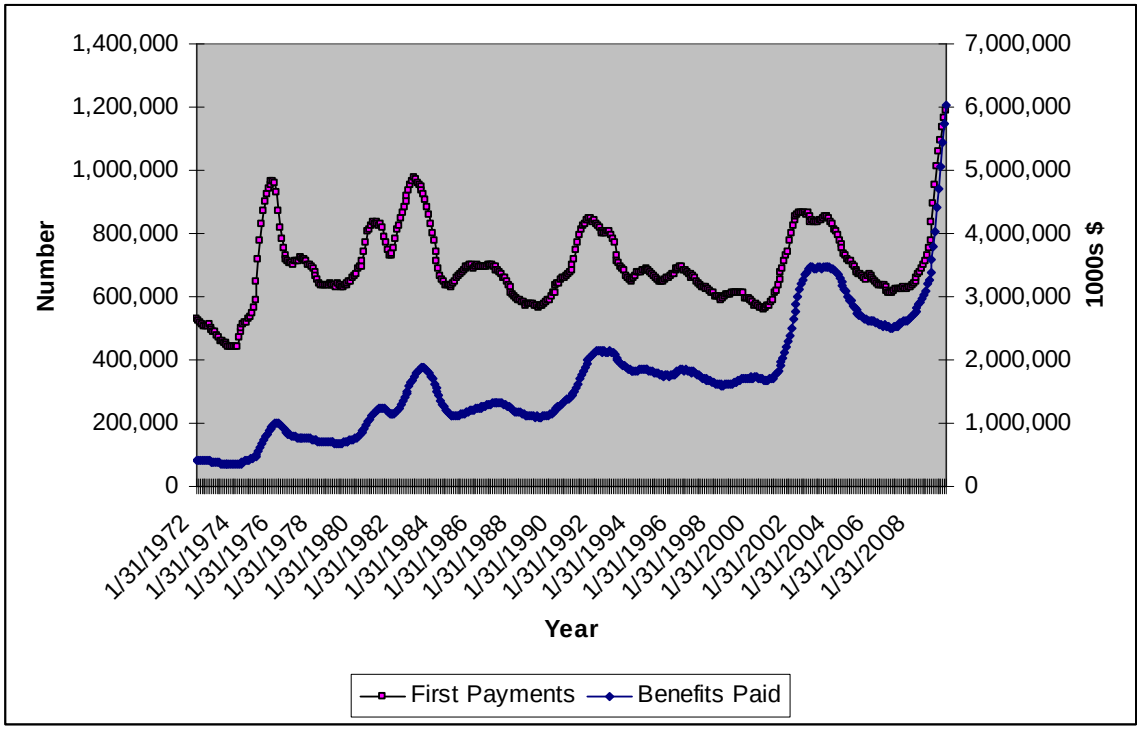
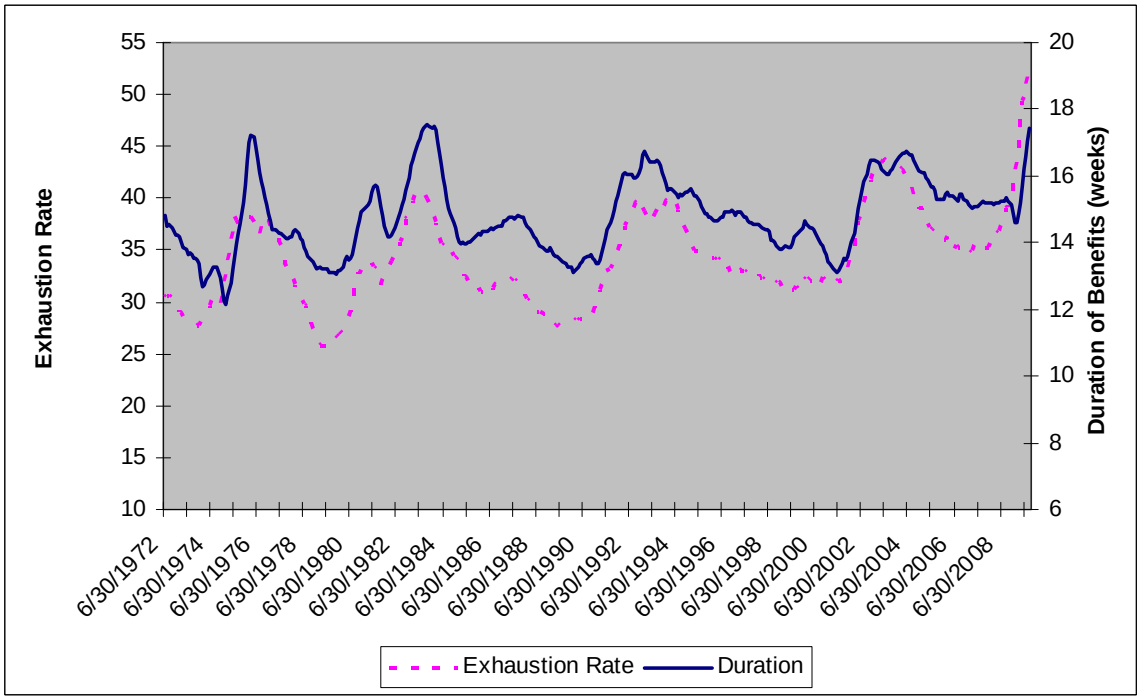


Figure 6 UI Exhaustion Rate and Weeks of Duration of Benefits



Public Employment Service

After filing for UI benefits, the next step for most workers is to look for employment. The public employment service, established in 1933 by the Wagner-Peyser Act, provides a comprehensive set of reemployment services. Reemployment services are integrated into the One-Stop delivery system, which was established under the Workforce Investment Act (WIA) of 1998. WIA is the umbrella of federal workforce development programs that governs the funding and delivery of workforce development services for disadvantaged adults, dislocated workers, and youth. The One Stop delivery system, with more than 3,000 locations across the country, provides universal access to an integrated array of labor exchange services to workers, job seekers, and businesses. Typically, these services are co-located at the One Stop service centers.[5]

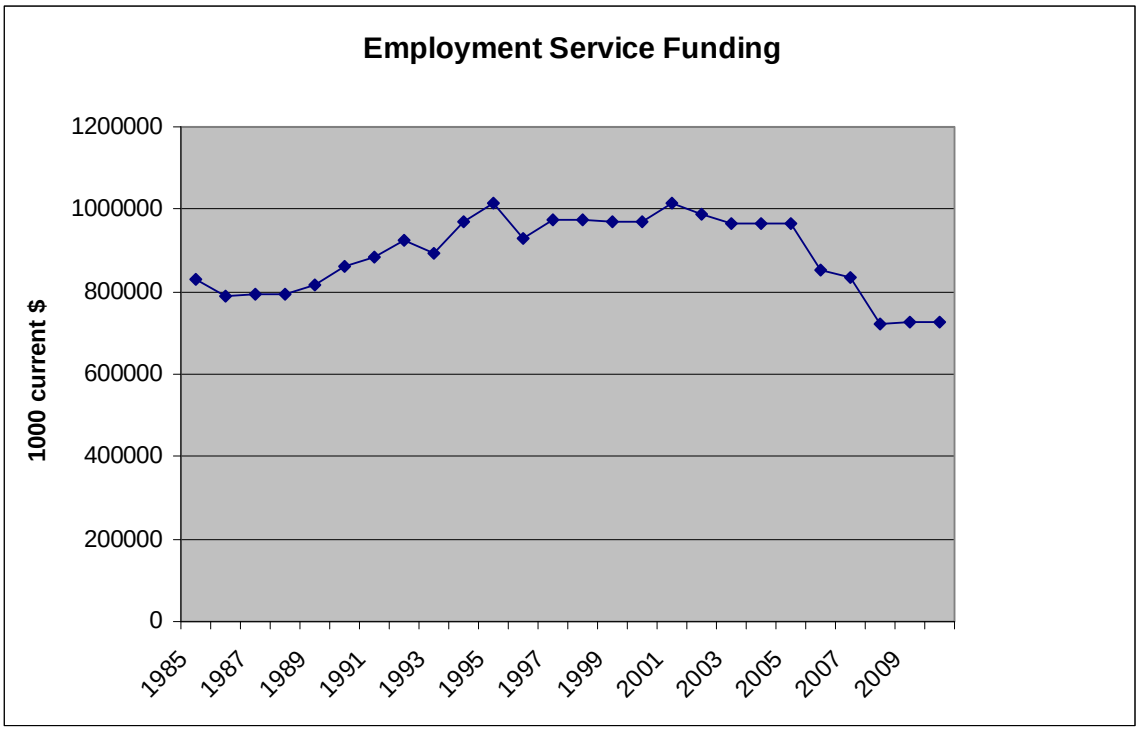
The Employment Service focuses on providing a variety of employment-related labor exchange services including but not limited to job search assistance, job referral, and placement assistance for job seekers, re-employment services to initial UI claimants, and recruitment services to employers with job openings. Services are delivered in one of three modes including self-service, facilitated self-help services, and staff-assisted service delivery approaches. Depending on the needs of the customers, other services such as job seeker assessment of skill levels, abilities and aptitudes, career guidance when appropriate, job search workshops, and referral to training may be available.

The Employment Service is closely linked to the UI system. In order to be eligible for UI benefits, a claimant must be able and available for work, and to demonstrate that they are actively looking for employment. In 1993, Congress established the Worker Profiling and Reemployment System, which sets up a mechanism to engage dislocated workers more intensively in job search activities. The system identifies through statistical algorithms UI recipients who are most likely to exhaust benefits and then requires them to participate in services at the beginning of their unemployment spell that would engage them more intensely in looking for work. This program remains in operation today. Recently, however, the ability for workers in many states to file claims by phone or over the internet states has decoupled this relationship to some extent.

