

# Issue BRIEF



## Costs of Services Provided by the WIA Adult and Dislocated Worker Programs

By Annalisa Mastri and AnnaMaria McCutcheon, Mathematica Policy Research

### HIGHLIGHTS FROM THIS BRIEF

Drawing on experiences of 28 randomly selected Local Workforce Investment Areas (local areas), this issue brief provides cost estimates for five Workforce Investment Act of 1998 (WIA) Adult and Dislocated Worker programs' services: visits to the resource room, structured assessments, job clubs, workshops, and one-on-one counselor meetings. Key findings include:

- Resource room visits and structured assessments were the least costly services—an average of \$16 per visit and \$13 per assessment.
- One-on-one counselor meetings cost the most—\$143 per hour-long meeting, on average.
- Service costs differed considerably across local areas. These differences were associated with variation in staff members' salaries, the amount of time spent delivering services, and the local areas' overhead costs.
- Resource room costs and one-on-one counseling meetings were largest, on average, in larger local areas. Visits to a resource room were, on average, most expensive in urban areas.

**MATHEMATICA**  
Policy Research

 **SPR** SOCIAL POLICY RESEARCH  
ASSOCIATES



WIA Adult and Dislocated Worker Programs | Gold Standard Evaluation

Local Workforce Investment Areas (local areas) provided a range of resources and services to customers through the Workforce Investment Act of 1998 (WIA) Adult and Dislocated Worker programs. Customers accessed these services via American Job Centers (AJCs, formerly known as One-Stop Career Centers). Customers could engage in job search activities independently by accessing such resources as online computers and lists of job openings in the AJC “resource rooms.” Other services, such as creating and refining a resume or developing an individualized education and training plan, required staff assistance. Under the Workforce Innovation and Opportunity Act (WIOA), which superseded WIA, local areas will continue to provide these employment-related services to their customers.

This brief describes the estimated costs of five key services based on data collected as part of the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation

(WIA Gold Standard Evaluation) from 28 randomly selected local areas nationwide. A future report will compare the estimated benefits of services received by study participants with their estimated costs.

## **COST ESTIMATION APPROACH AND METHODS**

Staff in each of the local areas participating in the WIA Gold Standard Evaluation provided information on their expenditures for program year 2011 or 2012 using cost data collection protocols.<sup>1</sup> Specifically, they reported expenditures related to staff compensation, supplies, and overhead costs. Overhead costs included rent, utilities, materials, and supplies associated with the local area administrative offices and AJCs; costs of administrative staff who typically did not work directly with customers (for example, Local Workforce Investment Board staff); costs associated with the proportion of time that front-line staff spend on management and supervisory tasks; and other indirect costs associated with program management, such as profits to service providers.

We also collected information on how often a service was offered and the number of customers receiving each service. When possible, we collected information from local areas on partner contributions to facilities and staffing of the resource room.

Using these data, we estimated the costs of providing five ongoing services, shown in Table 1. The WIA Adult and Dislocated Worker programs provided three levels of services: (1) core services, which include self-services and services that require minimal staff assistance; (2) intensive services, which require more in-depth assistance from staff; and (3) training. For this brief, we combined core- and intensive-level assessments and workshops, because their characteristics and costs were similar across local areas. Estimates of the cost of training and supportive services will be included in a future report.

We used an “ingredients” approach<sup>2</sup> to estimate costs, whereby we determined which components contributed

