



The Economic Value of Central Iowa WIOA Title I Investments

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Acknowledgments

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THE CENTRAL IOWA WORKFORCE DEVELOPMENT BOARD (CIWDB) is pivotal in shaping the economic landscape and workforce capabilities of the Central Iowa Local Workforce Development Area (LWDA), serving Boone, Dallas, Jasper, Madison, Marion, Polk, Story, and Warren counties. The CIWDB oversees the Title I Adult, Dislocated Worker, and Youth/Young Adult programs under the Workforce Innovation and Opportunity Act (WIOA). Through job training, education, and support services aligned with local trends and industry needs, the WIOA Title I programs increase the employability and earning potential of participants while simultaneously bridging the gap between workforce skills and industry needs.

The benefits of the Central Iowa LWDA's Title I activities extend to taxpayers through the broader economic stimulation and fiscal health of the region. As individuals secure employment and their earnings increase, there is a notable rise in local and state tax contributions and reduced burdens on social welfare systems. These taxpayer benefits collectively advance economic resilience, foster societal prosperity, and improve the overall quality of life of residents in the region and state.

This study measures the economic impact of WIOA Title I activities in Central Iowa and the benefits the programs generate in return for investments made by taxpayers. The following analyses are presented:

 **Economic impact analysis**

 **Investment analysis**

All results reflect program and financial data provided by CIWDB for Program Year 2022 (PY22 – July 2022 to June 2023). Direct participant outcomes and the regional economic impacts of program operations spending are reported under the economic impact analysis. The return on investment from the perspective of taxpayers is reported under the investment analysis.



Central Iowa LWDA

The Central Iowa LWDA Title I activities benefit **participants** and the **regional economy**.

Central Iowa LWDA Profile

The Central Iowa LWDA's WIOA Title I programs served 148 adults, 131 dislocated workers, and 204 youth/young adults in PY22. Comparing the demographics of those served with the demographic composition of the region helps to determine if programs are effectively reaching their target populations and where there may be gaps in service delivery. It is important to note that because individuals may be co-enrolled in WIOA Title I programs, duplicate headcounts may be included in aggregate totals.

Age and Gender Distribution

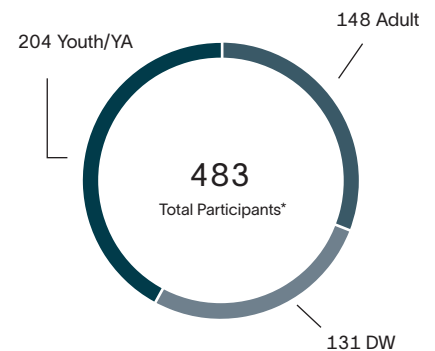
Table 1 details the age distribution of the Central Iowa LWDA's labor force and WIOA Title I participants in PY22. The data suggests that **while participants generally mirror the area's workforce demographics, opportunities for enhanced outreach and support exist, particularly for older workers.**

In the Central Iowa LWDA, adults in the prime working age bracket (25 to 54 years) make up less than half (47%) of the area's labor force, yet they represent two-thirds (66%) of the unemployed population. Accordingly, this demographic was the primary recipient of services under the Adult and Dislocated Worker (DW) programs in PY22, making up 72% and 75% of participants, respectively.

In contrast, older workers, aged 55 and over, represent a significant 31% of the labor force and just over a quarter (26%) of the unemployed population. Despite their substantial presence in the labor force, older workers only accounted for 11% of adults and 23% of dislocated workers in the program year. This discrepancy suggests a potential gap in engagement and outreach to this demographic.

Younger workers, aged 24 and under, make up 22% of the area's labor force and 9% of its unemployed population. Although the Youth/Young Adult (YA) program's age distribution cannot be directly compared to the overall labor force demographics, the data clearly indicate that the target population was effectively engaged, with 80% of participants aged 18-24 and 20% aged 14-17.

Central Iowa WIOA Title I Participants, PY22



*Total includes individuals co-enrolled in multiple programs.