Prior to entering into this recession, funding for the Employment Service had been reduced from an already low level compared with other countries. Between 2005 and 2008, funding was cut 25 percent (Figure 7). Therefore, the Employment Service was at a reduced funding level right before the recession hit. The ARRA provided an additional $400 million over two years, but dividing that allocation across the two years ARRA funds can be spent barely brings the funding level up to its previous levels. Nonetheless, the additional funds have helped to reestablish the Employment Service as a vital component of the workforce system.

[5] U.S. Department of Labor website on Wagner-Peyser services.

Figure 7 Federal Funding for the Wagner-Peyser Employment Service (current $s)



Training and Intensive Services

Training is provided primarily through the Workforce Investment Act (WIA) system. WIA is a partnership among federal, state and local agencies. The Employment and Training Administration (ETA) of USDOL establishes the parameters of the programs, and the state and local agencies provide the services. WIA program funds flow from the federal government through the states to the local Workforce Investment Boards (WIB). Each of the nearly 600 local WIBs is responsible for administering the WIA programs in their jurisdiction and in contracting with local organizations to provide the services. The WIBs typically contract with local community colleges, local secondary school districts, and private companies to provide the training. Training services include occupational skills training, on-the-job training, programs that combine workplace training and related instruction, including registered apprenticeship, training programs operated by the private sector, skill upgrade and retraining, entrepreneurship training, job readiness training, adult education and literacy training, and customized training. Additionally, states can enter into contracts with institutions of higher education, such as community colleges, or other eligible training providers to facilitate the training of a group of individuals in high-demand occupations.

Training under WIA takes place in various venues and encompasses instruction regarding different levels of skills. Occupational skills training refers to training for a particular skill or for a set of skills necessary to qualify for an occupation. Community colleges and private training providers typically provide this type of training, which takes

place outside the workplace and in a classroom setting. On-the-job training (OJT) takes place in the workplace and provides job seekers with work experience and skills training that will help them qualify for and retain employment. The OJT program pays the workers' employer half the costs of training. Apprenticeship training combines education and work experience and results in a portable credential that is recognized by employers nationwide. Customized training is designed to upgrade the skills of incumbent workers in specific businesses. Businesses apply for the grants, and once approved the training is tailored to their needs and the services are provided either at the company or at community college training centers. Under this program, the employer pays for at least half the cost of the training. The High Growth and Emerging Industries initiative provides specific training for workers to qualify for energy efficiency and renewable energy jobs and for careers in the health care sector.

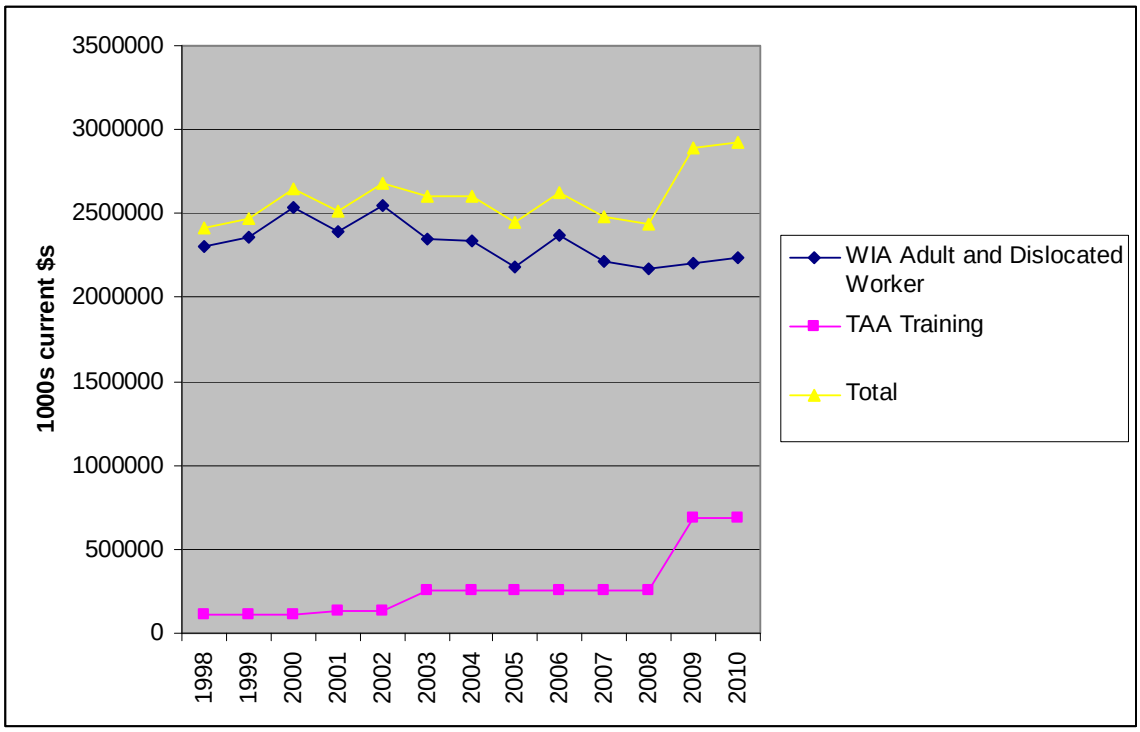
WIA also provides general remedial instruction to economically disadvantaged workers, many of whom have received welfare assistance for some time and find that they do not have the work experience or the basic skills to qualify for even the most remedial jobs. Job readiness and adult education and literacy training provide the basics needed to enter the workforce. Entrepreneurship training focuses on helping employees own their own businesses. It offers the basics of starting and running a small business, including instruction on how to write a business plan and to obtain financing. The program also provides technical assistance and counseling. Job seekers who are veterans receive priority referral to jobs and training as well as special employment services and assistance. In addition, the system provides specialized attention and service to individuals with disabilities, migrant and seasonal farm-workers, ex-offenders, youth, minorities and older workers.

WIA includes a third program—youth, but most of the stimulus dollars for this program are used to employ economically disadvantaged youth during the summer months when school is not in session, and little is used for training. However, economically disadvantaged youth are served by the Job Corps program, which provides intensive, residentially-based training.

The Trade Adjustment Assistance Act also provides training to dislocated workers. The Trade Adjustment Assistance (TAA) program is similar to the dislocated worker program with respect to the type of training provided, but it provides more intensive training and a broader scope of supportive services. There are two major differences between TAA and the WIA Dislocated Worker program. First, the TAA program is intended to assist workers whose companies have been adversely affected by foreign competition, which is more of a structural issue than a cyclical one. Consequently, the number of workers who qualify for the TAA program is limited by this requirement, whereas WIA Dislocated Worker program includes workers displaced for a variety of reasons. Second, TAA provides cash assistance for workers while in training; WIA Dislocated Worker program does not. TAA also offers more comprehensive support services than WIA Dislocated Worker. TAA offers up to130 weeks of cash payments, provides subsidized health insurance, and covers costs associated with job search and relocation.

Funding for WIA programs (primarily Adult and Dislocated Worker) and TAA has remained relatively steady (in current dollars) over the life of WIA (since 1998). Figure 8 shows a trending down of WIA funds for the two programs and a recent jump in funding for TAA Training.[6]

Figure 8 Funding for Employment and Training Services through WIA Adult and Dislocated Worker Programs and Training Services through TAA



Source: SPIR and WIASRD

Utilization of Services Provided Under Wagner-Peyser and WIA

During Program Year 2007 (July 2007-June2008) more than 20 million people participated in the three major employment and training programs—Wagner-Peyser employment service, WIA Adult program, and WIA Dislocated Worker program. As shown in Table 2, the number of participants in the Wagner-Peyser public employment program far exceeded the other two. Nearly 18 million people registered at public employment offices to receive staff assisted workforce information (30.5%), career guidance (10.6%), job search assistance (26.8%) or to be referred to employment (26.4%) or WIA (2.6%). The numbers of participants in the two WIA programs are much more modest. The WIA Adult program recorded 2.3 million participants and the WIA Dislocated Worker program had nearly 400,000. In recent years, there is considerable overlap among the three programs, as several large states (including New York) have

[6] TAA has another component that provides cash assistance and other allowances to TAA participants, which is funded at a higher level than training.

decided to co-enroll all Wagner-Peyser participants in WIA. Currently, 88.5% of WIA Adult participants are co-enrolled in Wagner-Peyser. A large percentage of WIA Dislocated Worker participants are also enrolled in Wagner-Peyser (80.3%). Co-enrollment in the other programs is quite small: 6.8% of WIA Dislocated Workers are co-enrolled in TAA and 6.2% are co-enrolled in WIA Adult. Except for the recent move by some states to co-enroll employment service participants in WIA, each program serves a distinct group of people.

While few participants cross between WIA Adult and WIA Dislocated Worker programs, each program appears to serve a fairly similar population and provides a similar array of services but in somewhat different proportions. The WIA Adult program focuses on economically disadvantage workers. Consequently, compared with the WIA Dislocated Worker program, the WIA Adult program enrolls a higher proportion of people who are single parents (18.1% versus 11.8%), and a lower fraction who are college graduates (8.7% versus 12.5%). Gender, race, and ethnic composition of the exiters of the two programs are about the same: roughly 50% male, 4.3% disabled, 53% white, 29% African American, and 12% Hispanic.[7] A major difference, however, is that a third of WIA Dislocated Worker exiters claimed UI benefits (compared with 6% of WIA Adult exiters) and only 8% were employed at the time of participation (compared with 16.% for WIA Adult exiters). This latter difference reflects the focus of the Dislocated Worker program on laid-off workers.