**Table 1. WIA Adult and Dislocated Worker services examined in this brief**

<b>Service</b>	<b>Description</b>
<b>Resource room visit</b>	Resource rooms provide facilities and supplies for customer use. A typical resource room in an AJC is a designated space equipped with computers, phones, fax machines, and office supplies. It also contains information about local labor markets, workshops held at the AJC, and aspects of the job search process. Many resource rooms allow customers to serve themselves; however, some provide staff assistance as needed, and others have staff available at all times. We estimated the cost of one visit to a resource room; because resource rooms are often operated by WIA and partners, we also incorporated partner costs into this estimate when appropriate.
<b>Structured assessment</b>	Structured assessments are administered to determine a customer’s skill level and/or to inform decisions related to job search and training options. We estimated the average, nonlabor cost of a structured assessment (i.e., just the testing materials and scoring fees).
<b>Job club per customer</b>	Job clubs, also called peer support groups, bring together small groups of job seekers to share information and job leads and provide general support. Most are led by peers, with a WIA staff person facilitating the session, though some are more structured. We estimated the average cost per participant of attending one job club meeting.
<b>Workshop per customer</b>	Workshops are offered to enhance customers’ job search or skill development. They are typically offered in a classroom and can include such topics as resume writing, interviewing skills, Internet basics, crafting cover and thank you letters, networking, professionalism, teamwork, conflict management and negotiation, and using Microsoft Office. We estimated the average cost per participant of attending a workshop of an average duration with an average number of staff facilitating it.
<b>One-on-one counselor meeting</b>	WIA counselors work one-on-one with customers to determine their eligibility for WIA intensive services and training, discuss career goals, search for jobs or training programs, develop resumes, discuss assessment results, and provide support and follow-up, among other activities. In addition to the time spent face-to-face with customers, counselors often spend time preparing for these meetings and following up after them—for instance, looking through job postings to find good job matches for a customer in preparation for a meeting or typing up notes following a meeting. We estimated the average cost of a one-hour counselor meeting including meeting, preparation, and follow-up time.

Source: WIA Gold Standard Evaluation cost data collection, program year 2011 or 2012.

to the cost of each service and the cost of each component, and then added them together to arrive at a total estimated cost. We then calculated the unit cost from the number of customers that received each service. Table 2 lists the ingredients for the five services examined in this brief. To illustrate, the ingredients for the cost of a structured assessment taken on paper might include

the purchase of test booklets and scoring fees. Another local area might make the assessment available online, so its expenses might include a licensing fee instead of test booklets. Because local areas typically pay for these fees and materials on an annual basis, the total cost was spread across the total number of structured assessments taken annually.

**Table 2. Cost ingredients for key services**

Service	Ingredients
<b>Resource room visit</b>	Rent, utilities, other overhead specific to the resource room Partner overhead contributions (when partners contribute to overhead costs) WIA resource room staff time (for those that are not solely self-service) Partner resource room staff time (when partners proctor the resource room) Staff costs (wages and salaries, benefits, employer taxes, overhead) Number of customer visits per year <i>We did not include the capital cost of the computers or other equipment in the resource room, nor did we include the cost of developing and maintaining labor market information and job-matching tools.</i>
<b>Structured assessment</b>	Number of assessments taken annually Licensing and scoring fees paid annually Annual supplies, such as test booklets <i>We did not include staff time spent proctoring, scoring, or discussing with customers the results of the assessments. Many assessments were conducted independently without staff assistance, and when staff did proctor an assessment, they were often also conducting other tasks. Frequently, the assessments were scored automatically by the computer or by the assessment vendor. The costs of the time spent talking about the findings from the assessment were included in the "One-on-one counselor meeting" category.</i>
<b>Job club per customer</b>	WIA counselor time Staff costs (wages and salaries, benefits, employer taxes, overhead) Time spent preparing and following up Number of sessions offered per year Average duration of session Number of staff facilitating Supplies Number of attendees per session
<b>Workshop per customer</b>	WIA counselor time Staff costs (wages and salaries, benefits, employer taxes, overhead) Time spent preparing and following up Number of sessions offered per year Average duration of session Number of staff facilitating Supplies Customer fees, if applicable Number of attendees per session
<b>One-on-one counselor meeting</b>	WIA counselor time Staff costs (wages and salaries, benefits, employer taxes, overhead) Time spent preparing and following up

Source: WIA Gold Standard Evaluation cost data collection, program year 2011 or 2012.