Age Distribution of Unemployed and WIOA Adults/Dislocated Workers, Central Iowa LWDA (PY22)

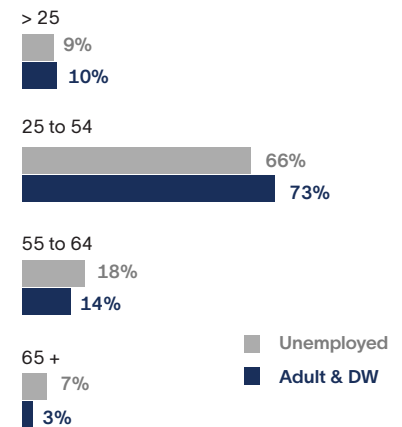


Table 1. Age Distribution of Labor Force and WIOA Title I Participants, Central Iowa LWDA (PY22)

Age Group	Labor Force	Unemployed	Adult & DW	Adult	DW	Youth/YA
> 25	22%	9%	10%	18%	2%	100%
25 - 54	47%	66%	73%	72%	75%	-
55 - 64	23%	18%	14%	10%	18%	-
65 +	9%	7%	3%	1%	5%	-

Source: CIWDB and the US Census Bureau

Table 2 details the gender distribution of the Central Iowa LWDA's labor force and WIOA Title I participants during PY22. The data shows that **while males account for the majority (61%) of the unemployed population, they are significantly under-represented in all three WIOA Title I programs.** Specifically, males comprise only 43% of WIOA Title I participants overall, representing 47% of adults, 35% of dislocated workers, and 45% of youth/young adults. This discrepancy suggests the existence of barriers that hinder male participation in workforce development initiatives, such as a lack of awareness, accessibility challenges, and other social and cultural factors that discourage males from seeking assistance.

Gender Distribution of Unemployed and WIOA Title I Participants, Central Iowa LWDA (PY22)

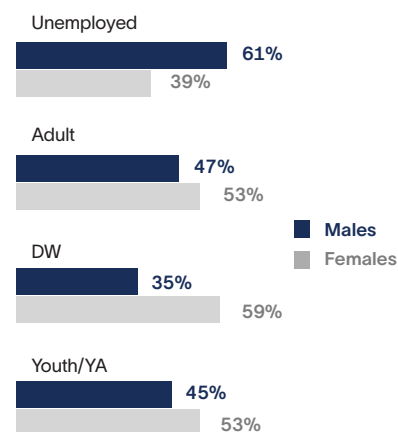


Table 2. Gender Distribution of Labor Force and WIOA Title I Participants, Central Iowa LWDA (PY22)

Population	Male (%)	Female (%)	Unknown/Other (%)
Labor Force	51	49	0
Unemployed	61	39	0
All WIOA Title I:	43	55	2
Adult	47	53	0
DW	35	59	6
Youth/YA	45	53	2

Source: CIWDB and the US Census Bureau

Given the complexity of factors influencing participation in workforce development programs, further research is recommended to understand the causes of low participation among older workers and males. Understanding these barriers will enable more effective program design and outreach strategies that can better engage these underrepresented groups, ensuring that the workforce development initiatives are inclusive and equitable.

Race/Ethnicity

Table 3 details the racial and ethnic distribution of the Central Iowa LWDA and WIOA Title I participants in PY22. As shown, **the racial and ethnic composition of WIOA Title I participants diverges significantly from the general population, particularly in the representation of Black/African American and Hispanic/Latino individuals.**

Table 3. Racial/Ethnic Breakdown of Central Iowa LWDA and WIOA Title I Participants (PY22)

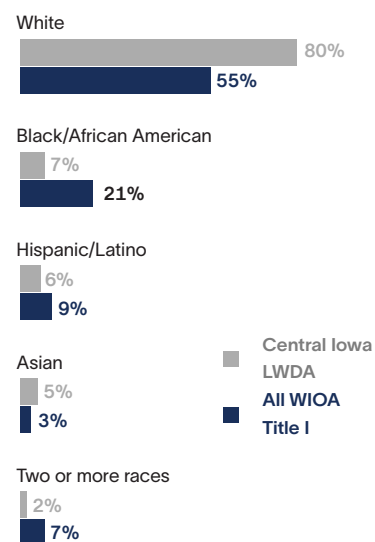
Race/Ethnicity	Central Iowa LWDA	All WIOA Title I	Adult	DW	Youth/YA
White	80%	55%	51%	69%	50%
Black/African American	7%	21%	25%	12%	25%
Hispanic/Latino	6%	9%	8%	5%	12%
Asian	5%	3%	4%	5%	2%
Two or more races	2%	7%	6%	3%	9%
Other/unknown	0%	5%	6%	6%	3%