The two WIA program are also similar in the array of services offered, although the intensity varies with WIA Dislocated Worker program placing a greater emphasis on training. Each offers core, intensive and training services. Before co-enrollment with Wagner-Peyser employment service was encouraged, the rate at which WIA Adult participants and WIA Dislocated Worker participants received training and intensive service was much closer. As shown in Table 2, 75.5% of WIA Adult participants received intensive services in PY2003 compared with 87.2% of WIA Dislocated Worker participants. For training, the percentages are 46.1 for WIA Adult and 54.3 for WIA Dislocated Worker. After co-enrollment the percentages fall for both programs but more for the WIA Adult, in which only 14% receive intensive services or training. Furthermore, Dislocated Worker exiters received more intensive training, as reflected in the 40 weeks of training they receive on average compared with 30 weeks for their WIA Adult counterparts.

[7] One reason for the increase in similarities in recent years among participants of the two programs may be the co-enrollment of Wagner-Peyser participants by some states. In PY2003, only 24.1% of WIA Adults were co-enrolled and 36.7% of WIA Dislocated Worker participants were co-enrolled with Wagner-Peyser. During that program year, the differences in participant characteristics between the two programs were much starker than in PY2007 when extensive co-enrollment occurred.

Table 2 Services Provided and Participant Characteristics for Wagner-Peyser, WIA Adult, and WIA Dislocated Worker Programs

	PY2007				
	Wagner-Peyser	WIA Adult		WIA Dislocated Worker	
		Number	%	Number	%
Participants	17,791,960	2,329,994		396,158	
Workforce Information	30.5%				
Career Guidance	10.6%				
Job search assistance	26.8%				
Referred to employment	26.4%				
Referred to WIA	2.6%				
UI eligible	37.0%				
Exiters		765,483		261,354	
UI Claimants		44,304	5.8	86,689	33.2
Low-income		31,584	4.1		
Disabled		31,871	4.1	10,803	4.1
Core services only		542,147	70.8	128,783	49.3
Core and Intensive only		113,660	14.8	65,909	25.2
Individual Training Acct		63,536	8.3	47,009	18.0
Training		109,676	14.3	66,662	25.5
On-the-job training		12,456	11.4	5,096	7.6
Skill upgrading		13,014	11.9	8,970	13.5
Customized		11,515	10.5	2,140	3.2
Weeks of Training (mean)		30.6		40.0	
Supportive services		62,388	8.2	38,362	14.7
Needs-related services		4,469	0.6	1,306	0.5
Exiter Characteristics (%)		PY2003	PY2007	PY2003	PY2007
Male		44.1	52.5	49.3	48.2
Disabled		6.3	4.4	3.6	4.3
White		43.1	53.1	58.4	53.3
African American		31.3	29.4	19.3	29.5
Hispanic		19.1	12.0	15.3	11.8
Employed at registration		21.3	16.4	6.9	8.2
Of those receiving intensive Services and training					
Single Parent		22.5	18.1	12.3	11.8
UI claimant		17.9	19.9	70.0	65.9
Low income		66.9	48.7		
High School Graduate		47.0	42.3	44.5	42.4
Some post-secondary educ		21.3	25.4	25.5	26.6
College graduate		7.3	8.7	14.5	12.5
Received intensive services		75.5	14.8	87.2	50.7
Received training		46.1	14.3	54.3	25.5
Coenrollment					
WIA Dislocated Worker		3.3	2.1		
WIA Adult				3.9	6.2
Wagner-Peyser		24.1	88.5	36.7	80.3
TAA		0.3	0.3	8.1	6.8
Weeks participated		41.7	15.4	55.8	30.9

Source: WIASRD

Effectiveness of the Employment Service and WIA

Employment Service

Results from evaluations of the types of job search assistance (JSA) which is typically provided by the Employment Service show generally beneficial outcomes. Since recipients of unemployment compensation are generally required to enroll with the Employment Service, evaluations consider the effect of JSA on the reduction in the dollar value of benefit recipiency and the number of weeks collecting unemployment insurance. Table 3 displays the results of several evaluations administered in various states. The net impact of JSA on reducing the weeks receiving UI benefits is relatively small. The reduction averages about half a week, or 3% to 5%. Programs showing higher impacts, for example, Nevada and the District of Columbia, were more staff intensive and the programs were more structured. The net impact on earnings was also modest, also averaging 3% to 5%. Nonetheless, the benefit cost ratios are relatively high, particularly with respect to benefits to society. This is due primarily to the low cost of these services. Recall from a previous table that the percentage of GDP spent on JSA is a fraction of the percentage spent on training.

Table 3 Summary of Net Impact Estimates of JSA from US Workforce Experiments

Evaluation Results of JSA Experiments in the United States			Earnings	Benefits minus costs	
		Weeks of Benefits	1st, 2nd, 3rd qtrs after claim	UI System	Society
New Jersey:	Job search assistance	-0.50** (3%) 17.9	$101 (4%) $2507	-$6	$548
District of Columbia:	Structured job search assistance	-1.13** (5%) 20.14	$47 (3%) $1872	$-126	$2361
	Individualized job search assistance	-0.47**	$-56	-$110	$1353
Florida:	Structure job search assistance	-0.41** 15.81	$-49 $2743	$-224	$-1004
	Individualized job search assistance	-0.59**	$1	0	$-215
Nevada:	More staff attention and referrals	-3.90	$318	$269	
Wisconsin:	Six-hour job search workshop	-0.62	$82	$57	

A more recent evaluation of services offered by the Employment Service through the One-Stop system also shows favorable outcomes. The evaluation finds that for the States included in the study the benefits stemming from UI claimants' reviewing jobs listed with the employment service and obtaining referrals was greater than the costs of providing those services. Benefits exceeded costs by more than 20 percent, even under conservative assumptions. As with previous evaluations, a key reason cited by the evaluators for the high benefit-cost ratio is that the public employment services provided low-cost services to a large population.[8]

Job Training

Evaluations of WIA and its predecessor the Job Training Partnership Act have found intensive services and training to have positive effects on employment and earnings. Although WIA has been in place for more than a decade, there has never been a rigorous evaluation of its effectiveness using random assignment methodology. Congress, on the other hand, required that WIA's predecessor--the Job Training and Partnership Act—be evaluated using a random assignment approach.[9] Therefore, most of what we know about the effects of job training programs is from that evaluation. However, Upjohn Institute staff has conducted evaluations of WIA for a few states using a less rigorous approach, but one that yields results that are consistent with the JTPA evaluation findings. Therefore, results from both studies will be summarized to offer a perspective on the effectiveness of job training.

In general, results from the JTPA evaluation found positive but modest effects on employment and earnings (Table 4). The effects varied by gender, economic and labor market status, and the way in which training services were delivered. As shown in table 1, women appeared to respond more favorably to training than men. Earnings gains after 30 months from leaving the training program were nearly 7 percentage points higher for women than men. Adult women on welfare benefited even more. The same advantage was found for young women, although the results are not statistically significant. Curiously, adult men and women fared better in on-the-job training whereas, young men and women responded more favorably to classroom training, although the results for youth were not statistically significant. Finally, even though adult women had higher earnings gains than adult men, the net benefits to society for men and women were about the same. Programs with only classroom training tended not to have significant results, except for women and when classroom training was strongly linked to employers.

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[8] Louis Jacobson, Ian Petta, Amy Shimshak, Regina Yudd, "Evaluation of Labor Exchange Services in a One-Stop Delivery System Environment," U.S. Department of Labor, Employment and Training Administration Occasional Paper 2004-09, February 2004.

[9] The random assignment methodology creates a comparison group by randomly assigning individuals to either a treatment group or a control group. Individuals in the treatment group receive the training, and those in the control group do not. As the assignment is random and with a large enough sample, the individuals in the two groups should be identical in characteristics, motivation, and other attributes, eliminating any selection bias. Therefore, examining differences in the means of worker outcomes, such as employment and retention rates, yields the net impact of the training programs under evaluation.

Table 4 Subgroup Net Impact Estimates of the 1996 JTPA National Evaluation

	Earnings (30 months)	% chg from control group	Net Benefits Enrollees	Net Benefits Society
Adult Men	**$1599***	**8.0%**	**1822**	**524**
OJT	2109	9.8	2232	648
CT	1287	7.1	-1694	323
Adult Women	**1837*****	**14.8**	**1422**	**512**
OJT	2292**	15.3%	1695	1091
CT	630	5.5	287	-1027
Adult Welfare Women	**2387*****			
OJT	4833***			
CT	1077			
Youth Male	**-868**	**-5.0**	**-530**	**-2923**
OJT	-3012	-3.9	-2481	-6766
CT	251	8.9	815	-1608
Youth Female	**210**	**2.0**	**-121**	**-1180**
OJT	-579	-12.5	-1003	-2670
CT	839	1.6	1100	-1028

Source: National JTPA Evaluation

Hollenbeck has conducted evaluations of WIA programs in a few states, using a quasi-experimental approach based on administrative and wage record data. The results from the State of Washington are representative of those found for the other states and will be discussed in this section. Hollenbeck (2002) used this non-experimental approach of statistical matching to evaluate workforce development programs in the State of Washington.[10] Net impacts of training were then determined by comparing outcomes for individuals who participated in the training programs to their matched counterparts who enrolled in the employment service but never participated in any specific programs. Using this method, Hollenbeck found consistent evidence that suggests that the federal job training programs, as administered in the State of Washington, are effective, especially in increasing employment rates, but also in generating higher earnings. For (nondislocated worker) adults, the employment impact was on the order of 15–20 percent, and the earnings impact was on the order of 10–20 percent for men and 20–40 percent for women. For dislocated workers, the employment impact was slightly less--on the order of 10–15 percent. The earnings impact is also lower—around 5–10 percent for both males and females.