WIA counselor time was a key component of the cost of a one-on-one counselor meeting, workshop per customer, and job club per customer. In addition to the counselor's salary, we factored into the cost of an hour of the counselor's time, his or her benefits (such as health insurance and employer taxes), and overhead costs. In addition to the time spent meeting face-to-face, counselors often spent time preparing for meetings and workshops—for example, reviewing job matches—and following up after them. We factored this additional time into the calculation of the cost of one-on-one counselor meetings and workshops, as well.

## AVERAGE COSTS OF FIVE WIA SERVICES

Figure 1 presents the average costs of the five services across the 28 local areas participating in the WIA Gold Standard Evaluation. The average costs of a visit to the resource room and structured assessment were similar (\$13 and \$16, respectively). These services represented the least costly of the five services examined, because they involved minimal, if any, staff involvement. The next most costly service was a job club meeting, which had an average cost of \$38 per participant. Its cost reflected the staff time that was typically involved in leading or supervising a job club meeting. Workshops, which required more extensive staff involvement, were about 40 percent more expensive than job clubs, with an average cost of \$54 per customer per workshop. Because one-on-one counselor meetings required the most staff involvement, they were by far the most expensive service delivered to WIA customers; at \$143 per meeting, their cost was nearly triple the cost of an average workshop.

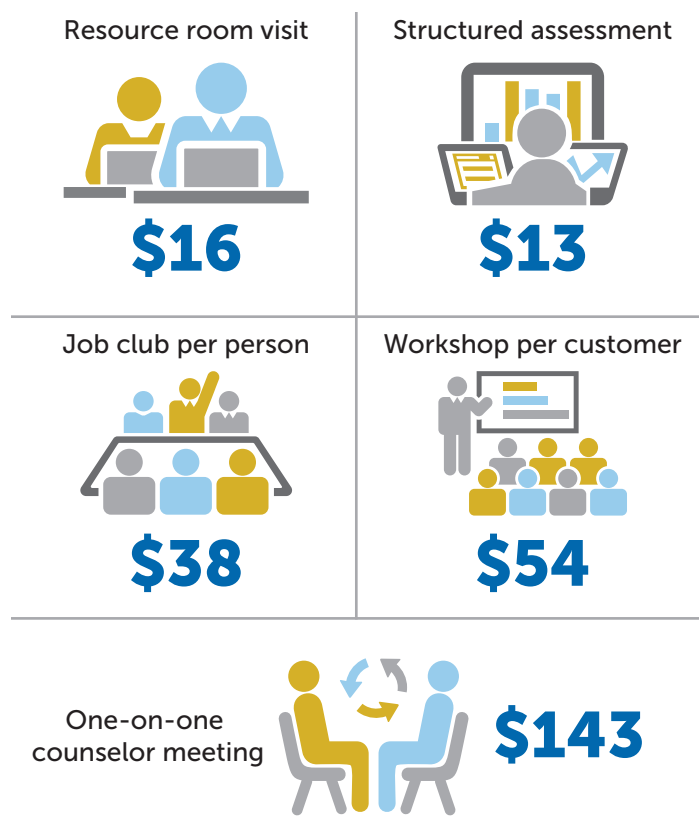
### Resource room visit



The average cost of a single customer's resource room visit was \$16 and ranged from \$3 to \$92 in the local areas in the WIA Gold Standard Evaluation (see Table 3). Nearly half of the local areas spent less than \$10 per resource room visit (12 of the 27 local areas), and the cost of a resource room visit was \$20 or less in most local areas (23 of 27 local areas). The cost of a resource room visit was lower than average (\$12 compared with \$16) in the five local areas with the lowest staff involvement, as measured by the number of full-time equivalent staff in the resource room.<sup>3</sup>

