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ABSTRACT

This paper presents data derived from the mandatory follow-up evaluation of Job Training Partnership Act (JTPA) participants for the 13-week period following termination. Data cover the first three quarters of Program Year 89, that is, persons who terminated their involvement with JTPA between July 1, 1989 and April 30, 1990. It focuses on the Title IIA sample and encompasses interviews with 4,474 participants, 3,461 (77 percent) of whom had employment at some time in the 13 weeks following termination. Six data tables show: (1) the response rates for different sociodemographic groups in the Title IIA sample; (2) the proportion who worked at all in the 13-week period and who were still at their first job post-termination; (3) the percentages of people still with their first employer who had and who did not have health benefits available; (4) availability of health benefits by gender; (5) availability of health benefits by race; and (6) availability of health benefits by both gender and race. Narrative discussion of the tables and results is provided throughout. (YLB)

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# Employment Retention: Lessons from Ohio

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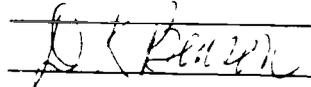
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## INTRODUCTION

The State of Ohio has approached mandatory follow-up evaluation as an opportunity to extend its knowledge of the entire program and how it is working and has committed significant budget resources beyond meeting minimal Federal requirements to this end.

JTPA in every state faces many challenges, barriers and difficulties in trying to assist people in finding and bettering their employment.

The first of these challenges is obviously to improve the employability of economically disadvantaged people and to find them jobs. The second challenge is to improve their retention in these jobs.

This paper looks at the second challenge -- that of job retention and expands on earlier research published in May of 1990. Our hope has been that we could discover some factors that give indications of what programs and/or approaches are working best with different types of people.

The Federally mandated follow-up is very limited in that it views only a 13 week period after termination. That is the limit of the data we have, so no comments can be made regarding long term job retention. Other research, however, clearly indicates that a true assessment of the impact of this program cannot be accurately measured in this time frame [Jean Kotal, "Follow-up Evaluation as an Effective Planning Tool in JTPA Programs, 1990].

We in Ohio try to improve our terminnee questionnaire each year to collect new information that can be of benefit to the Private Industry Councils (PICs), Service Delivery Areas (SDAs) and State planning. With the new questionnaire we launched in Program Year 1989 (PY89), we wanted to find out more about the work places into which our terminnees were going. The PY90 questionnaire is now being designed and expanded based on our present knowledge of how much we have yet to learn.

The data in this paper cover the first three quarters of PY89; that is, persons who terminated their involvement with JTPA between 7/1/89 and 4/30/90. It focuses on our Title IIA sample and encompasses 4,474 completed interviews, 3,461 (77%) of whom had employment at some time in the 13 weeks following termination.

## WHO OUR SAMPLE IS

The following table is important for the reader to study because it affects how much one can generalize from the results which will be presented. Table 1 shows the response rates for different socio-demographic groups in the Title IIA sample. The lower the response rate, the greater the caution one should use in extrapolating the findings.

For instance, we were able to locate and interview only 62% of those participants who were ex-offenders. In contrast, we successfully interviewed 91% of the people over 50 years old. The confidence in any conclusions about older participants is considerably higher than conclusions about the ex-offender population.

All 30 Ohio SDAs are sampled at different rates based on their planned terminations. The data reported in this paper is not weighted by SDA and consequently represents our sample of terminnees as a whole.

TABLE 1 - PY89 THREE QUARTER TITLE IIA RESPONSE RATES

<u>Group</u>	<u>Sample</u>	<u>Completed</u>	<u>Resp. Rate</u>
Total	5507	4474	81
Placed at Term	3669	3151	86
Not Placed	1838	1323	72
Female	2817	2368	84
Male	2690	2106	78
White	4109	3452	84
Black	1255	914	73
Other	143	108	76
21-29	1744	1357	78
30-39	2278	1855	81
40-49	1047	865	83
50-Plus	438	397	91
Non-welfare	3132	2634	84
Welfare	2375	1840	77
Handicapped	512	432	84
Ex-Offender	449	279	62
Displaced Homemaker	219	187	85
Substance Abuser	125	76	61
Urban	2652	2084	79
Rural	2855	2390	84
8 Yr or less	211	161	76
9 to 11 yrs	1155	851	74
GED	508	396	78
High School Grad	2462	2077	84
Some College	1006	844	84
College Plus	163	144	88
Job Search	1448	1140	79
Classroom Training	1286	1053	82
GED/Basic Educ	370	259	70
OJT	1191	1017	85
Remedial Educ	273	214	78