[10] A short write-up of this evaluation can be found in *Employment Research*, W.E. Upjohn Institute for Employment Research, October 2002, Vol. 9, No.4 at www.upjohn.org. Also see, Hollenbeck, Kevin, Daniel Schroeder, Christopher T. King, and Wei-Jang Huang. 2005. *Net Impact Estimates for Services Provided through the Workforce Investment Act.* Baltimore, MD: ADARE Project Working Paper, October.

Performance Outcomes and Number of Participants of the Two WIA Programs

In general, performance outcomes of the two WIA programs reflect the evaluation findings.[11] Under the Workforce Investment Act (WIA), the Employment and Training Administration (ETA) established three basic performance measures: 1) entered employment, 2) job retention, and 3) earnings levels. When viewing these three performance measures by service area, those with training exhibit higher outcomes than those who received core services only, as displayed in Table 5. For example, for WIA Adult exiters in Program Year 2007, 79.2 percent of those with training found employment upon exiting the program compared with 67.6 percent of those who received core services only. The retention rate is also higher for those who received training versus those who received core services only, but the gap is smaller than in the previous case. WIA Dislocated Worker exiters with training also show a similar advantage. The entered employment rate is 85.9 percent for those with training versus 63.2 percent for those with core services only; the retention rate is 89.3 percent versus for training recipients and 63.2 percent for core-service-only recipients. One reason for the advantage is that those receiving training in both programs find jobs in occupations, such as management and professional which typically have lower unemployment rates and command higher salaries, whereas those receiving core services are typically in sales.

Table 5: Performance Outcomes of WIA Program Participants by Services Received

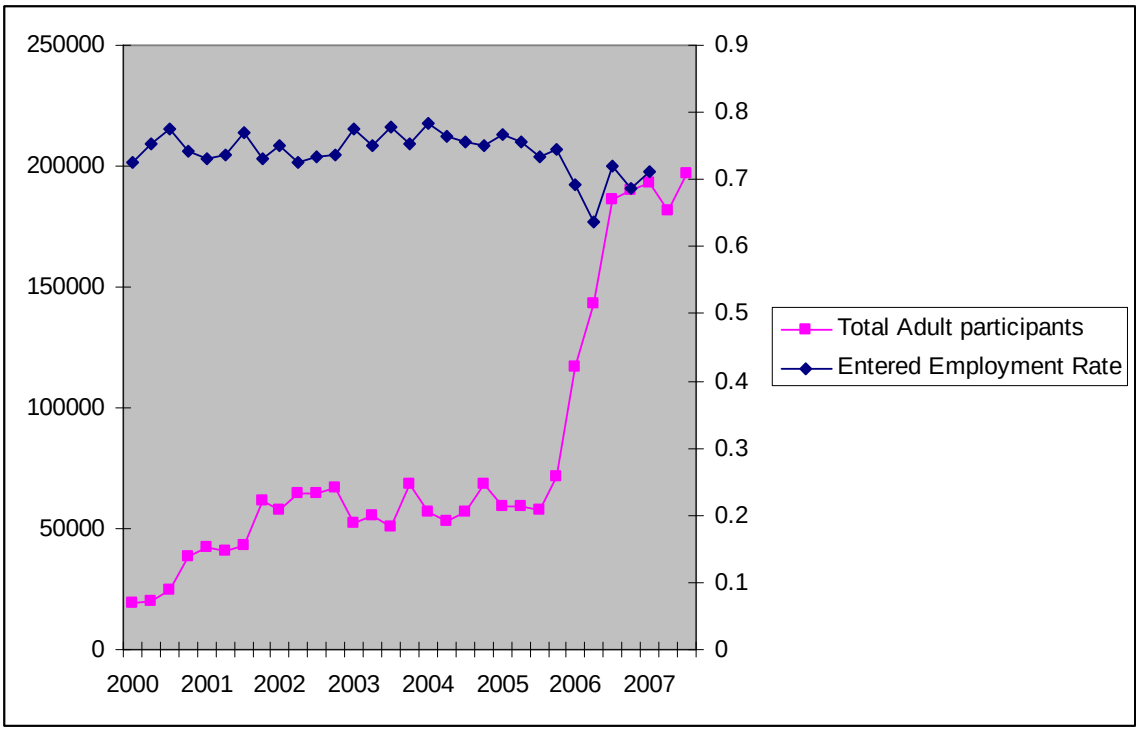
Performance Outcomes	All	Of those who received the following services:			
		Core Services Only	Core & Intensive Services Only	Training	Individual Training Accounts
WIA Adult					
Entered Employment Rate (%)	69.3	67.6	70.5	79.2	81.3
Retention rate (%)	83.3	82.6	80.8	86.8	86.9
Earnings	$13,840	14,072	11,561	14,784	12,908
Occupation of Employment (%)					
Managerial and Professional	26.6	13.5	13.8	33.8	36.2
Services	22.3	19.4	25.3	21.6	24.6
Sales	20.0	35.5	28.9	14.0	11.5
Production, Installation, repair	27.4	28.1	26.5	27.6	25.4
WIA Dislocated Worker					
Entered Employment Rate (%)	72.5	63.2	76.2	85.9	85.5
Retention rate (%)	85.7	82.0	86.3	89.3	89.6
Earnings	$14,518	14,396	14,274	14,861	14,670
Occupation of Employment (%)					
Managerial and Professional	25.9	18.7	20.2	30.0	31.9
Services	13.6	10.8	12.7	14.5	15.5
Sales	22.9	33.2	30.1	17.6	17.6
Production, Installation, repair	33.9	31.0	32.8	34.8	32.3

Source: WIASRD, U.S. Department of Labor, Employment and Training Administration

[11] Comparing outcomes across groups that receive different types of services should not be considered an appropriate evaluation of the effective of various types of services. Such a comparison suffers from an appropriate comparison group and from selection bias, among other deficiencies.

Performance of the WIA Adult program, as measured by the entered employment rate, has remained steady over the life of WIA. The only change occurred recently when co-enrollment with Wagner-Peyser programs was encouraged. At that time, the number of participants shot up significantly and the entered employment rate fell a few percentage points, as shown in Figure 9. Since the characteristics of the WIA adult participants also changed toward being less educated and having less work experience, the slight drop in performance is not surprising. Another factor may be the reduction in resources per exiter, which fell from $3,800 in PY2003 to just over $1,000 in PY2007. Much of that reduction was due to the sizable increase in the number of participants due to co-enrollment with the Wagner-Peyser program. It is unclear to what extent the Wagner-Peyser participants use the same resources as the WIA Adult participants.

Figure 9 Number of Participants and Entered Employment Rate for the WIA Adult Program

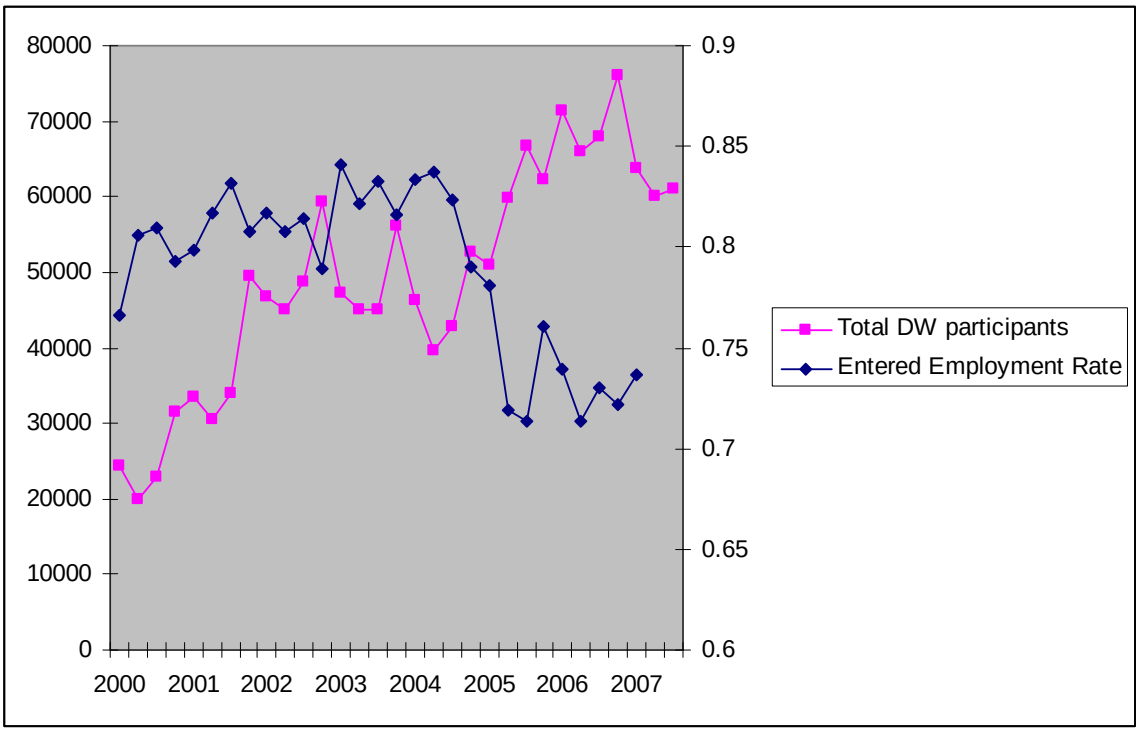


Source: WIASRD

The WIA Dislocated Worker program experienced a more significant dip in performance. Starting in early 2004, the entered employment rate declined from 83 percent to 71 percent in four quarters, as shown in Figure 10. At the same time, the number of participants climbed from 43,000 to nearly 70,000 with no change in the amount of funding. The characteristics of the DW participants changed during this period, with a reduction by half in the percentage of participants who held a BA degree. Another factor may be the decline in the proportion of participants entering training. That too fell during this period. However, the percentage receiving individual training accounts (ITAs) went up during this period by about the same amount. Unless ITAs are a poor substitute for the traditional staff-directed training, which a recent evaluation reports

is not the case, this may not be a factor. However, with more participants and constant funding, resources available per person for training and other services fell over this period. In PY2003, funding amounted to $7,500 per exiter. By PY2007, the amount had fallen to $5,300 per exiter.