Source: CIWDB and the US Census Bureau

The Central Iowa LWDA itself has limited diversity, with 80% of the population identifying as White, 7% as Hispanic/Latino, 5% as Black/African American, and 5% as Asian. However, the composition of WIOA Title I participants in PY22 reflects considerably greater diversity. For example, Black/African American individuals, who constitute only 5% of the general population, are significantly overrepresented in WIOA programs, accounting for 25% of adult workers, 12% of dislocated workers, and 25% of youth and young adults. Similarly, Hispanic/Latino individuals, who make up 7% of the general population, represent 12% of adult participants and 8% of youth and young adults in these programs.

This overrepresentation of Black/African American and Hispanic/Latino individuals may be attributed to higher levels of unemployment among these groups, indicating a more pronounced need for employment assistance. Additionally, it likely reflects a higher incidence of factors such as economic disadvantage, basic skills deficiency, and other barriers identified as WIOA priority criteria. These disparities underscore the importance of WIOA programs in addressing and mitigating employment and educational barriers faced by historically underrepresented and disadvantaged groups.

Race/Ethnicity of Central Iowa LWDA and WIOA Title I Participants



Educational Attainment

Table 4 highlights the diverse educational backgrounds of WIOA Title I participants in the Central Iowa LWDA during PY22. In general, the educational attainment levels of program participants do not meet those observed in the broader population.

Educational attainment within the Central Iowa LWDA is relatively high, with 26% of the population holding a bachelor's degree and 13% possessing a graduate or professional degree. In contrast, Adult and Dislocated Worker program participants have higher concentrations of individuals with high school diplomas or GEDs (51% and 38%, respectively) and lower representation at the bachelor's level or higher (11% and 19%, respectively).

The educational profiles of Youth/Young Adult participants is markedly different, with 41% lacking a high school education and very few advancing to higher education—merely 1% each in some college, associate degree, and bachelor's degree categories. This reflects the effective engagement of out-of-school youth, a primary target population of the program.

Table 4. Educational Attainment Breakdown of Central Iowa LWDA and WIOA Title I Participants (PY22)

Educational Attainment	Central Iowa LWDA	Adult & DW	Adult	DW	Youth/YA
Less than HS/GED	6%	5%	8%	2%	41%
HS diploma/GED	25%	45%	51%	38%	57%
Some college	19%	17%	16%	18%	1%
Associate degree	11%	15%	11%	18%	1%
Bachelor's Degree	26%	15%	11%	19%	1%
Graduate/professional degree	13%	4%	3%	5%	0%

Source: CIWDB and the US Census Bureau

Other Participant Characteristics

Table 5 highlights the diverse challenges faced by participants in the Central Iowa LWDA's WIOA Title I programs in PY22. Unemployment emerged as the predominant barrier across the three programs, with incidence rates of approximately 80% for adults, 92% for dislocated workers, and 77% for youth/young adults. Disabilities, economic hardship (indicated by SNAP receipt), offender status, and pregnancy or parenting responsibilities were other significant barriers affecting individuals across the three programs.

Underemployment and veteran status were less common among participants suggesting that these groups might be underserved by the area's WIOA Title I programs. Additional research is required to assess the service needs of these populations and to determine the extent to which their needs are currently being met.

Youth/Young Adult participants face unique challenges compared to those in the Adult and Dislocated Worker programs. Basic literacy skill deficiencies were identified in 169 individuals, indicating a significant barrier to employment readiness. Many participants were school dropouts, suggesting that outreach to the program's target population, out-of-school youth, has been effective. Homelessness and related issues also significantly impacted this group, with 39 identified as homeless, runaways, or foster children.

These findings underscore the necessity of tailored interventions and support services to address the diverse barriers faced by WIOA Title I participants. Designing programs that effectively mitigate the varied and unique challenges of participants enhances the efficacy of workforce development programs, ensuring comprehensive support is provided to those most in need.

Table 4. Other Characteristics of WIOA Title I Participants, Central Iowa LWDA (PY22)

Participant Characteristics	All WIOA Title I (#)*	Adult (#)	DW (#)	Youth/YA (#)
Unemployed	396	118	120	158
Deficient in basic literacy skills	267	61	37	169
Disability (physical or mental)	190	51	25	114
SNAP recipients	114	49	15	50
Offender	74	31	18	25
Pregnant or parenting	72	31	19	22
Underemployed	65	23	8	34
School dropout	63	10	2	51
Homeless, runaway, or foster child	52	12	1	39
Veterans	20	10	9	1

*Total includes individuals co-enrolled in multiple programs.

