

**Managing Customers' Training Choices:  
Findings from the Individual Training Account Experiment (Final Report)**

**Summary and Implications**

**Background**

The Individual Training Account (ITA) experiment was designed to provide federal, state, and local policymakers with information on the effectiveness of, and trade-offs inherent in, the following three approaches to managing customer choice of training programs:

- 1) **Structured Customer Choice** - Customers were required to receive intensive counseling, and counselors were allowed to reject customers' training choices that did not have a high-return. Counselors decided the amount of the ITA, up to \$8,000.
- 2) **Guided Customer Choice** – This approach is similar to current workforce investment service delivery in most locations. Counseling was required but less intensive than the *Structured Choice* approach. Counselors could not reject customers' choice of training if on the state's list of eligible training providers. The ITA was a fixed amount (generally between \$3,000 and \$5,000).
- 3) **Maximum Customer Choice** - Customers were not required to participate in any counseling after being found eligible for training. Customers could select training from the state's list of eligible training providers, and they had the same fixed amount as *Guided Choice* customers.

**Policy Implications**

The Final Report contains several important policy implications for federal, state and local workforce officials.

1. **When counseling is voluntary, very few request it.** Only four percent of *Maximum Choice* customers requested counseling after the ITA orientation.
2. **The take-up rate of ITAs was highest under the *Maximum Choice* approach.** A higher proportion of the *Maximum Choice* customers (sixty-six percent) accepted an ITA when compared to the *Structured Choice* customers (fifty-nine percent) and the *Guided Choice* customers (fifty-eight percent).
3. **Individual choice expedites the start of training.** Requiring an individual to participate in counseling delayed the start date of training by about two weeks.
4. ***Maximum Choice* customers were more likely to attend training programs at community colleges.**

5. **Staff counseling had little effect on customers' employment-related outcomes.** There were no significant effects on most employment outcomes, including employment rates, weeks worked, or earnings.
6. **Staff counseling had little effect on customers' occupational choices.** *Maximum Choice* customers made nearly the same occupational choices as *Structured Choice* and *Guided Choice* customers.
7. **The ITA results have significant implications for Workforce Investment Act reauthorization and proposed Career Advancement Accounts.** The outcomes of this demonstration suggest that (1) staff-assisted services do not necessarily positively impact the employment and training outcomes of participants; (2) more people can access training with ITAs when given individual choice and flexibility; (3) individuals are capable, on their own, of choosing an appropriate training path that leads to sustainable employment; and (4) cost savings can be achieved through the elimination of bureaucratic inefficiencies and unnecessary eligibility screening.