Figure 10: Number of Participants and Entered Employment Rate for the WIA Dislocated Worker Program



Source: WIASRD

IV. The American Recovery and Reinvestment Act of 2009

The ARRA appropriations more than doubled the amount of funds available for training and employment services in Fiscal Year 2009 (October 1, 2009 through September 30, 2010). The appropriations for FY2009 were $3.6 billion and the ARRA appropriations were nearly $4 billion. As shown in Table 6, under ARRA the WIA adult program received $500 million, the WIA Dislocated Worker Program received $1.45 billion, and the WIA Youth program received $1.25 billion.[12] In addition, $400 million was allocated to the public employment service and $742 million for worker training grants that focuses on green jobs and jobs in high growth and emerging industries.[13]

Table 6: ARRA Funding and Annual Program Appropriations

	FY2008	FY2009	ARRA	FY2010
Training and Employment Services	**$3,545,311**	**$3,626,448**	**$3,950,000**	**$3,833,563**
WIA Adult	849,101	861,540	500,000	861,540
WIA Dislocated Worker	1,323,373	1,341,891	1,450,000	1,413,000
Youth	983,021	994,069	1,250,000	1,038,545
Worker Training Grants	0	0	742,500	0
High Growth-Green Jobs			495,000	
High Growth and Emerging Ind.			247,500	
Employment Services	**$734,052**	**$724,445**	**$400,000**	**$724,445**
TAA	**$929,700**	**$958,000**	**0**	**$1,818,400**
Older Workers	**$521,625**	**$571,925**	**$120,000**	**$575,425**
ETA Total	**$8,661,833**	**$9,474,993**	**$4,470,000**	**$1,0476,850**
Unemployment Insurance			**$45,000,000**	

Source: FY 2010 Congressional Budget Justification, Employment and Training Administration

Utilizing the ARRA Funds

The intent of Congress and the Administration is to utilize these funds as quickly as possible, with the majority spent within the first year of availability.[14] However, for employment and training funds, the Federal government spends very little of these funds directly. Rather it depends upon the state and local agencies, which are partners in the nation's workforce system and responsible for contracting services to program participants. When the directives from the Department of Labor were issued in March

[12] In addition, the Job Corps, a residential training program for economically disadvantaged youth, received an additional $12 million dollars under the Recovery Act. Its PY2009 budget was $1.68 billion.

[13] In addition to these established programs, the Obama Administration recently announced a program that is specifically targeted to helping workers and communities affected by the fallout in the auto industry, particularly those hurt by the bankruptcy of Chrysler and General Motors. The program provides training to workers and economic development assistance to the communities in which they live. At this time, the administration has committed around $50 million to this effort and it is anticipated that more may be allocated. Services include training and job search assistance to workers and economic development assistance to communities.

[14] U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 13-08, March 6, 2009, p. 2.

2009, they instructed state workforce agencies that the WIA funding for Adults, Dislocated Workers, and Youth was to be considered PY2008 (July 1, 2008 through June 30, 2009) funds and therefore must be spent by June 30, 2011. Most of the money is allocated to states according to pre-established formulas, many of which are based on the unemployment situation in the state or local area and the number of economically disadvantaged.

Table 7 shows the percentage of funds expended as of October 20, 2009, which is roughly eight months since the ARRA was passed and signed. By the end of October, 60.5 percent of the $55.9 billion available from the Department of Labor was spent. As shown in Table 8, most of the funds (93.3%) are entitlements, as determined by eligibility rules for receiving unemployment insurance benefits and the extended benefit programs put in place during the recession. With a small exception, entitlement funds are spent the fastest, with 62.8 percent of the available funds already expended in the first eight months of the ARRA. The funding category spent most rapidly is 'other', which is a miniscule portion of the entire authorization and comprises mostly administrative expenses. Formula and Block Grant funding is next. A large majority of those funds is for training and employment services, which is administered primarily through the WIA programs and worker training grants. Those programs account for nearly 90 percent of all funding under formula and block grants. Only 3 percent of the funding for training and employment services is considered discretionary, although this makes up nearly 45 percent of the total discretionary spending for all ARRA funding administered by the U.S. Department of Labor. Discretionary funding and contract and orders are the least spent at this time. As shown in Table 7, 32.6 percent of the formula and block grants for training and employment services have been spent as of October 30, 2009, but only 6.4 percent of the discretionary funds.

Table 7 All Employment and Training Administration ARRA Funding, as of October 30, 2009

Funding Type	Share of Total	% spent	Comments
Formula and Block Grant	6.0	30.4	
Discretionary	0.4	18.9	
Entitlements	93.3	62.8	Mostly UI funds
Contracts and Orders	0.3	4.6	Incl. Job Corps
Other	0.04	79.5	Some administration expenses
Total	$55.922 billion	60.5	

Source: Recovery.gov

Table 8 Training and Employment Services (Primarily WIA Adult and Dislocated Worker Programs), as of October 30, 2009

Funding Type	Share of Total	% spent
Formula and Block Grant	96.8	32.6
Discretionary	3.1	6.4
Total Funds	$3,013,681,991	31.7

Source: Recovery.gov

One reason for the relatively slow response in spending the available money may be the procedure that some state agencies need to follow to spend federal funds. Although the funds are earmarked for specific purposes, such as for services under the WIA Adult or the WIA Dislocated Workers program, some states require that the funds be approved by their state legislatures as part of their general appropriation process. In such cases, agencies may have to wait to spend the funds even though the money is available to spend. In some states, implementation of the federal summer youth employment program was delayed because of legislative involvement and some states did not receive approval until well into the summer months.[15]

Another concern states have expressed in spending ARRA funds relates to performance targets. The USDOL has long recognized the importance of accountability and transparency by establishing performance measures as an integral part of the federal workforce system. Under the Workforce Investment Act (WIA), each state negotiates with the USDOL to set standards, and the states in turn negotiate with each of their local Workforce Investment Boards (WIBs) to determine their performance targets. As this practice of setting standards evolved, states and WIBs increasingly found that negotiations were not taking into account factors that affected their performance but were beyond their control and not related to the services they provided. These factors include the conditions of the local labor market and the personal characteristics and work history of participants in their programs. Without accounting for differences in these factors across states and across WIBs, those entities with more favorable labor market conditions or more capable participants are likely to have higher outcomes, and those for which these factors are unfavorable can expect lower outcomes. Consequently, differences in these outcomes are not the result of how well service providers have met the needs of their customers, but reflect factors outside their control and extraneous to the effectiveness of their service delivery.

Adjusting Workforce Performance Targets for Changes in Unemployment Rates

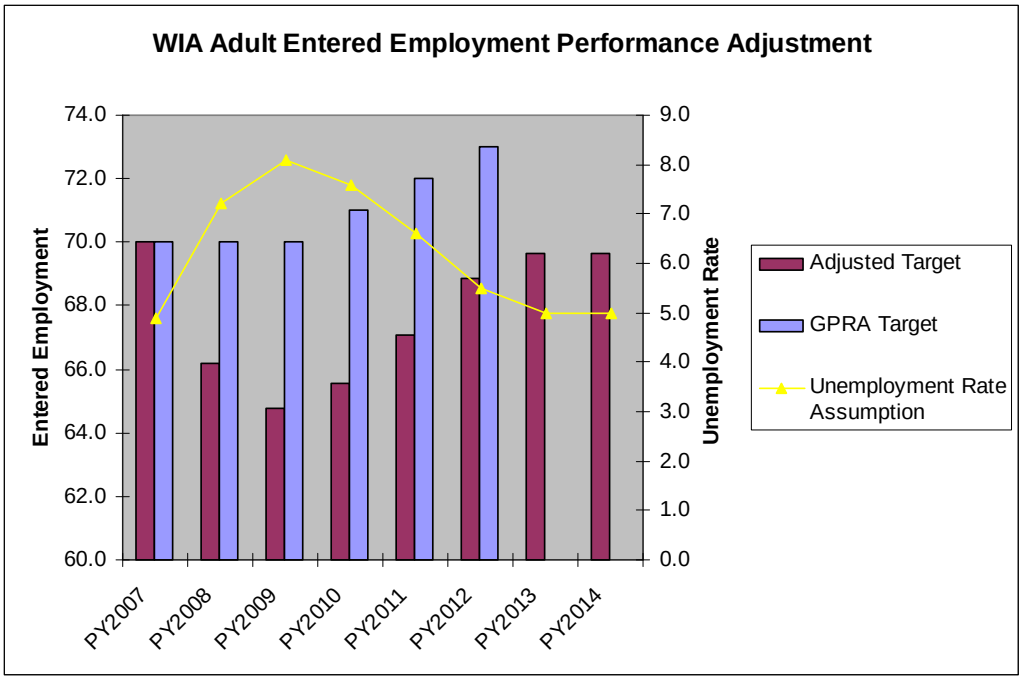
Therefore, a concern that quickly surfaced in implementing the ARRA was whether the targets, if set unrealistically high, would discourage states and WIBs from enrolling those individuals who need the services the most. Recently the ETA has responded to this concern by adjusting the targets at the national level to take into account the effect of higher unemployment rates on the performance measures. Since WIA was implemented in 1998, targets have been set progressively higher each

[15] Another issue has been political, particularly during the early days of the ARRA. Several Republican state Governors who were opposed to the ARRA issued statements that they would not spend some of the stimulus dollars allotted to their states. Whether they carried through with their position is not clear.

successive program year, raising the bar for performance without adjusting the targets for changes in national or local economic conditions. However, the depth of this recession has prompted the ETA to establish a target-setting procedure that is objective, transparent, and reflective of current conditions. It does this by estimating the effect of changes in unemployment rates on the three performance measures and then using that estimate to adjust performance standards according to the assumptions for next year's unemployment rates as presented in the President's 2010 Budget Request to Congress. These adjusted performance targets in turn affect the targets at the state and local levels, but still do so through negotiations.