Source: CIWDB

Economic Impact Analysis



The Central Iowa LWDA's WIOA Title I activities propel regional economic growth through their direct impacts on participant earnings and employment. By connecting individuals to education and training tailored to the local labor market, these programs enhance employability and income for participants, fostering economic stability and growth. The operational spending of WIOA Title I subrecipients further stimulates the local economy by redistributing grant funds within the community, supporting local businesses and enhancing the region's economic infrastructure.

Participant Outcomes

Evaluating participant outcomes is essential for determining the economic impact of workforce development programs. Changes in participant earnings and employment status after program completion serve as clear metrics for assessing how effectively these initiatives enhance participants' earning potential and employability.

In Program Year 22 (PY22), participants experienced significant earnings growth, with an average annual increase of \$16,599 per participant. When excluding youth and young adults, the financial uplift is even more pronounced, with an average annual earnings increase of \$20,688 per participant.

These economic advancements are mirrored in the shifts in employment status recorded post-program. Initially, 80% of adults, 92% of dislocated workers, and 77% of youth/young adults were unemployed, resulting in an overall unemployment rate of 82% across all programs. Post-program, these figures improved dramatically to 25% for adults, 15% for dislocated workers, and 47% for youth/young adults, resulting in a collective unemployment rate of 32%.

It is important to note that these financial and employment impacts are not directly comparable across programs due to variations in participant demographics, economic conditions, and programmatic objectives. These distinctions underscore the necessity of contextualizing outcome measures within each program's specific operational framework to accurately assess their economic contributions.

Participant outcomes



Higher earnings



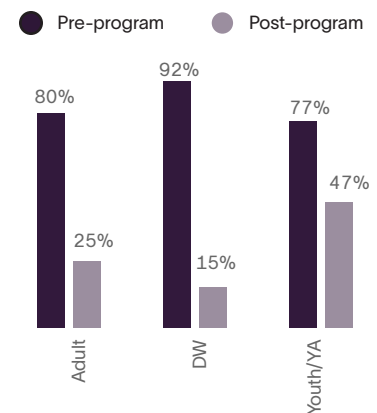
Decreased Unemployment

Average Annual Earnings Increase Per Participant

Program	Avg. Earnings Increase
All WIOA Title I	\$16,599
Adult	\$16,836
DW	\$24,539
Youth/YA	\$8,422

Source: Data provided by CIWDB

Pre- and Post-program Unemployment Levels



Source: Data provided by CIWDB

Operations Spending Impact

The Central Iowa LWDA's WIOA Title I activities add economic value to the region by employing residents and purchasing goods and services. Title I subrecipients in the Central Iowa LWDA employed 22 full-time employees and spent \$1.2 million on payroll and benefits in PY22. Much of this spending circulated back into the regional economy through groceries, mortgage and rent payments, dining out, and other household expenditures. Additionally, subrecipients spent \$776 thousand on facilities, supplies, and professional services.

Day-to-day operations spending added \$2.86 million in income to the region during the analysis year. This figure represents CIWDB's payroll, and the ripple effects generated by the in-region spending of the organization and its employees. **This \$2.86 million in added income is equivalent to supporting approximately 36 jobs in the region.**



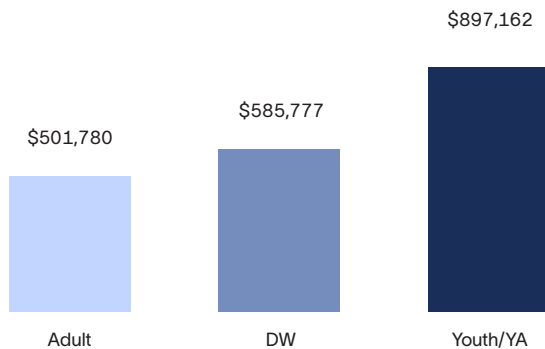


An investment analysis evaluates the costs associated with a proposed venture against its expected benefits. If the benefits outweigh the costs, then the investment is financially worthwhile. The analysis presented here assesses the returns on investment for the Title I WIOA programs administered by the CIWDB from the perspective of taxpayers.