For two local areas, the cost of a resource room visit was in the \$51 to \$100 range. This heightened expense was attributable to two factors: (1) the low number of visits to the resource

**Figure 1. Average costs of services**



Source: WIA Gold Standard Evaluation cost data collection, program year 2011 or 2012.

rooms and (2) the high costs of the facilities that housed the resource rooms. Both of these local areas were located in urban regions with WIA program allocations greater than \$6 million. However, they had an average of about 36,000 visits per year, compared with around 145,000 average visits in the four other local areas that are both urban and large in allocation size. They also had higher facilities costs than other similar sites (approximately \$792,000 per year compared with \$440,000 in the other four large, urban areas).

### Structured assessment



Across all local areas that offered structured assessments, the costs ranged from \$0 (for example, for a free online assessment) to \$62, and the average was \$13. In 16 of the 25 local areas that offered structured assessments, the cost was less than \$10 per assessment. One local area with high assessment costs paid licensing fees of \$12,000 per year, but only about 200 customers took the assessment. In general, local areas with low licensing fees, low scoring fees, and/or many assessment takers had lower assessment costs.

**Table 3. Number of local areas by average cost per service**

Service	Minimum	Maximum	\$0–\$10	\$11–\$20	\$21–\$30	\$31–\$40	\$41–\$50	\$51–\$100	\$101–\$150	\$150+	Number of local areas
Resource room visit	\$3	\$92	12	11	1	1	0	2	0	0	27 <sup>a</sup>
Structured assessment	\$0	\$62	16	3	4	1	0	1	0	0	25
Job club per customer	\$4	\$196	5	0	1	0	2	0	0	1	9
Workshop per customer	\$7	\$156	2	2	2	5	1	7	1	2	22
One-on-one counselor meeting	\$70	\$355	0	0	0	0	0	8	10	10	28

Source: WIA Gold Standard Evaluation cost data collection, program year 2011 or 2012.

<sup>a</sup>We could not complete this calculation for one local area, because the local area could not provide an estimate of the total number of visits to the resource room per year.

### Job club per customer



Nine of the 28 local areas in the study offered and provided detailed cost data on job clubs.

These job clubs cost \$38 on average per participant and had approximately 10 participants each. Average job club costs varied greatly, from \$4 to \$196 per customer, but most local areas that offered this service (5 of 9) spent less than \$10 per customer. The local area with the lowest job club cost had only one staff person facilitating each session and an average of 20 attendees per session. In contrast, the local area with the highest job club cost had 1.8 staff members facilitating each session and only about 11 attendees per session, on average.

### Workshop per customer



The average workshop cost per customer in the local areas in the study was \$54 and ranged from \$7 to \$156. In addition to the cost of the staff

time spent facilitating each workshop, total workshop costs included total preparation and follow-up time, which was 50 minutes on average and ranged from 7 to 113 minutes. Three factors contributed to the cost of a workshop per customer:<sup>4</sup>

- **Number of staff delivering the workshop.** Workshops that required more staff cost more than those that did not. On average, 1.4 staff delivered workshops.
- **Average duration of the workshop.** Longer workshops cost more than workshops that met for shorter periods

because of the staff time involved to facilitate the workshop. Across local areas, the average duration of a workshop was 2.5 hours.

- **Attendance.** Workshop costs were low when they were well-attended and high when they were not. Across all local areas, the average number of attendees was 10.

As an example, the local area with the highest cost of a workshop per customer had an average duration of three hours and four attendees per workshop. The one with the lowest cost provided workshops that averaged one hour and had 11 attendees.

### One-on-one counselor meeting



The average cost of one hour of a one-on-one counselor meeting was \$143, but it varied substantially across local areas, from \$70 to \$355.

The cost of a one hour counselor meeting was less than \$100 in 8 of 28 local areas.