Figure 11 shows how the targets adjust with changes in the unemployment rates. As the unemployment rate assumptions increase from PY2007 to PY2008, the adjusted target declines, reflecting the experience (as estimated in the analysis) that it is more difficult to find a job in tougher economic times. As the unemployment rate assumptions begin to fall after PY2009, the performance targets gradually increase but do not return to their PY2007 levels because the unemployment rate assumption remains slightly higher in PY2014 than in the base period of PY2007. Notice that the GPRA targets are considerably higher than the adjusted targets throughout this period.

Figure 11



SOURCE: Unemployment rate assumptions are from the President's FY2010 Budget Request, GRPA targets are based on published guidance from the Office of Management and Budget (OMB), and unemployment rate–adjusted targets are derived from the analysis.

The next step is to extend this procedure of setting targets at the national level to setting targets for states and WIBs. This requires adding the effect of differences in personal characteristics to the effect of differences in unemployment rates in order to calculate the adjustments. A similar procedure was used under the Job Training

Partnership Act, the immediate predecessor to WIA. Implementing such a target-setting procedure moves the performance measures closer to reflecting the value-added of the services provided by workforce development programs rather than simply recording the effects of all factors (most of which are extraneous to the value-added of the services) on a worker's employment outcomes. Such a performance system helps to lessen adverse incentives to "cream-skim" the registration of customers and encourages the delivery of services to those who need them most in these difficult economic times.

V. Has the ARRA helped the U.S. Economy Recover?

The question of whether the ARRA has helped the U.S. economy recover is debated almost daily in Congress and by the news media. The ARRA stresses transparency and accountability in the use of funding provided by the Act. One innovative addition is a website that tracks the money spent under ARRA. The website, Recovery.gov, follows the disbursement of all ARRA funding, not only those for training and other workforce development programs. The Office of the Vice President is charged with the responsibility of ensuring that all recovery funds are spent as the legislation intended and in the most effective way to promote a quick and sustained recovery. Every recipient of ARRA funds, public and private, is required to report quarterly how much of their allotted funds were spent and an estimate of the number of jobs created or retained with those expended funds. In November 2009, the Administration released the first compilation of these reports, announcing that 640,329 jobs had been created or saved by awarding of ARRA funds. Those jobs are associated with $36.6 billion in ARRA funds that have been awarded and received, amounting to an average cost of $57,297 per job created or saved. Far more funds have been awarded to grant recipients, but only 23 percent of the $158.4 billion that has been awarded has been received and spent.

The 640,000 jobs, while a start, are not enough to replace the 7 million or so jobs lost since the recession began. The President's Council of Economic Advisers released a report in May 2009 that is consistent, at least in the short run, with what was reported by ARRA fund recipients. Council economists forecasted, using standard forecasting models, the average number of jobs saved or created in 2009 to be 700,000. They also went on to forecast that the ARRA will save or create approximately 3.5 million jobs as of the fourth quarter of 2010, about half the jobs lost. These estimates include effects of individual income tax cuts, investment incentives, aid to people hurt by the recession, state fiscal relief, and direct government investment spending—all of which are incorporated in ARRA.[16]

ARRA Funding and Jobs by State

A breakdown of ARRA funding and job creation/retention by State sheds some additional light on how the funds are allocated and the response by recipients in States in spending it (Table 9 at the end of the paper). The amount of ARRA funds awarded to recipients within states follows closely the size of the state's population. The correlation

[16] "Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009, Executive Office of the President, Council of Economic Advisers, May 2009.

coefficient is 0.92. California, the largest state with a population of 36 million was awarded the largest amount so far, $18.5 billion. In addition, California has spent the largest share of its award (44%), even though the correlation between state population and percent of award spent is quite low (0.12). Furthermore, there does not appear to be any urgency to spend money among those states that are experiencing the greatest hardship. There is a negative correlation between the percentage of the award spent and a state's unemployment rate. Some states have spent less than 10 percent of the funds awarded to date. These states include Tennessee, Florida, Pennsylvania, and the District of Columbia, three of which have unemployment rates that are among the highest in the nation. Utah, on the other hand, has one of the lowest unemployment rates but is right behind California in the percentage of awarded funds received (42%).

The U.S. Department of Labor reports ARRA funds awarded and received and jobs created and saved in the same way that all other government agencies report funds for which they are responsible. Of the $36 billion that have been awarded, U.S. Department funds awarded for training and employment services account for only 2.2 percent of the total. Funds for the unemployment insurance fund were not counted in this exercise. Nonetheless, according to the reports filed with the government, those projects account for 11.4 percent of the 640,329 jobs created or saved. The cost per job is much lower than the overall average: $11,532 versus $57,297. To a large extent, this difference has to do with the types of jobs created with Department of Labor funds. Much of the funds for training and employment are spent by local service agencies that provide training and intensive services. Many are relatively low-paying jobs for the most part, with little overhead, compared with construction jobs for example.

VI. What's Emerging in the Workforce System?

While job creation is generally understood to be tantamount for pulling the economy out of the current recession, it is also recognized that the workforce must be retrained to meet the demands of the jobs that will emerge. In directives to states and local areas, the U.S. Department of Labor has emphasized several principles that focus on enhanced training and education. The Department also sees the investment of stimulus funds as presenting "an extraordinary and unique opportunity for the workforce system to advance transformational efforts and demonstrate its full capacity to innovate and implement effective One-Stop service delivery systems."[17]

Therefore, as the U.S. Department of Labor, along with its state and local partners, is responding to the needs of workers and employers, it is also establishing and re-prioritizing various principles upon which it operates. So far, this principles include:

- Needs of workers and employers are equally important in developing thriving communities where all citizens succeed and businesses prosper;
- All seamless movement between the labor market, education, and training in order to advance careers and upgrade their contributions to the workplace;

[17] U.S. Department of Labor, Employment and Training Administration, Training and Employment Guidance Letter No. 13-08, March 6, 2009, p. 2.

- Youth must connect through multiple pathways to education and training opportunities necessary to enter and advance in the workforce;
- Education and training are fully aligned with economic and community development strategies;
- Under a dual-customer approach, seamless career pathways would be developed and offered and support services and needs-based payments would be available, making it easier for young people and adults to advance through progressive levels of education and training;
- Education and training at every level would be closely aligned with jobs and industries important to local and regional economies (high growth initiatives);
- Assessments and certifications linked to the requirements of the next level of education and employment.

Many of these principles, particularly those related to the seamless integration of services are embodied in the original pillars of the Workforce Investment Act, which stressed:

- Universal access to services,
- System integration and service coordination,
- Customer focus and empowerment,
- Increased accountability and efficiency through performance monitoring,
- Strengthened local decision-making through local Workforce Investment Boards, and
- Enhanced state and local flexibility.

The more recently articulated list of principles de-emphasizes universal access and work-first priorities and replaces them with a greater emphasis on demand-driven human capital development and partnerships with local economic development and educational strategies.

In addition, there are concerns with the current structure of the WIA system that still need attention. A few years after WIA was placed in operation, the U.S. Department of Labor sponsored a process evaluation of WIA to determine how well the new features of the system were working. The process evaluation was conducted by observing the operations of 30 one-stop career centers in 16 local areas in 8 states.[18]

The evaluation identified the following challenges, which at the time it was conducted were still unresolved and for the most part are still ongoing concerns. These concerns and challenges encompass leadership, accountability, performance monitoring, flexibility, cooperation, and partner engagement. The study came to the following conclusions.

[18] Barnow, Burt S., and Christopher T. King, 2005. *The Workforce Investment Act in Eight States*, Washington, DC: U.S. Department of Labor Employment and Training Administration Occasional Paper 2005-01, February

- Balancing accountability and flexibility under a broad-based federal grant-in-aid program such as WIA is critical for success. The challenge is finding the right mix of flexibility and accountability so that an accountability system tailored to achieve federal goals does not thwart state and local governments from addressing what they see as their own needs. Unless the states and local WIBs are free to innovate, the system will not respond effectively to the needs of workers and businesses and promote improvements in the system.

- Cooperation among federal, state, and local government relationships must be maintained on an ongoing basis. Under WIA, most funds flow from the federal government to the states to the local workforce boards. The challenge is to achieve the appropriate mix of authority so that each level of government has an appropriate voice and that federal and state requirements are harmonized and local entities have sufficient autonomy in the design and delivery of services.

- Reporting and performance requirements should not adversely affect customer selection, the provision of services, and outcomes. However, under pressure to meet increasingly higher goals there is a tendency for local WIBs to enroll those who they believe are more likely to succeed, leaving the harder-to-serve without needed services. Revamping the performance measurement system to take into account the employability of participants could reduce this tendency.

- Strong leadership at the local and state levels is necessary to provide a proper balance within this hierarchical system and to ensure that business plays an active role.

- Determining how to engage business entities in workforce programs and how to sustain their participation is critical, but is still a major issue for many WIBs.