Taxpayer Costs

Federal taxpayers invested **\$1.98 million** in the Central Iowa LWDA's Title I WIOA programs in PY 22. This investment represents federal grant funds that were reallocated by the state of Iowa to the Central Iowa LWDA using a formula based on factors such as unemployment rates, poverty levels, and the number of disadvantaged individuals in the region. The total formula funding allocated to the Central Iowa LWDA for each WIOA Title I program is broken down below.

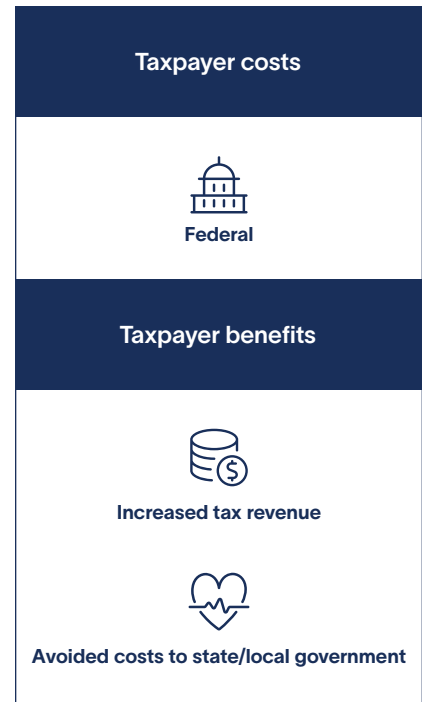
Funding Per Program, PY 22



Source: CIWDB

Taxpayer Benefits

In return for the investment in the Central Iowa LWDA's Title I WIOA programs, substantial economic benefits accrue to taxpayers, primarily through increased tax revenues for local and state governments. As participants in these programs secure better-paying jobs, their higher earnings result in increased tax contributions. Similarly, as businesses



grow and expand, benefitting from a more skilled workforce, they too contribute more to taxes through enhanced output and increased purchases of goods and services.

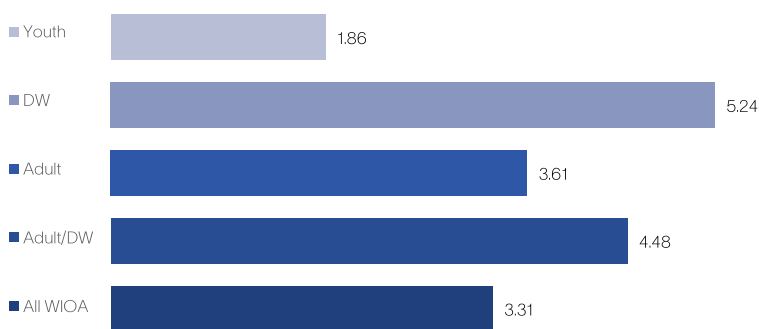
Over a decade, the enhanced earnings and business growth lead to an accumulation of tax revenue, which, when considered in terms of present value, is estimated to reach **\$5.97 million**. This figure represents the tangible financial benefits that stem from strategic investments in workforce development, highlighting the efficiency and effectiveness of such programs in stimulating economic growth and increasing government revenues.

Benefits to taxpayers will also consist of savings generated by the improved lifestyles of program participants and the corresponding government savings. As participants gain stable employment and better wages, their reliance on public assistance programs such as food stamps, housing subsidies, and unemployment benefits decreases. Furthermore, as these individuals achieve higher income levels, they tend to have better access to healthcare and make healthier lifestyle choices, reducing the burden on public health systems and leading to savings on government-funded healthcare. Employment stability also contributes to lower crime rates and reduced need for social services, decreasing government expenditures in law enforcement and social welfare. Collectively, these factors contribute to a more economically stable and prosperous community, optimizing the use of taxpayer funds and enhancing public service efficacy. Altogether, the present value of the benefits associated with the area's Title I programs is **\$583,010**.

Total taxpayer benefits amount to **\$6.55 million**, the present value sum of the added taxes and public sector savings. This results in an aggregate Benefit-Cost Ratio (BCR) of approximately 3.31, indicating that for every dollar invested in the Central Iowa LWDA's Title I programs, taxpayers receive approximately \$3.31 in benefits. This signifies a favorable return on investment, highlighting the program's positive impact on both economic and social outcomes.