The response rate calculated.  $\frac{\text{Completed}}{\text{Sample}}$

The focus of this paper is on what happens in the first job that a person has at or following termination. Table 2 summarizes, for the key groups above, the proportion who worked at all in the 13 week period and who were still at their first job post termination in the reference week. Data is not reported for any group whose base is less than 100 persons.

TABLE 2 - RETENTION AT FIRST JOB POST TERMINATION

<u>Group</u>	<u>Total</u>	<u>Worked during the 13 Weeks</u>	<u>Still at First Job</u>
Total	4474	3461 (77%)	2519 (75%)
Female	2368	1707 (72%)	1266 (74%)
Male	2106	1754 (83%)	1253 (71%)
White	3452	2758 (80%)	2039 (74%)
Black	914	612 (67%)	417 (68%)
Other	108	91 (84%)	63 (69%)
20-29	1357	1066 (79%)	739 (69%)
30-39	1855	1437 (77%)	1072 (75%)
40-49	865	668 (77%)	491 (74%)
50-Plus	397	290 (73%)	217 (75%)
Non-welfare	2634	2274 (86%)	1666 (73%)
Welfare	1840	1187 (65%)	853 (72%)
Handicapped	432	298 (69%)	221 (74%)
Ex-Offender	279	205 (73%)	139 (68%)
Displaced Homemaker	187	112 (60%)	92 (82%)
Urban	2084	1582 (76%)	1137 (72%)
Rural	2390	1879 (79%)	1382 (74%)
8 Yr or less	161	99 (61%)	69 (70%)
9 to 11 yrs	851	584 (69%)	383 (66%)
GED	396	299 (76%)	207 (69%)
High School Grad	2077	1650 (79%)	1222 (74%)
Some college	844	698 (83%)	538 (77%)
College Plus	144	130 (90%)	99 (76%)
Job Search	1140	918 (81%)	620 (68%)
Classroom Training	1053	789 (75%)	601 (76%)
GED/Basic Educ	259	119 (46%)	80 (67%)
OJT	1017	909 (89%)	687 (76%)
Remedial Educ	214	130 (61%)	92 (71%)
Other	338	241 (71%)	180 (75%)

% Worked During 13 Weeks uses Total as base for percent

Since detailed employed data was optional, % Still at First Job uses Total Worked from those answering the question as base for percent.

Table 2 looks at the different demographic and descriptive data we had about these people and which factors make a difference. The following stand out:

- Women were slightly more likely to stay in their jobs than were men (74% compared with 71%).
- Blacks were less likely to stay in the first job (68%) than were Whites (74%).

- No significant differences were found in retention rates between persons with handicaps and those without.
- Ex-offenders were much less likely to have stayed with their first job post termination (68%).
- Displaced homemakers had a much higher rate of job retention (82%) than did their counterparts (72%).
- People who went through OJT (76%) and Classroom Training (76%) were more likely to stay on the first job than those who had Basic Education (67%) or Job Search (63%).
- The percentage of persons who worked in the 13 weeks raised steadily from 61% of those with 8 or fewer years of education to 90% of those who had at least a college degree.

All of this raised a lot of questions in our minds. This is useful data in understanding the population we are trying to serve, but, with the exception of education, none of these demographic variables can be manipulated. We cannot erase an ex-felon's record. We cannot change a person's race or their age.

I return to the issue of education because that IS ONE variable we can manipulate. There can be no job retention if no one is hired in the first place and being educated is the most important single factor showing in our analysis to getting hired.

Unfortunately, we have collected very little specific information about the individual employers but we analyzed what we did have.

We looked at why people left their first job (n = 857).

- 18% were laid off
- 14% moved to greener pastures
- 14% were dissatisfied
- 12% had their job end
- 9% were fired
- 7% quit because of low pay.

