

## Beyond Good Intentions:

# Using Data to Promote Economic Opportunity

## INTRODUCTION

In its drive to promote a thriving economy and career pathways for all residents, the District of Columbia faces a serious obstacle. The city simply does not have the data and information it needs to decide priorities, track progress, evaluate programs, and make improvements.

“Data is power. We can’t afford not to use it.”  
... *The Data Quality Campaign*

The District supports and operates programs funded through the federal Workforce Investment Act (WIA), as well as myriad other programs with employment, training, education, and economic development goals. As currently structured, however, these programs do not provide user-friendly, actionable information about the outcomes of the city’s public investments related to employment and



economic development. The political will to put resources into finding the answers—and even to ask the questions in some cases—has been lacking, hurting the city’s ability to

make informed decisions, learn from its successes and failures, and make improvements. This must change.

**The District needs to dramatically improve its ability to generate, analyze, use, and communicate quantitative information.** In addition, the District needs to cultivate a data-driven culture. Too many District leaders and program officials resist using quantitative data to drive investment for fear of altering existing funding relationships and political priorities. City leaders will need to devote financial and political capital to the issue, disrupt entrenched procedures and staffing structures, shift the culture around data from compliance to program improvement, and commit to develop new skills among city officials, staff, and current and potential grantees and contractors. By investing in the often-unsung work of improving data systems and administrative processes, the city will be able to ask and answer crucial questions about the effectiveness of its investments. City leaders who embrace this agenda now will leave a powerful legacy of economic opportunity.

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## WHO BENEFITS FROM GOOD DATA, AND HOW?

Data that capture the effects of program practices on specific service populations can help funders and policy makers **make evidence-based budgeting and policy decisions**. As budget cuts threaten even core services, programs need to demonstrate their value to the public. Funders and policy makers can also use these data to set benchmarks which can help improve outcomes system-wide.

Service providers need access to high-quality data to **manage their performance**, and to measure their progress in meeting internal and external performance goals. A well-designed system of data collection can help pinpoint what works (so service providers can do more of it) and what's not working (so they can redesign it and do it better). Service providers need a stable, reliable data system; they need to know from the outset what participant data they will need to collect, and they need to be able to analyze comparable data from year to year.

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Individuals (along with caseworkers, career counselors, and workforce program leaders) need data to **guide sound education and career choices**. It should be easy for an individual in DC to access information about demand occupations, high-wage occupations, current and projected job openings, credentials required for jobs, and local training providers with strong track records. When public spending priorities are aligned with this same analysis, individuals can access WIA or other funds to improve their economic opportunities.

In support of individual job seekers and employers, a comprehensive system of data collection and analysis could **identify shortcomings and potential improvements in the One-Stop Career Centers**. Decision makers could make better

judgments about the extent to which One-Stops are meeting residents' needs, the siting and services of any additional One-Stops, and the impacts of specific One-Stop services on residents' job search and job retention outcomes. DOES would have better data on which to evaluate and improve the effectiveness of staff and contractors who deliver services in the One-Stops.

**Fair, defensible award decisions for grants and contracts** need to be data-dependent. Applicants should be able to demonstrate they are reaching specific, agreed-upon employment and skill-building goals. Programs that cannot demonstrate effectiveness and that do not embrace quality improvement efforts should not be funded. Strong data systems establish a clear and transparent basis for decisions.

Solid data would provide the community at large with a **visioning tool** that can involve stakeholders at various levels. With good data, ANC Commissioners can guide planning discussions in their neighborhoods, citizens can engage with policy makers, and business leaders and entrepreneurs can work with communities to build businesses that meet local needs. With good data, people can set appropriate short- and long-term goals and identify strategies to achieve those goals.

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Finally, as high-quality, interoperable data systems become the norm throughout the states, Federal agencies and philanthropists are increasingly demanding valid workforce data and sophisticated data analysis as a **precondition for awarding grants**. In order to remain competitive, the District must upgrade its workforce data collection and analysis capacity. The District has missed out on US Department of Labor grant opportunities in the past, in part for lack of data capacity. Federal policy makers and potential funders expect states to invest in improving their own systems, whether in partnership with Federal initiatives or independently.