Three factors influenced the cost of counselor meetings:<sup>5</sup>

- **Staff salaries.** As the main cost ingredient, staff salaries factored heavily into the total cost of a counselor meeting. The two local areas with the lowest average salaries also had the lowest total costs of counselor meetings.<sup>6</sup>
- **Staff preparation and follow-up time.** Staff reported spending anywhere from 25 to 230 minutes preparing for and following up after an hour meeting. On average,

staff spent 78 minutes (or 1.3 hours) on these activities. In general, local areas in which staff spent more time preparing for and following up after meetings had higher one-on-one counselor meeting costs.

- **Overhead costs.** The overhead costs to operate the local area and AJCs within it also influenced the cost of a counselor meeting, because these costs were spread across staff time; therefore, local areas with high overhead costs also tended to have high one-on-one meeting costs. The five local areas with the highest meeting costs had above-average overhead costs (\$67 per staff hour compared with the average of \$40 per staff hour across all local areas).

## COSTS PER SERVICE BY ALLOCATION SIZE

Local areas with different WIA program allocations faced different circumstances and contexts, potentially resulting in differences in the costs of offering similar services. Table 4 compares the costs of each service in local areas with small, medium, and large allocations.

Local areas with the largest allocations had higher average costs for a resource room visit and a one-hour one-on-one counselor meeting, on average, than other local areas. A visit to the resource room in local areas with “large” (\$6 million or more) allocations, on average, cost more than twice as much as in local areas with “small” (less than \$2 million) allocations. The number of staff proctoring the resource room (9.6 compared with 2.1) and facilities costs

per visit (\$6.75 compared with \$2.81) were greater in large-allocation local areas than in small- and medium-allocation local areas. Although the number of resource room visits was also higher in large-allocation local areas, this factor was more than offset by the greater number of staff and facilities costs, resulting in a higher average cost of a resource room visit. One-on-one counselor meetings also cost more in large-allocation local areas than medium- and small-allocation local areas. Though staff in large-allocation local areas spent the least amount of time preparing for and following up after meetings with customers, the average staff salary was higher (\$26.56 per hour in large-allocation areas compared with \$22.71 in small- and medium-allocation areas), leading to higher meeting costs. Overhead costs were another contributing factor to the relatively high cost of one-on-one meetings; large-allocation local areas spent about \$11.07 in overhead costs per hour of staff time, compared with \$10.31 in small-allocation and medium-allocation areas.

Conversely, large-allocation local areas had the lowest average cost per structured assessment. This finding was attributable to the fixed fees being similar to small-allocation areas, but large allocation areas having more assessment-takers.

Workshop costs per customer were roughly the same across local areas with different allocation sizes. There was no clear pattern in job club costs per customer by local area allocation size; this finding may be a result of the small number of local areas that offered or provided detailed cost data on this service.

**Table 4. Average costs of key services by local area allocation size**

Service	Small	Medium	Large	Number of local areas with service
Resource room visit	\$11	\$12	\$25	27
Structured assessment	\$14	\$20	\$5	25
Job club per customer	\$9	\$63	\$19	9
Workshop per customer	\$59	\$54	\$52	22
One-on-one counselor meeting	\$123	\$129	\$175	28
<b>Number of local areas</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>28</b>

Source: WIA Gold Standard Evaluation cost data collection, program year 2011 or 2012.

Note: Small refers to local areas that had total WIA Adult and Dislocated Worker funding allocations of less than \$2 million, medium refers to those that had funding of \$2 million or more but less than \$6 million, and large refers to those that had funding of \$6 million or more.

## COSTS PER SERVICE BY URBANICITY

The degree of urbanicity may also influence the costs of providing key services because of differences in the cost of living, reflected in staff wages and facilities costs. The cost of a resource room visit was similar in rural and mixed local areas, and about half the cost of a visit in urban local areas (see Table 5). Urban local areas had a lower average number of resource room visits per year than rural and mixed areas (84,000 visits compared with 206,000 visits per year in rural and mixed areas). In addition, urban areas had about 70 percent more staff proctoring the resource room than rural and mixed areas (5.49 versus 3.20), and their resource room staff were typically paid a higher rate (\$26.05 compared with \$19.89 across both rural and mixed areas).