We also looked at the industry that our trainees entered. The three industries in which most Ohio trainees had their first employment (Services - 36%, Manufacturing - 29%, and Retail - 17%) did not differ in their retention rates by more than 3 percentage points (72% for Retail to 75% for Service).

The only other objective measure about the employer we had available was our question about health insurance. We had a four choice question asking respondents whether they were covered by health insurance (paid by themselves, shared payment with employer, all paid by employer) or if they were not covered. The data show a very strong association between availability of health benefits and retention in the job.

- Of the persons whose first employer offered health insurance and paid for it, 88% were still at this employer at 13 weeks.

- Of the persons whose first employer offered health insurance and both shared its cost, 90% were still at this employer at 13 weeks.
- Of the persons whose first employer offered health insurance but the employee paid for it, 86% were still at this employer at 13 weeks.
- Of the persons whose first employer did not offer health insurance, only 65% were still at this employer at 13 weeks.

We wish we knew 100 other things about these employers. A cynic might claim that these terminees stayed in the first job solely because of free benefits. But the above findings clearly demonstrate that it is the availability of health insurance that is key, not who pays for it.

The realist wants to know what sets these two kinds of companies apart and that we cannot answer. While the availability of health insurance appears to be extremely important, if we had additional information about the companies we may find other factors relating to company philosophy and style of operation that affect retaining of employees.

## THE ISSUE OF HEALTH BENEFITS

The findings about the importance of health insurance raised a large number of additional questions. We took our analysis an additional step forward and asked two specific questions:

1. Of the people who were covered by health benefits at their first employer after termination, what percentage were still there at 13 weeks?
2. Of the people who were not covered by health benefits at their first employer after termination, what percentage were still there at 13 weeks?

The way to read table 3 is as follows. The percentages are the percent of people who were still with their first employer at the 13 week reference point after termination. The first column shows the retention percentage for those who had health benefits available. The second column shows the retention percentage for those who did not have health benefits. The base on which the percentage is calculated is shown in parentheses.

Eighty-nine percent of the people who had health benefits were still at their first job post termination. Sixty-five percent of the people who did not have health benefits were still at their first job.

**TABLE 3 - PERCENT RETAINED AT FIRST JOB POST TERMINATION BY AVAILABILITY OF HEALTH BENEFITS**

<u>Group</u>	<u>Available</u>	<u>Not Available</u>
Total	89% (1304)	65% (2066)
Female	89% (576)	69% (1089)
Male	89% (728)	62% (977)
White	90% (1068)	66% (1623)
Black	84% (200)	63% (394)
20-29	87% (414)	61% (625)
30-39	91% (546)	67% (858)
40-49	90% (255)	66% (395)
50-Plus	87% (89)	74% (188)
8 Yr or Less	83% (23)	67% (73)
9-11 yr	83% (170)	61% (397)
GED	84% (103)	64% (188)
High School	89% (662)	66% (951)
Some College	93% (290)	69% (388)
College Plus	95% (55)	68% (69)
Non-welfare	89% (931)	65% (1284)
Welfare	89% (373)	66% (782)
Handicapped	90% (80)	70% (213)
Ex-Offender	92% (59)	62% (138)
Displaced Homemaker	93% (41)	76% (71)
Urban	88% (563)	66% (969)
Rural	90% (741)	65% (1097)
Job Search	85% (290)	61% (606)
Classroom Training	89% (284)	71% (491)
GED/Basic Educ	78% (23)	67% (93)
OJT	92% (473)	62% (411)
Remedial Educ	92% (36)	67% (88)
Work 35 or less hrs	84% (94)	69% (802)
Work 36-40 hrs	90% (976)	65% (1023)
Work 41+ hours	89% (234)	57% (221)
Pay LT 5.00	83% (221)	64% (956)
Pay 5.00-6.99	88% (508)	65% (718)
Pay 7.00+	93% (516)	67% (284)

In all the above categories, retention at the first employer averaged a third higher in situations where health benefits were available to the terminnee. Differences ranged from 11 percentage points for those in Basic Education to 32 percentage points for persons working over 40 hours a week.