## RECOMMENDATIONS FOR ACTION

While the process should ultimately involve every District agency, several entities should take the lead, working in close concert with each other. The ultimate goal is to generate and use quantitative information to track the city's progress towards developing a thriving economy and career pathways for residents. From that large goal flow a multitude of specific and incremental steps.

### The Workforce Investment Council (WIC)

should take a leadership role in establishing performance criteria for job training and placement programs. The WIC is a federally mandated body charged with overseeing workforce development policy and programs. It convenes representatives from business, education, nonprofits, labor, and government across multiple agencies to develop and oversee the city's strategy to improve the employment prospects of its residents.

- **The WIC should develop a uniform assessment and contracting process, and consistently tie funding to performance.** To develop a robust understanding of performance, the WIC should consider both interim and outcome measures. When evaluating outcome measures, the WIC should take into account the populations served in order to avoid penalizing programs that serve clients with the most serious educational and employment barriers.
- **The WIC should start with programs over which it has direct oversight, including WIA Title I-funded job training programs and the One-Stop Career Centers, and should work with**

## BUILDING DATA CAPACITY

The city needs to develop **information people can use**. Specifically, workforce data systems should:

- Reflect **consensus on core performance measures that are appropriate** for all types of programs, while also including performance measures that are relevant to diverse types of programs serving diverse segments of the population. For example, programs serving participants with 4th grade reading levels should not be expected to have the same GED pass rates as those serving participants with 8th grade reading levels. All programs, though, should be able to report on program retention and completion rates, using a common definition of retention and completion.
- Provide policymakers with **accurate labor market information, program performance data, and longitudinal data**, so they can make informed strategic decisions and award grants and contracts based on merit.
- Help **strengthen data analysis capacity and simplify program-based data collection**, with particular attention to the needs of smaller nonprofits, so providers can document success, improve their programs, and better serve their customers.
- Include (or interact with) **all programs and funding streams** that contribute to adult education, skills training, and labor exchange.

In addition, for the many programs provided by government grantees or contractors, the government has an obligation to provide **essential guidance, support, training, and technical assistance** to ensure that data collected are uniform in quality and that analysis and information are accessible and usable.

Ultimately, the city needs a **new and different culture around data**, in which data are used as a tool and not a punishment; in which the main purpose is to promote continuous improvement; and in which policymakers, program directors, front-line staff, business executives, and individual customers know how to use data to help them accomplish their goals.

**partners to develop similar shared agreements on outcomes for other workforce and education programs.** It should begin to hold WIA-funded programs accountable for making performance data available for consumers' use.

**The Department of Employment Services (DOES)** should be a hub of information and data related to training, job placement, and employment, and should serve multiple audiences: residents, policy makers, employers, and program operators. With improved operations, DOES can provide a wealth of useful data.

## DATA CATEGORIES

Different kinds of data answer different kinds of questions.

**Labor market information (LMI)** is both descriptive and anticipatory: What does the local labor market look like today, and what can we expect in the future? LMI includes such information as past and current unemployment rates, industry growth projections, wage data, and commuting patterns. It answers career-specific questions such as: How many registered nurses currently work in the District? How many more will we need two years from now? Do nurses earn more in DC or in the surrounding suburbs? What health care jobs may require less training but command higher salaries than nursing?

A good LMI system informs policymakers as they identify priorities and implement policies to achieve those priorities. LMI helps public and philanthropic funders make smart, defensible spending decisions. Public investments guided by LMI generally leverage more private investments. LMI helps employers understand larger market trends; helps training providers identify and expand training opportunities for high-demand jobs; and helps individuals learn about current and future demand occupations, the preparation those jobs require, and the salaries associated with each one.

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**Program performance data** are retrospective. They inform programs, public- and private-sector funders, and consumers about how well programs met their intended targets. At minimum, funders typically require workforce training providers to report on credential attainment, employment attainment, job retention, wages, and advancement. Adult education providers may be required to report educational gain and GED completion, as well as workforce outcomes. Funders may also require, and programs may also choose to collect and report on, interim

performance measures, such as how quickly students move from one literacy level to the next. Using performance data can be challenging because funders may define individual performance measures differently. One funder may define job retention as a snapshot of post-program employment after three months and again at six months. Another may measure whether an individual is with the same employer at six months as at three months. Consistent definitions help us produce high-quality, reliable, comparable performance information across programs.