Emphasis on Training

Several of the principles laid out in the Department's directives to states and the issues raised in the Barnow and King evaluation are being addressed through the ARRA. The greater emphasis on training is found in several components of the ARRA package. For instance, one aspect of the UI Modernization component of the ARRA provides incentive payments for states that allow UI beneficiaries to participate in job training and still receive regular weekly UI benefits as a type of training stipend. The ARRA offers an incentive payment to states amounting to one-third of their share of the $7 billion available if they extend the benefits to UI claimants who are taking approved training courses. For states to receive the incentive payment, they must provide 26 additional weeks of UI benefits, at the claimants usual benefit rate, for those participating in approved job training after they have exhausted their first 26 weeks of regular UI benefits. During the on-the-job training and work experience, the training participants are paid as employees, although sometimes the training wage is somewhat lower than the earnings rate for regular employees. It is similar to the training stipend offered to participants of the Trade Adjustment Assistance program. To date, 19 states have qualified for their full UI modernization incentive payment, but only three have chosen to provide UI benefits to

those in training. One reason for the lack of interest in this option is the potentially high cost to states of adopting it.

The ARRA has also increased funding for the Federal Pell Grant Program, which provides needs-based grants to low-income undergraduate and certain postbaccalaureate students to promote access to postsecondary education. Students may use their grants at any one of approximately 5,400 participating postsecondary institutions. Grant amounts are dependent on the student's expected family contribution, the cost of attendance, the student's enrollment status (full-time or part-time), and whether the student attends for a full academic year or less. The ARRA provides $17.1 billion to increase the maximum Pell award for all eligible students from $4,850 to $5,350 in 2009 and slightly higher for 2010.

In addition, the ARRA replaces the existing Hope tax credit and tuition deduction provisions with a new American Opportunity Tax Credit for 100 percent of the first $2,000 of tuition and related expenses (including books) paid during the tax year. Forty percent of the credit is refundable to low-income families incurring such expenditures. The credit phases out for single taxpayers with adjusted gross incomes in excess of $80,000 and couples with adjusted gross incomes in excess of $160,000. Both of these programs are administered under the U.S. Department of Education and were not included in the total funding figures described in the previous section of the paper for programs administered by the U.S. Department of Labor.

Demand-Driven Training, Sectoral Initiatives, and Partnerships

In order to prepare the workforce for jobs in emerging industries, the Department of Labor under the ARRA provides $750 million for a program of competitive grants for worker training and placement in high growth and emerging industries. Of that $750 million, the ARRA designates $500 million for projects that prepare workers for careers in the energy efficiency and renewable energy sectors. The Department sees these grants as opportunities to demonstrate how partnerships between the public workforce system and other public and private systems, including labor-management partnerships, education institutions, community and faith-based organizations and research institutions can meet the workforce needs of the energy efficiency and renewable energy sectors and other industry sectors.[19] These partnerships will undertake collaborative activities designed to define emerging energy efficiency and renewable energy jobs and train qualified workers. States will play a key role, working with private and public partners, to coordinate and gather information on skill qualifications for existing, new and emerging careers.

It has been argued that such partnerships have the potential to enhance communication among the various entities so that needs and concerns of the various partners can be quickly identified and acted upon. Partnerships can also provide more seamless service integration within the workforce development system as well as

[19] [19] U.S. Department of Labor, Employment and Training Administration, Training and Employment Notice 44-08, May 15, 2009, p. 2.

between the workforce development programs and educational programs. Bringing educational institutions more closely together with workforce development programs creates the opportunity to align education and training at every level so that workers can easily gain the instruction they need to move along their career paths. This alignment would include assessments and certifications articulated to the requirements at each level of education and employment.[20]

Before ARRA, the federal government has initiated programs to encourage effective partnerships among local businesses, workforce development, economic development and educational institutions. Specifically, the U.S. Department of Labor sponsored a program, the Workforce Innovation in Regional Economic Development (WIRED), to support the development of a regional, integrated approach to workforce and economic development and education. The ultimate goal of WIRED is to expand employment and advancement opportunities for workers and catalyze the creation of high-skill and high-wage opportunities. Currently, the WIRED Initiative consists of three generations of regional collaborations. The first generation of WIRED, which includes 13 regions, was announced in February of 2006. Each first generation WIRED Region received $15 million over a three year period. An additional 13 regions – the second generation of WIRED– followed in January 2007. After receiving a small planning grant, these regions received an additional $5 million over the next three years, bringing the total investment to more than $260 million for the first and second generations of WIRED. Similar types of arrangements have been initiated in various states, including the Michigan Regional Skills Alliance and the California Regional Workforce Preparation and Economic Development Act (RWPEDA).

Performance Monitoring

Another area in which the ARRA and the current recession have prompted a change in operations of the federal workforce system is performance monitoring. As previously mentioned, this interest was prompted by the concern that states may not respond quickly and adequately to the increase need for training and reemployment services because of fear of failing to meet their targets. This has been changed at the national level by adjusting targets for changes in the unemployment rate. There are discussions to extend the adjustments to states and local workforce boards.

Targeting Resources and Evidence-Based Decision Making

The ARRA also sees the current situation and availability of the stimulus funds as an opportunity to transform the way in which reemployment services and training are

[20] Evaluations from several state initiatives, including Michigan's MiRSA, show that collaborative initiatives are effective in bringing together key partners in local communities. Recently, a random assignment evaluation of three sectoral initiatives was released that reported positive employment outcomes related to partnerships (Sheila Maguire, Joshua Freely, Carol Clymer and Maureen Conway, "Job Training That Works: Findings from the Sectoral Employment Impact Study," Public/Private Ventures, May 2009.

delivered. More specifically, the U.S. Department of labor has encouraged states and local workforce areas to:

- Target the use of funds on services that most efficiently and effectively assist dislocated workers;
- Integrate the implementation of Dislocated Worker services with reemployment services and UI programs;
- Integrate data-driven counseling and assessment into service strategies;
- Provide easy and seamless access to all programs regardless of their point of entry.

Some of these suggestions enhance existing systems, such as targeting UI claimants who are likely to exhaust their benefits and directing them to services. The ARRA provides additional funds for states to update their profiling models. The Worker Profiling and Reemployment Services (WPRS) system offers a solid foundation for developing a more integrated system that brings together information from all the workforce development programs and combines them with decision-making algorithms based on empirical evidence of what services work best for specific groups of individuals.

Encouraged by the success of WPRS, the Upjohn Institute, with financial support from the USDOL, developed a more comprehensive evidence-based management system, referred to as the Frontline Decision Support System (FDSS). FDSS consists of a set of tools that can help frontline staff at One-Stop Career Centers make better decisions regarding the services to which they refer their customers. For example, for dislocated workers, FDSS offers a systematic sequence of steps they can use to move through the reemployment process, beginning with understanding their likelihood of returning to work in the same industry, proceeding to exploring job prospects in occupations that require similar skills and aptitudes, then to accessing information about the earnings and growth of jobs in particular occupations within their local labor market, and ending with an understanding of which reemployment and training services work best for them, if none of the previous steps leads to a job. The tools are based on statistical relationships between a customer's employment outcomes, personal characteristics, and other factors that may affect his or her outcomes, all of which are available from administrative files already collected by the various agencies. The statistical algorithms provide an evidence-based approach to determining which services are most effective for specific individuals.

By using administrative data that captures the experience of all customers who have participated in the workforce system, this evidence-based approach offers a more comprehensive "collective" experience of what works and what doesn't than relying on the narrower experience of individual caseworkers. In addition, FDSS incorporates local labor market information and data about job requirements and available openings, so that most information pertinent to a person's job search is available in a comprehensive and systematic framework. Implementation of such a system also helps to develop a culture of management by evidence within the workforce development system.

The Georgia Department of Labor incorporated FDSS into its existing operating system by developing a set of screens that generate and display on a computer screen the

information produced by the various tools. FDSS ran successfully for nearly a year, but for various reasons it was discontinued. Nonetheless, it demonstrated that integrated systems can be developed and implemented and the positive feedback from frontline staff and customers speaks to its potential.

Another initiative to integrate administrative data and use them more effectively for decision-making purposes is the Data Quality Initiative. The ARRA provides $250 million to states to enable state education agencies "to design, develop, and implement statewide, longitudinal data systems to efficiently and accurately manage, analyze, disaggregate and use individual student data. This funding is to be used for Statewide data systems that, in addition to K-12 data, also include postsecondary and workforce information. This requires a partnership with the U.S. Department of Labor and State workforce agencies to merge the UI wages records (which record the earnings and employment of all covered employees) with the educational data. In this way, school outcomes are linked to workforce outcomes, giving decision makers and individuals useful information to make operational and strategic policy decisions. In addition, the Administration proposed a workforce data quality initiative. It is similar to the education initiative and is intended to be merged with the education initiative. The FY2010 includes $15 million to be allotted to states to develop such an integrated data system.

VII. Conclusion

The American Recovery and Reinvestment Act of 2009 has doubled the amount of money available for employment services and training. It also includes a sizeable amount of funds to extend the length of unemployment benefits and increase the benefit amounts. This injection of funds into the existing workforce training system increases the capacity of the system to help displaced workers adjust to the restructuring taking place in the economy and to help marginally attached workers acquire the skills necessary to gain a foothold in the job market. It has also reinvigorated the workforce system by augmenting funding levels for the Wagner-Peyser Employment Service and WIA, which had been eroded over the years.

Of course, skills alone are not enough to help the millions of unemployed find jobs. Additional jobs must be created, and a good portion of the $787 billion stimulus package is designed to create jobs while investing in future infrastructure. The worker training and employment services component of the Recovery Act is small but potentially effective. By equipping workers with the skills demanded by businesses now and in the future, the training initiative is intended to help speed up the recovery and provide the talent that businesses need to speed up the recovery and sustain a productive economic expansion.

Studies of the effectiveness of employment services and training programs suggest these services reduce the number of weeks of unemployment by increasing the likelihood of find a job and receiving higher earnings. The effects vary by population groups, with the economically disadvantaged and female participants benefiting more than displaced workers and men.