Retention in jobs that offered benefits ranged within the categories from 78% for those in Basic Education to 95% of those with a college education. In contrast, retention in jobs that did not offer benefits ranged from 57% for those working over 40 hours a week to a high of 76% of displaced homemakers.

Specifically, women were more likely to stay in a job that did not offer health benefits (69%) than were men (62%). Unfortunately our data base has no information about marital status. Women may need the job more or they may already have alternative coverage.

Nonwhites are somewhat more likely to stay in a job with health benefits than without, but they are less likely to stay with health benefits than are Whites.

Older workers are much more likely to stay in a job without health benefits than are younger workers.

Full versus part-time showed little difference in retention if health benefits were offered. But the more hours somebody worked, the less likely they were to stay if these benefits were not offered.

No differences appeared by pay rates when benefits were not available but significant differences were found when benefits were available

In the first analysis earlier this year, detailed subgroups could not be examined because the number of cases was too few. With three quarters' worth of data, we have been able to begin to look at differences by race and gender. Despite the larger number of cases, we have eliminated from these tables those categories with too few respondents to permit a valid comparison.

Table 4 reports the same information as Table 3 but controls for gender. Table 5 controls for race Table 6 controls for both.

The reader is able to make comparisons between the demographic categories for retention by availability of benefits.

**TABLE 4 - PERCENT RETAINED AT FIRST JOB POST TERMINATION BY AVAILABILITY OF HEALTH BENEFITS BY GENDER**

Group	Benefits Available		Not Available	
	Female	Male	Female	Male
Total	89% (576)	89% (728)	69% (1089)	62% (977)
White	90% (463)	90% (605)	71% (845)	61% (778)
Black	85% (100)	83% (100)	62% (221)	65% (173)
20-29	89% (170)	86% (244)	66% (310)	56% (315)
30-39	92% (252)	90% (294)	70% (447)	64% (411)
40-49	88% (118)	92% (137)	69% (223)	64% (172)
50-Plus	81% (36)	91% (53)	77% (109)	70% (79)
9-11 yr	79% (76)	86% (94)	66% (203)	56% (194)
GED	84% (45)	83% (58)	69% (85)	59% (103)
High School	91% (290)	88% (372)	70% (523)	61% (428)
Some College	93% (140)	94% (150)	70% (212)	67% (176)
Non-welfare	88% (348)	90% (583)	70% (606)	61% (678)
Welfare	91% (228)	86% (145)	68% (483)	64% (299)
Urban	88% (240)	89% (323)	69% (496)	63% (473)
Rural	91% (336)	89% (405)	69% (593)	61% (504)
Job Search	87% (112)	84% (178)	63% (300)	59% (306)
Classroom Training	89% (173)	90% (111)	74% (308)	65% (183)
OJT	94% (159)	90% (314)	64% (143)	60% (268)
Work 35 or less hrs	86% (64)	80% (30)	72% (522)	64% (280)
Work 36-40 hrs	89% (460)	90% (516)	67% (491)	62% (532)
Work 41+ hours	94% (52)	87% (182)	60% (67)	56% (154)
Pay LT 5.00	85% (143)	80% (78)	68% (592)	58% (364)
Pay 5.00-6.99	90% (222)	87% (286)	69% (343)	62% (375)
Pay 7.00+	94% (185)	93% (331)	71% (109)	65% (175)

The overall retention rate when benefits were offered is 89% for both males and females. However, this masks numerous differences by demographic categories. For instance, men over 50 in jobs with benefits were much more likely to stay in them (91%) than were women (81%). Conversely, women over 50 were more likely to stay in a job without benefits (77%) than were men over 50 (70%).

In all categories, except race, women were more likely than men to stay in a job without benefits.