Structured assessment costs were similar in mixed and urban local areas, and highest among rural local areas.

Rural local areas incurred the highest fees and had the fewest test takers, resulting in the highest cost per assessment.

Cost patterns were less clear for other services. One-on-one counselor meetings were highest among mixed local areas. Mixed local areas spent the most time preparing for and following up after meetings (103 minutes, compared with 71 minutes in rural and urban local areas), which led to the higher costs for one-on-one counselor meetings. Workshop costs were roughly similar across local areas with different urbanicity and, although job clubs were much more expensive in rural local areas than in mixed and urban areas, the sample size is too small to draw firm conclusions.

As local areas plan for future services, knowledge of how much each service costs—as well as its expected benefits—should play a role in determining how to best invest resources.

**Table 5. Average costs of key services by local area urbanicity**

Service	Rural	Mixed	Urban	Number of local areas with service
Resource room visit	\$11	\$10	\$23	27
Structured assessment	\$21	\$8	\$9	25
Job club per customer	\$102	\$33	\$9	9
Workshop per customer	\$48	\$62	\$53	22
One-on-one counselor meeting	\$120	\$166	\$146	28
Number of local areas	8	7	13	28

Source: WIA Gold Standard Evaluation cost data collection, program year 2011 or 2012.

Note: Rural, mixed, and urban categorizations were based on the percentage of counties within the local area that were classified as such, according to the Department of Agriculture classifications.

---

## ENDNOTES

---

<sup>1</sup> Five local areas provided information about expenditures in program year 2012.

<sup>2</sup> Levin, Henry M. and Patrick J. McEwan. *Cost-Effectiveness Analysis: Methods and Applications*. California: Sage Publications, Inc., 2001.

<sup>3</sup> A regression analysis confirmed that controlling for total number of resource room visits, the number of staff in the resource room had a positive and statistically significant relationship with the cost per visit.

<sup>4</sup> A regression analysis confirmed that these three factors were statistically significant predictors of total workshop costs.

<sup>5</sup> A regression analysis confirmed that these three factors were statistically significant predictors of the total cost of a one-on-one counselor meeting.

<sup>6</sup> Throughout the brief, reported hourly wages were calculated from workers' paid salaries, fringe benefits, and employer taxes.

---

## ABOUT THIS SERIES

---

Through the Workforce Investment Act of 1998 (WIA), Congress allocated about \$2 billion annually for employment and training services that states and their Local Workforce Investment Areas (local areas) provided through their Adult and Dislocated Worker programs. WIA mandated that job seekers and employers have access to employment and training resources provided by more than a dozen workforce system partners through American Job Centers. At these centers, job seekers could access core services, such as information on local labor markets and job openings. In addition, eligible adults and dislocated workers could receive intensive services, such as career counseling and skills assessments, and training services. The Workforce Innovation and Opportunity Act (WIOA), which superseded WIA, made important changes to the public workforce systems but largely maintained the services provided through the Adult and Dislocated Worker programs.

This issue brief is one in a series of briefs that presents findings from the WIA Adult and Dislocated Worker Programs Gold Standard Evaluation, which is being conducted for the U.S. Department of Labor (DOL), Employment and Training Administration (ETA). The study examines the implementation, effectiveness, and benefits and costs of the Adult and Dislocated Worker programs using an experimental design. The study occurred in 28 local areas that were randomly selected to participate. For more information about the evaluation, please visit the [project web page](#).

*This project has been funded, either wholly or in part, with Federal funds from ETA under Contract Number DOLJ081A20678. The contents of this publication do not necessarily reflect the views or policies of DOL, nor does mention of trade names, commercial products, or organizations imply endorsement of same by the U.S. Government.*