The ARRA also encourages transformative thinking about the delivery of services and provides incentives to improve the delivery of services by funding upgrades to the current information system and by encouraging the development of more tools to help individuals, workforce staff, educators, and policy makers make better informed decisions. Although no new initiatives have been pursued of any consequence, Department of Labor directives emphasize the quality of services over the quantity of participants served, demand-driven training, partnerships, and sectoral initiatives. These initiatives mark a continuing evolution of the U.S. workforce system, most of which was established in response to the Great Depression 75 years ago.

Table 1: Public Expenditure and participants in labor market programs in OECD countries

	Full Unemployment Benefits						PES Placement and Related Services			Training					
	Public expenditure (% GDP)			Participants (% labor force)			Public expenditure (% GDP)			Public expenditure (% GDP)			Participants (% GDP)		
	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006	2004	2005	2006
Australia	0.63	0.56	0.50	5.33	4.95	4.53	0.16	0.13	0.12	0.01	0.01	0.01	0.45	0.44	0.17
Austria	0.94	1.09	1.01	5.60	5.60	5.25	0.07	0.07	0.08	0.29	0.33	0.40	1.67	1.89	2.22
Belgium	1.28	1.29	1.23	10.88	10.93	10.56	0.03	0.04	0.04	0.19	0.20	0.20	2.26	1.84	2.07
Canada	0.69	0.62	0.60				0.04	0.04	0.04	0.09	0.08	0.08	1.48	1.58	1.56
Czech Republic	0.25	0.24	0.23	3.29	2.68	2.56	0.04	0.04	0.04	0.02	0.01	0.01	0.15	0.12	0.14
Denmark	1.92			6.96			0.05			0.54			1.78		
Finland	1.43	1.35	1.18	10.22	8.57	7.67	0.10	0.10	0.10	0.40	0.37	0.37	1.92	1.86	1.86
France	1.63	1.53	1.35	9.71	9.30	8.98	0.15	0.16	0.17	0.31	0.29	0.29	1.94	1.98	2.01
Germany	2.17	2.20	1.98	10.15	10.96	11.15	0.13	0.14	0.13	0.36	0.24	0.33	2.61	2.29	3.82
Greece	0.35	0.34								0.03	0.04				
Hungary	0.37	0.38	0.35	2.98	3.08	3.36				0.05	0.04	0.06	0.50	0.34	0.33
Ireland	0.73	0.67	0.70	8.05	7.29	7.03	0.05	0.04	0.04	0.24	0.24	0.24	1.47	1.37	1.28
Italy	0.54	0.61	0.58	2.02	2.27	2.17	0.01	0.01		0.22	0.20	0.22			
Japan	0.46	0.43	0.40				0.01	0.01	0.01	0.04	0.04	0.04			
Korea	0.19	0.22	0.24				0.01	0.01	0.01	0.04	0.04	0.05			
Luxembourg	0.40	0.40	0.36	2.38	2.43	2.35	0.02	0.02	0.02	0.11	0.12	0.12	0.92	1.01	1.09
Mexico										0.01	0.01	0.01			
Netherlands	2.08	2.01	1.46	9.60	8.74	6.56	0.18	0.17	0.20	0.14	0.14	0.13	1.66	1.79	1.86
New Zealand	0.54	0.44	0.34	3.23	2.44	1.82	0.03	0.02	0.02	0.19	0.18	0.18	0.91	0.95	1.01
Norway	0.65	0.71	0.43	4.79	4.36	2.87	0.06	0.05	0.06	0.40	0.37	0.26	1.76	1.64	1.41
Poland		0.30	0.26		2.18	1.84					0.10	0.10		0.65	0.58
Switzerland	0.98	0.87	0.73	3.55	3.39	3.04				0.30	0.28	0.23	0.94	0.91	0.78
United Kingdom	0.19	0.19	0.19	2.88	2.98	3.19	0.22	0.23	0.14	0.03	0.07	0.02	0.17	0.15	0.13
United States	0.27	0.24	0.24			3.30	0.01	0.01	0.01	0.05	0.05	0.05			0.19
OECD Average	0.81	0.79	0.71	5.58	5.30	5.04	0.06	0.06	0.06	0.18	0.17	0.17	1.17	1.18	1.24

Source: OECD Employment Outlook, 2008

Table 9: ARRA Funds Award and Received by State, as of October 20, 2009

Rank	State	Jobs Created/Saved	Unemployment Rate	Funds received	Funds awarded	per capita	State population
35	Alabama	4,884	10.70%	$545,184,755	$2,492,509,402	$535	4,658,896
42	Alaska	2,315	8.40%	$199,728,902	$1,240,659,446	$1,808	686,205
17	Arizona	12,283	9.10%	$815,761,221	$2,841,731,609	$437	6,502,818
37	Arkansas	3,742	7.10%	$352,752,164	$1,360,158,483	$476	2,857,476
1	California	110,185	12.20%	$8,180,536,434	$18,534,842,086	$504	36,775,480
25	Colorado	8,094	7.00%	$686,306,507	$2,627,726,557	$532	4,939,336
26	Connecticut	7,551	8.40%	$317,056,161	$1,696,726,074	$485	3,498,404
51	Delaware	1,170	8.30%	$88,354,134	$514,358,218	$589	873,274
43	District of Columbia	2,274	11.50%	$209,002,702	$2,820,400,004	$4,766	591,775
4	Florida	29,321	11.00%	$402,301,304	$6,779,162,052	$370	18,322,060
6	Georgia	24,681	10.10%	$1,351,909,776	$4,195,607,130	$433	9,689,624
49	Hawaii	1,545	7.30%	$150,051,549	$820,478,467	$637	1,288,035
45	Idaho	2,103	8.80%	$246,099,727	$1,222,995,124	$803	1,523,033
7	Illinois	24,448	10.60%	$2,475,986,702	$6,425,353,559	$498	12,902,316
11	Indiana	18,876	9.60%	$848,420,351	$3,046,340,935	$478	6,373,098
33	Iowa	5,323	6.70%	$325,295,556	$1,506,236,417	$502	3,000,471
31	Kansas	5,935	6.90%	$452,913,929	$1,313,579,642	$469	2,800,809
36	Kentucky	4,202	10.90%	$407,888,690	$2,236,628,655	$524	4,268,375
21	Louisiana	9,136	7.40%	$554,554,215	$2,256,113,329	$512	4,406,471
48	Maine	1,613	8.50%	$158,730,823	$754,150,076	$573	1,316,143
28	Maryland	6,748	7.30%	$685,827,388	$3,178,478,188	$564	5,635,600
16	Massachusetts	12,374	9.30%	$622,092,398	$3,889,303,659	$599	6,492,994
9	Michigan	22,514	15.30%	$1,246,886,826	$5,210,979,620	$521	10,001,880
15	Minnesota	14,315	7.30%	$569,022,073	$2,575,089,480	$493	5,223,305
39	Mississippi	3,433	9.20%	$410,153,462	$1,702,695,437	$579	2,940,752
14	Missouri	15,149	9.50%	$418,961,024	$2,926,256,413	$478	6,121,875
30	Montana	6,427	6.70%	$135,535,988	$877,010,517	$907	966,936
40	Nebraska	2,840	4.90%	$180,720,013	$856,998,995	$481	1,781,703
32	Nevada	5,667	13.30%	$314,632,860	$987,895,427	$380	2,599,725
38	New Hampshire	3,528	7.20%	$156,618,559	$693,066,327	$527	1,315,116

8	New Jersey	24,109	9.80%	$945,159,777	$3,860,931,338	$445	8,676,250
34	New Mexico	5,230	7.70%	$268,181,713	$1,616,081,094	$814	1,985,358
2	New York	40,620	8.90%	$1,270,825,148	$10,599,031,205	$544	19,483,513
5	North Carolina	28,073	10.90%	$1,137,627,039	$4,278,468,699	$464	9,220,838
50	North Dakota	1,293	4.20%	$193,684,378	$698,697,685	$1,089	641,596
13	Ohio	17,095	10.10%	$869,814,143	$5,056,329,654	$440	11,491,658
22	Oklahoma	8,747	6.70%	$492,815,176	$2,023,730,219	$556	3,639,803
19	Oregon	9,653	11.50%	$437,409,025	$1,832,055,076	$483	3,793,075
27	Pennsylvania	7,427	8.80%	$428,596,627	$4,527,781,391	$364	12,438,960
12	Puerto Rico	17,597	16.20%	$200,030,374	$1,936,135,565	$490	3,951,297
47	Rhode Island	2,012	13.00%	$104,873,107	$673,198,087	$641	1,050,231
24	South Carolina	8,147	11.60%	$702,204,491	$3,810,181,377	$851	4,477,299
44	South Dakota	2,198	4.80%	$253,132,551	$703,218,503	$874	804,598
20	Tennessee	9,548	10.60%	$340,761,909	$3,753,201,686	$604	6,213,910
10	Texas	19,572	8.20%	$1,826,235,380	$10,680,465,910	$439	24,329,080
29	Utah	6,598	6.20%	$626,260,300	$1,502,981,542	$549	2,737,671
46	Vermont	2,030	6.70%	$126,537,555	$471,106,759	$758	621,513
23	Virginia	8,617	6.70%	$489,277,020	$3,444,947,494	$443	7,776,405
3	Washington	34,517	9.30%	$1,363,123,760	$5,425,578,941	$828	6,552,632
41	West Virginia	2,409	9.00%	$238,948,456	$1,043,406,140	$575	1,814,619
18	Wisconsin	10,073	8.40%	$733,726,315	$2,411,740,471	$429	5,621,773
52	Wyoming	860	6.80%	$60,027,312	$476,386,519	$894	532,871

Source: Recovery.gov