Total taxpayer benefits amount to **\$6.55 million**, the present value sum of the added tax revenues and public sector savings.

Benefit-Cost Ratio for Central Iowa LWDA's WIOA Title I Activities, PY22



The figure above details the benefit-cost ratios for each program. The Dislocated Worker program stands out with the highest BCR at 5.24. However, comparing programs

based solely on BCR can be misleading due to a myriad of factors that influence a program's estimated benefits.

Differentiating factors include, but are not limited to:

- Unique target populations facing diverse barriers to employment
- Amount of funding
- Services and training provided

Investment Contextualization

It is common for Youth/YA programs to see lower ratios, as they often serve populations with more barriers to employment compared to the broader Adult and Dislocated Worker service populations or have non-employment-based outcomes. Analyses of other workforce boards throughout the country have found that a ratio of less than one is common for Youth programs due to factors such as lower wages and lower employment percentages once leaving the program. Nevertheless, **in the case of the Central Iowa LWDA, all WIOA programs presented a positive benefit-cost-ratio.**

Summary of Investment Analysis Results

The results of the analysis demonstrate that the Central Iowa LWDA's Title I programs are a strong investment of taxpayer dollars. As shown, the benefits generated by the organization and program participants recover the costs borne by taxpayers and create a wide range of social benefits throughout Iowa.



TAXPAYER PERSPECTIVE	
Present value benefits	
\$6.55 million	
Present value costs	
\$1.98 million	
Net present value	
\$4.57 million	
Benefit-cost ratio	Rate of return
3.3	40.7%

Recommendations

Continuous assessment and improvement of an organization's performance and direction is a critical component to ensuring success long term for the organization and the workforce it serves. To this end, Lightcast recommends the following actions be taken by the organization:

Dive Deeper Into the Report and Data

- **Broaden Outreach:** Consider underrepresented target groups in each program. Is there a need for targeted outreach to increase participation?
- **Effectiveness:** What activities had the greatest impact on wages and employment? Are there more opportunities to provide more programs in those skills, certifications, and job types?

Post-Impact Study Report

- **Program Analysis:** Qualitative analysis of providers and their program effectiveness (e.g. survey or interviews regarding services received, program outcomes, skills outcomes, etc.).
- **Regional Alignment:**
 - **Alignment with Economic Development Strategy:** What is the Economic Development Strategic Plan (EDSP) for the region? What are the target industries and what is the role the CIWDB can play in that? Are key occupations within each target industry identified and adequate training programs in place to fill needed occupations? If not, is the regional economic development organization (EDO) open to starting the process?
 - **Occupation and Industry Positioning Analysis:** In tandem with any preexisting EDSP and Target Industries, has any analysis been done on targeting occupations in the region to support the target industries?
- **Advocacy and Outreach of CIWDB's Success:**
 - **Share** this information with the EDO to demonstrate readiness, effectiveness, and capability for Business Retention and Expansion (BRE) and site selection efforts.
 - **Advocacy:** Take this report as an opportunity to advocate for more funding and responsibility in the region.
 - **Outreach:** Use this opportunity to show stakeholders and program-eligible non-participants the importance and value of programs sponsored by the Workforce Investments, and increase awareness of its effectiveness to the region and individual people.



Conclusion

The results of this study demonstrate the value created by the Central Iowa LWDA WIOA Title I investments from multiple perspectives. Program participants' lives are enriched as their increased skill level garners higher lifetime earnings, helping them achieve their individual potential. Businesses across the region benefit from increased consumer spending and access to a skilled workforce. State and local taxpayers benefit from higher tax revenues and decreased need for public social services. Ultimately, the Central Iowa community enjoys sustainable economic advancement and enhanced quality of life through the program's contributions.

About the Study

Data and assumptions used in the study are based on several sources, including the PY22 program participation and financial reports from CIWDB, industry and employment data from the U.S. Bureau of Labor Statistics and U.S. Census Bureau, outputs of Lightcast's Multi-Regional Social Accounting Matrix model, and a variety of studies and surveys relating education to social behavior. The study applies a conservative methodology and follows standard practice using only the most recognized indicators of economic impact and investment effectiveness.

The results of this study demonstrate that the Central Iowa LWDA's WIOA **Title I activities** create value from **multiple perspectives.**