**TABLE 5 - PERCENT RETAINED AT FIRST JOB POST TERMINATION BY AVAILABILITY OF HEALTH BENEFITS BY RACE**

<u>Group</u>	<u>Benefits Available</u>		<u>Not Available</u>	
	<u>White</u>	<u>Black</u>	<u>White</u>	<u>Black</u>
Total	90% (1068)	84% (200)	66% (1623)	63% (394)
Female	90% (463)	85% (100)	71% (845)	62% (221)
Male	90% (665)	83% (100)	61% (778)	65% (173)
20-29	89% (321)	80% (79)	62% (499)	53% (107)
30-39	91% (448)	88% (87)	68% (647)	65% (193)
40-49	91% (219)	87% (30)	65% (319)	67% (67)
50-Plus	88% (80)	78% (9)	72% (158)	82% (27)
9-11 yr	85% (143)	75% (20)	62% (305)	59% (81)
GED	88% (91)	44% (9)	64% (160)	67% (21)
High School	91% (565)	81% (83)	67% (774)	61% (166)
Some College	93% (210)	95% (73)	68% (276)	67% (101)
Non-welfare	90% (785)	83% (116)	65% (1047)	66% (205)
Welfare	90% (283)	86% (84)	68% (576)	60% (189)
Urban	90% (401)	83% (141)	66% (616)	65% (327)
Rural	90% (667)	86% (59)	66% (1007)	52% (67)
Job Search	88% (228)	75% (59)	62% (442)	59% (149)
Classroom Training	91% (231)	87% (45)	71% (395)	67% (89)
OJT	92% (395)	93% (58)	61% (330)	62% (63)
Work 35 or less hrs	88% (74)	67% (18)	70% (621)	66% (169)
Work 36-40 hrs	90% (784)	85% (164)	65% (792)	62% (200)
Work 41+ hours	90% (210)	89% (18)	58% (193)	59% (22)
Pay LT 5.00	87% (179)	65% (40)	65% (728)	60% (202)
Pay 5.00-6.99	89% (414)	84% (76)	65% (570)	67% (132)
Pay 7.00+	93% (426)	92% (76)	67% (237)	63% (41)

Among the differences shown in Table 5, retention at different pay levels for Blacks in a job with benefits is striking raising from 65% to 92% across the pay categories.

Blacks over 40 are more likely to stay in a job without benefits than are Whites.

Table 6 is almost overwhelming with the number of different comparisons that can be made. The reader is cautioned to note those percentages based on very small numbers of respondents.

Table 6 is really data rich but information poor. Although numerous comparisons are possible, one is still left with the feeling that the table raises more questions than it resolves.

**TABLE 6 - PERCENT RETAINED AT FIRST JOB POST TERMINATION  
BY AVAILABILITY OF HEALTH BENEFITS BY GENDER AND RACE**

<u>Group</u>	<u>Benefits Available</u>				<u>Not Available</u>			
	<u>White Fem.</u>	<u>Black Fem.</u>	<u>White Male</u>	<u>Black Male</u>	<u>White Fem.</u>	<u>Black Fem.</u>	<u>White Male</u>	<u>Black Male</u>
Total	90% (463)	85% (100)	90% (605)	83% (100)	71% (845)	62% (221)	61% (778)	65% (173)
20-29	89% (125)	87% (39)	89% (196)	73% (40)	68% (241)	57% (62)	57% (258)	49% (45)
30-39	93% (202)	86% (44)	90% (246)	90% (38)	72% (334)	64% (105)	64% (313)	66% (88)
40-49	89% (104)	85% (13)	93% (115)	88% (17)	70% (179)	54% (37)	59% (140)	83% (30)
50-Plus	84% (32)	50% (4)	90% (48)	100% (5)	76% (91)	82% (17)	67% (67)	80% (10)
9-11 yr	80% (64)	75% (12)	89% (79)	75% (8)	67% (162)	66% (38)	57% (143)	54% (43)
GED	88% (41)	33% (3)	88% (50)	50% (6)	70% (73)	70% (10)	60% (87)	64% (11)
High School	93% (247)	75% (36)	89% (318)	85% (47)	73% (420)	56% (96)	60% (354)	67% (70)
Some College	91% (95)	98% (42)	95% (115)	90% (31)	70% (142)	66% (62)	66% (134)	69% (39)
Non-welfare	89% (294)	80% (44)	91% (491)	85% (72)	70% (499)	69% (92)	60% (548)	64% (113)
Welfare	91% (169)	89% (56)	88% (114)	79% (28)	72% (346)	57% (129)	64% (230)	68% (60)
Urban	89% (166)	82% (68)	91% (235)	84% (73)	71% (296)	64% (190)	61% (320)	67% (137)
Rural	92% (297)	91% (32)	90% (370)	82% (27)	70% (549)	45% (31)	61% (458)	58% (36)
Job Search	88% (86)	81% (26)	87% (142)	70% (33)	66% (211)	55% (72)	58% (231)	64% (67)
Classroom Training	90% (140)	83% (30)	91% (91)	93% (15)	75% (244)	69% (58)	65% (151)	65% (31)
OJT	93% (129)	100% (23)	91% (266)	89% (35)	64% (115)	59% (22)	60% (215)	63% (41)
Assessment	84% (45)	57% (7)	88% (59)	100% (8)	72% (116)	46% (13)	63% (91)	86% (7)
Work 35 or less hrs	91% (53)	60% (10)	81% (21)	75% (8)	73% (408)	64% (106)	63% (213)	68% (63)
Work 36-40 hrs	89% (363)	88% (86)	91% (421)	82% (78)	69% (368)	60% (110)	62% (424)	64% (90)
Work 41+ hours	96% (47)	75% (4)	88% (163)	93% (14)	61% (61)	50% (4)	56% (132)	61% (18)
Pay LT 5.00	88% (120)	70% (23)	85% (59)	59% (17)	69% (455)	62% (120)	58% (273)	59% (82)
Pay 5.00-6.99	91% (183)	79% (34)	87% (231)	88% (42)	70% (261)	62% (77)	61% (309)	73% (55)
Pay 7.00+	92% (140)	97% (38)	94% (286)	87% (38)	73% (90)	61% (18)	63% (147)	65% (23)

