



Training Vouchers, Cash Transfers, and Their Effects on Employment-Related Outcomes

SUMMARY

In 2021, the Chief Evaluation Office (CEO) partnered with the [Employment and Training Administration](#) to fund contractor Manhattan Strategy Group to conduct a literature review on the employment impacts of training vouchers and cash transfer programs.

Training voucher and cash transfer interventions have the potential to improve individuals' economic circumstances. To better understand the impact these interventions can have, researchers reviewed recent literature (2010 – 2020) on U.S.-based programs using either a voucher system or direct cash transfers. The review also included a limited number of older studies and studies describing the impact of these interventions in similar economic contexts, including Canada and Germany. Outcomes of interest for this review include employment, earnings, and education.

Researchers identified studies of four types of voucher programs.

- Individual training accounts (ITAs) allow for customer choice in paying for outside training from government-approved sources.
- Individual development accounts (IDAs) are personal savings accounts aimed at low-income earners. An employer or the government may match IDA deposits to incentivize saving for educational, professional, or financial goals.
- Career advancement accounts (CAA) are vouchers that fund career-oriented licenses, certifications, or associate degrees. The current MyCAA program has targeted spouses of active-duty servicemembers, the National Guard, and reserve members in lower pay grades.
- Personal reemployment accounts (PRAs) fund employment-related assistance for unemployment insurance (UI) recipients. The recipient may receive some PRA funds as a bonus after starting a new job.

In studies of direct transfer interventions, researchers focused on unconditional transfers, those untethered to income level or participation in an activity such as applying to jobs.

This Department of Labor-funded study was a result of evaluation technical support priorities. It contributes to the labor evidence-base to inform [employment and training](#) programs and policies and addresses Departmental strategic goals and priorities.

KEY TAKEAWAYS

- **Training voucher programs demonstrate generally, but not overwhelmingly, positive impacts on employment outcomes.** Participants usually experience incremental gains in employment rates and salaries.



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- **Voucher programs in which participants receive more counseling appear to be more successful.** While an early follow-up study of ITA participants found little difference in outcomes between participants receiving higher and lower levels of counseling, a longer-term impact study found that those receiving the most intense counseling spent more time employed in higher-wage jobs.
- **It is difficult to draw conclusions about outcome and impact for cash transfer programs.** Fewer cash transfer programs have been implemented in the U.S., so only limited data is available. In addition, variations in types of cash transfer programs and the types of intended and measured outcomes make comparison challenging.
- **Neither intervention appears to permanently reduce workforce participation.** Voucher programs may temporarily reduce workforce participation as recipients pursue training and education, but the reduction is temporary. Cash transfer programs appear to have little negative impact on workforce participation and may increase entrepreneurship.
- **Recipients of training vouchers and cash transfers experience individual and community benefits outside of employment impacts.** For example, military members whose spouses participate in a CAA program experience higher retention rates, reducing turnover-related recruitment and training costs for the military. Recipients' children may also experience educational, social, and health benefits. Recipients of cash transfers have improved health outcomes and children experience positive outcomes as well, including greater educational attainment and higher earnings in adulthood.

[SEE FULL STUDY](#)

TIMEFRAME: 2010-2020

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