**Longitudinal data** go beyond individual program outcomes to identify systemic patterns. This is generally the most difficult and expensive type of data to collect; it is also the most useful type for policymakers seeking to identify patterns and demonstrate relationships among interventions (e.g. educational programs, financial support) and long-term outcomes (e.g. earnings, economic self-sufficiency). For example, longitudinal data can determine whether children enrolled in special education are more likely than others to later be unemployed, whether adults who earn a GED are more likely than those with a high school diploma to get and keep a job, or what percentage of high school graduates require remedial education before they can begin to earn credits toward a college degree. These kinds of answers can suggest significant changes in policy and priorities.

**Demographic data** make the other three kinds of data more useful by providing both a context and a greater level of detail. Demographic data help us answer questions such as: What kinds of DC residents comprise the city's unemployed population? What is the percentage of very low income, long-term unemployed residents, for example, relative to skilled workers who were hit by recession-related job loss? What types of interventions do different groups need, and what is the right mix of programs? Do our programs address their needs?

## EXEMPLARY STATE INITIATIVES

The Data Quality Campaign has highlighted several states that have established (or made substantial progress toward) integrated workforce and educational data systems. Here are several examples:

**Florida** built a two-part data system, beginning in the 1980s, to determine how effectively the education sector and the workforce preparation infrastructure were meeting job seekers' and employers' needs. Florida's system links the Education Data Warehouse (EDW) with the Florida Education and Training Placement Information Program (FETPIP). EDW collects K-20 public education information (such as student demographics, enrollment, test scores, employment and financial aid; as well as staff demographics and instructional activities, and information on educational institutions and curricula). FETPIP houses follow-up data on former students and program participants who have graduated, exited or completed a public education or training program in Florida (including data on employment, job retention and earnings for participants in WIA, Wagner-Peyser, and Welfare Transition programs, as well as universities, community colleges, the corrections system, and farmworker job and education programs). Florida's Department of Education provides ready access to large amounts of data. Researchers can request special access for specific research purposes.



**Texas** began linking longitudinal data systems across sectors more than 20 years ago, to enable the state to evaluate the effectiveness of public investment in education and workforce programs, provide data to postsecondary graduates, and measure workforce education program graduates' placement rates. Two recent initiatives have been directed at advancing policymakers' ability to evaluate public investment impact. In 2003, the state legislature directed the Texas Workforce Commission to review student outcomes by student cohorts, requiring postsecondary and workforce data to be linked, and in 2007, the legislature established three Education Research Centers to help facilitate K-12 and postsecondary data linkage.



**Maryland**, spurred by Governor O'Malley and key state policymakers, passed a law in 2010 to create the Maryland Longitudinal Data System Center and launch it by the end of 2014. The Center was conceived to help stakeholders determine how students are performing and whether they are graduating ready for college and careers. To that end, the Center was designed to include individual student-level data from early childhood through postsecondary education and the workforce, in accordance with a legislative directive to protect the privacy, security, and confidentiality of the student data. Key to the Center's success thus far was the creation of a Governing Board that provides oversight, sets policy, and oversees privacy and security issues. The Board provides an essential venue for top policymakers to engage in critical and productive interagency dialogue.



**Indiana** began linking education and workforce data so as to inform statewide policy relative to the role of education as a critical driver of workforce development. The Indiana Workforce Intelligence System started by integrating disparate workforce development data sets, and then integrated the resulting data with higher education data. This initiative has helped the state learn more about the industry, wages, and unemployment experiences of Indiana University System graduates—information that has factored heavily into efforts to target improvements in higher education curricula, strengthen job training opportunities, provide appropriate interventions, and evaluate retrained workers' employment outcomes.