## CONCLUSIONS

This paper has presented a considerable amount of data. Hunt' s more tables could have been added. When this research was first run in May, the report concluded "We have no definitive bottom line conclusions..." We still don't. But we are much more confidently non-conclusive.

This is really the beginning of Ohio's research into this issue and conclusions cannot be reached based on the limited data we have collected for PY89. This does, however, provide a valuable guide to the redesign of our data collection for PY90.

There are many crises in this country and two of the most serious concern the delivery systems of education and health care. Both of those variables clearly are present in this analysis.

There is a crisis in paying for health care. The least advantaged and the most advantaged in our country have access to health insurance. The persons just leaving welfare, working at minimal pay jobs, and with no discretionary income are severely handicapped in obtaining and paying for medical care.

We continue to believe that the provision of health benefits is not really a cause but an indicator of a company's philosophy of which these benefits are part. The "whole" is what contributes to job retention.

A survey of employers of JTPA participants from PY88 also shows strong relationships between starting wage and availability of health benefits and employee retention at a 6 to 12 month time period after termination.

Only 39% of the employers hiring JTPA participants provide health benefits. Those that do experience a retention rate 1/3 above those who don't, which translates into lower recruitment and training costs.

We see the challenge for the Private Industry Councils as follows.

1. Job placement and retention are improved as the level of education of the participants increases. Working with the educational system to raise the level of participants' basic education is extremely important. The value of expanded support services should be seriously examined.
2. While the quality of the training is important, the quality of the placement is equally so. The message that this research provides is that the selection of employers to participate in the JTPA program is one of the most important factors not only in obtaining placements, but in keeping the people employed.

For instance, in the three industries (Manufacturing, Services and Retail) in which Ohio JTP participants go, average retention rates range from 72% to 75%. When we look at retention along with benefits, however, a very different story is told. Of those participants in manufacturing, 54% were retained and had health benefits. In Services, only 24% were retained and had health benefits; and in Retail, the percentage drops to 21%. Only 20% of those in manufacturing were retained in a job with no health benefits, compared with 51% of those working in Services or Retail.

3. While PIC's can look for better employers with whom to place participants, they should also be educating other employers about the hidden costs of employee turnover and encouraging these employers to offer needed benefits.

The provision of health care benefits has an unambiguous impact on job retention. The level of education has an unambiguous impact on job placement. If this is all we have to work with, this is sufficient to affect our agenda for tomorrow.