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| <b>TRAINING AND EMPLOYMENT<br/>NOTICE</b> | <b>NO.</b> 46-09         |
|   | <b>DATE</b> June 4, 2010 |

**TO:** ALL STATE WORKFORCE AGENCIES  
ALL STATE TRADE COORDINATORS  
ALL ONE-STOP CENTER SYSTEM LEADS

**FROM:** JANE OATES   
Assistant Secretary

**SUBJECT:** Release and Availability of Employment and Training Administration (ETA) Occasional Paper 2010-06 titled *National Evaluation of the Trade Adjustment Assistance Program: Characteristics of Workers Eligible under the 2002 TAA Program and Their Early Program Experiences*

**1. Purpose.** To announce the release and availability of the subject ETA Occasional Paper and its accompanying appendixes on the methodology used in the sample design and the baseline survey.

**2. Background.** The paper is one of a series produced under the National Evaluation of the Trade Adjustment Assistance (TAA) program, begun in January 2004. The evaluation is designed to examine program administration, patterns of participation in, and estimated impacts of TAA services and benefits on participants. Data collection for the evaluation entails multiple rounds of site visits, an examination of administrative data, and two surveys (an initial baseline survey in 2008-2009 and a second follow-up survey 18-24 months later).

**3. Publication Description.** The report describes the characteristics of dislocated workers *eligible* for TAA under the 2002 Trade Act and the characteristics and service patterns of both *participants* in TAA and “*nonparticipants*” (who were eligible for, but did not receive, TAA benefits or services). The report also discusses possible effects on take-up and service patterns as a result of the new amendments to TAA under the American Recovery and Reinvestment Act. Data for the report were collected via a survey administered by telephone to TAA eligible workers, including nationally representative samples of participants and nonparticipants, from 26 states between March 2008 and April 2009. Key findings are discussed below.

**Data on Workers Eligible for TAA**

- TAA eligible workers tended to be full-time workers who, on average, had been with their former employer for 13 years. They had relatively high-paying positions with generous employment benefits that typically included health insurance, paid vacations, paid holidays, and a retirement pension benefit. Most lost their position when their plant closed or moved,

and few expected to be recalled. Unlike many layoffs in the manufacturing sector, most TAA eligible workers were faced with a permanent job loss.

- TAA eligible workers were on average older and less educated than other workers looking for employment. Moreover, TAA eligible workers were more likely to live in non-metropolitan areas and areas with lower average earnings.
- Half of TAA eligible workers participated in the program. Participation rates were higher among females, older workers, workers with less education in states where more respondents reported receiving Rapid Response services. Participation rates were generally lower in the West and Southwest.
- States' outreach to TAA eligible workers through either Rapid Response services or letters to workers to notify them of potential eligibility (after a petition had been certified) seemed to be successful. More than 80 percent of TAA participants and 65 percent of nonparticipants reported receiving Rapid Response services. A similar share of participants reported receiving a letter about their TAA eligibility.

#### **Data on TAA Participants and Nonparticipants**

- The most common reason for applying for TAA among participants was an interest in training (65 percent). Interest in training greatly exceeded interest in receiving Trade Readjustment Allowances (TRA) benefits (26 percent), particularly among younger workers. Among education subgroups, eligible workers with the lowest and highest levels of education were least interested in training.
- Among TAA nonparticipants, 36 percent did not apply for TAA services because they had found a job. Thirty-eight percent indicated they didn't apply because of lack of information about the program or the application process. Ten percent said they did not apply because they were not interested in training.
- Ninety-eight percent of TAA participants received TRA and 94 percent received at least one reemployment service. Sixty-six percent of participants who received services found them to be "very helpful" or "moderately helpful" in finding a job and seventy percent indicated the services helped them identify a suitable education or training program.
- Nearly 60 percent of TAA participants knew about the Health Coverage Tax Credit (HCTC) benefits at the time of the survey. Among TAA participants who knew about HCTC, 28 percent applied for HCTC and 83 percent of these applicants received the benefit, representing 14 percent of TAA participants and 7 percent of all TAA eligible workers. HCTC recipients received \$1,150 on average, compared with the \$1,610 they spent out of pocket in the previous 12 months. Among TAA participants who knew about HCTC, 36 percent cited cost as the main reason they did not apply, whereas 31 percent reported that they already had health coverage.

- Consistent with their primary reason for participation, TAA participants received more training than nonparticipants. During the 12 months following the determination of TAA eligibility, 60 percent of TAA participants enrolled in training, compared to 14 percent of nonparticipants. TAA participants attended training for an average of 30 weeks and spent 24 hours per week in training. While 80 percent of enrolled participants had completed a training program during this period, 28 percent were still enrolled in a program at the time of the survey.
- TAA participants and nonparticipants were most likely to enroll in training for a skill or occupation and commonly received training at a two-year college. Some participants took basic education courses which were not funded by TAA, such as a General Educational Development (GED), English-as-a-Second Language (ESL), or non-credit adult education, and these courses were delivered in high schools, night schools, One-Stop Career Centers, or private training institutions.
- Forty percent of TAA participants did not enroll in training. Of this group, 45 percent indicated they did not enroll because they were not interested in training, while 20 percent said they didn't pursue training because they got a job. A small proportion of workers cited cost, unavailability of training, or ineligibility, as reasons for not enrolling.
- There were notable differences in participation and services received among different demographic subgroups. Females were more likely than males to participate in TAA, and among participants, they were more likely to receive HCTC and training. Older workers were more likely to participate in TAA than younger workers but were less likely to enroll in training, consistent with differences in these workers' reasons for applying for TAA. Workers with different levels of completed education selected different training programs: high school dropouts were more likely to enroll in GED or ESL programs, while those with a high school diploma or some college were more likely to enroll in two-year community college programs.

#### **Alternative Trade Adjustment Assistance (ATAA)**

- Almost 60 percent of TAA eligible workers age 50 and over reported being informed about the Alternative Trade Adjustment Assistance program (ATAA) which provides a subsidy to workers who became re-employed and do not pursue training. Among these workers, 13 percent applied for ATAA and 54 percent of these applicants received the benefit (on average, a wage subsidy of \$8,600). Overall, though, only about 4 percent of the total TAA eligible population age 50 and over participated in ATAA. Among TAA participants in this age group, 31 percent indicated they did not apply for ATAA because they could not find a job and 29 percent indicated they wanted to enroll in training. Ten percent did not understand the program, and 11 percent missed the application deadline.

4. **Availability.** To download the report and appendix, visit the ETA Research Publication Database Web site at: <http://wdr.doleta.gov/research/keyword.cfm>.

**5. Inquiries.** Questions on the content of the report may be directed to Charlotte Schifferes, Evaluation Unit, Division of Research and Evaluation, Office of Policy Development and Research, Employment and Training Administration, U.S. Department of Labor at (202) 693-6955 or [schifferes.charlotte@dol.gov](mailto:schifferes.charlotte@dol.gov).