For more information: [http://www.dataqualitycampaign.org/files/UsingLinkedDataPaper-withMeetingNotes\[1\].pdf](http://www.dataqualitycampaign.org/files/UsingLinkedDataPaper-withMeetingNotes[1].pdf)

- **The Office of Labor Market Information reports on local and regional employment and economic trends, but its reports do not seem to drive policy or program decisions within DOES or other agencies.** However, by increasing employer involvement in data analysis and by communicating data more clearly and disseminating it more widely, the Office can be an important resource for government, business, and nonprofit decision makers.
- **The One-Stop Employment Centers that serve residents across the city can provide value in multiple ways:** informing residents about education, training, and employment options that match their needs; and providing DOES leadership with information on customer needs and characteristics that it can use to develop and refine programs.
- **Through Unemployment Insurance program data, DOES can accomplish two important tasks.** First, it can identify trends in the demographic characteristics of unemployed workers, allowing the agency to better tailor services to meet the needs of this population. Second, employers submit wage and employment data along with their unemployment taxes, which can be used by DOES to gain insights into the employment outlook for various occupations and industries.
- **Two locally funded and operated programs—the Summer Youth Employment Program and the Transitional Employment Program (a short-term subsidized jobs program**

**for residents with multiple barriers to employment)—need to provide more and better outcome information.** We need to know whether participants in these programs gain skills and whether the placements lead to sustained employment, possibly unsubsidized. These programs, if run well, can provide valuable services that launch residents onto positive employment trajectories. However, unless DOES can document program effectiveness, the city needs to reconsider its investments.

**The Office of the State Superintendent of Education (OSSE)** is developing the Statewide Longitudinal Data System (SLED), which provides a unique student identifier for each student in preK-12 schools, both DCPS and charter. OSSE hopes to link workforce and postsecondary data to the preK-12 data, creating a longitudinal data system of incredible value for policymaking. Longitudinal data of this nature can document the linkages between education and employment, so the District can assess the effectiveness of its education system in preparing residents to find and keep good jobs.

However, while OSSE has made substantial progress in the past year toward developing the preK-12 system, much remains to be done. One of the most important steps is building a research agenda—figuring out what questions we want the system to answer—so that the SLED can be integrated into the District’s economic and workforce policy considerations. While developing an interoperable longitudinal system is a complex, multi-year project, it is ultimately a political

and administrative task. Developing the technology for the system is manageable, if there is political will; other states have already done it. OSSE may need to restructure its efforts around SLED, and it definitely will need the strong support of the Mayor to break through bureaucratic logjams.

### **The Deputy Mayor for Planning and Economic Development (DMPED)**

has the important task of integrating economic and workforce development, promoting economic growth by investing in industries that will create high quality, permanent jobs and career opportunities for District residents. DMPED should require recipients of economic development assistance to report on the quality and quantity of jobs produced in conjunction with that assistance. DMPED should use the resulting data to assess the effectiveness of its investment strategies and to drive future investments.

**The Council of the District of Columbia** should be a strong advocate for developing data systems to track the city’s effectiveness in meeting its goals. Its oversight and budget authority will be critical, as will its ongoing support for data-driven decisions at every level of government.

## CONCLUSION

Changing the culture around data can succeed only if elected officials and other key players commit to supporting that change. Political leaders must understand that the gains to the District and its residents are worth the inevitable complaints and disruptions that will ensue when decisions are made based on better data. There will be losers as well as winners, and the losers will not be silent. Politically popular programs will need to prove their effectiveness in order to retain city funding.

To ease the transition to a data-driven culture, political leaders will need to:

- Budget, from the outset, for introductory and ongoing training and technical assistance for government staff at all levels, and for organizational capacity-building to use, collect, and analyze data.
- Ensure that all grant and contract awards provide program operators with support that is commensurate with the complexity of, and the time needed for, the data collection and analysis required of them; and encourage foundations to do the same with their grants. Public and private funders should work together to reduce the burden on recipients of responding to duplicative and conflicting data requirements.
- Recognize that the changes recommended here are not a short-term fix. Rather, many steps will be required, involving diverse constituencies over several years. Building robust data systems and reorienting departments and stakeholders across the city so that they rely on those systems and know how to use them will require long-term commitment from political leaders.

The work outlined in this brief requires a steadfast, multi-year effort and strong interagency support. But it will be worth it. The initial investment will yield dividends many times over by enabling the District to better chart its course to a stronger economy and more opportunities for residents.

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