



Return on Investment

This publication reports on the public return on investment (ROI) value of the Michigan Works! System.

MICHIGAN
WORKS!
ASSOCIATION

Michigan Works! System

The Michigan Works! System is a conduit for developing Michigan's economic future. The Workforce Development Boards of each of the 25 Michigan Works! Agencies in partnership with local elected officials drive workforce development in Michigan communities. These leaders understand that Michigan Works! is not an expenditure of public monies, but rather an investment in Michigan's future.

With a statewide network of over 100 Michigan Works! Service Centers, more than three million customers were served last year - employers seeking qualified workers and individuals searching for employment or a career change. Michigan Works! is rising to the challenge of meeting the needs for a skilled workforce in order to retain and attract companies.



Rather than rest on its laurels as the first unified workforce development system in the country, Michigan Works! continues to focus on innovative, proactive solutions to the demands of a rapidly changing economy. With all of their services located under one roof and a network of alliances developed through years of proven record and reputation, Michigan Works! is a key partner

in developing Michigan's trade and industry, and providing Michigan's citizens a secure future.

Individuals seeking more information on the Michigan Works! System or looking for Service Centers locations can log onto www.michiganworks.org, or call the statewide toll-free number **1-800-285-WORKS (9675)** to be automatically routed to the closest Michigan Works! Service Center.

Michigan Works! Service Centers served three million customers last year.

Return on Investment

Work First

\$4.13 returned for every dollar invested

WIA Adult

\$1.40 returned for every dollar invested

WIA Dislocated Worker

\$1.53 returned for every dollar invested

Work First

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ork First helps welfare recipients attain employment to reduce reliance on public assistance. Of the Work First participants enrolled from October 1, 2005 through September 30, 2006, **42%** found em-

ployment, while the remaining participants continued to work toward employment. Over half of those placed in jobs met their Work First employment retention goals. The average hourly rate was **\$7.54**.

Food Assistance Employment and Training Program (FAE&T)

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he Food Assistance Employment and Training Program (FAE&T) has placed **32%** of its participants into full-time employment, with an ad-

ditional **23%** of individuals taking advantage of education and training opportunities.

Workforce Investment Act (WIA)

Workforce Investment Act (WIA) provides a wide array of services to the public, while also providing more targeted services to eligible subsets of the population, with the ultimate goal of employment.

From July 2005 and June 2006, **89%** of the customers in Adult, Dislocated Worker, and Older Youth pro-

grams found employment, and of them **85%** met the WIA employment retention goals.

Participants in the Younger Youth program increased their skill levels by **89%**. Of those seeking their high school diploma or General Educational Development (GED) degree, **98%** were successful.

Incumbent Worker Program

Incumbent Worker programs provide employee training in order for Michigan companies to maintain their competitive edge as well as increase the likelihood of individuals advancing up the career ladder. As individuals move to positions of greater responsibility and higher earnings within their company, the

Michigan Works! System is poised to fill vacancies with qualified job seekers seeking an opportunity.

Between July 2005 and June 2006, **388** employers accessed incumbent worker dollars. These monies provided training for **6,932** employees. As a result of this training, 24 job vacancies were created, with some of the positions filled by Michigan Works! customers.

Michigan Talent Bank

The Michigan Talent Bank (MTB) system electronically matches employers with qualified job seekers. Between October 2005 and September 2006:

- The average number of active job openings per month was 23,508;
- Job seekers placed over 380,000 new resumes into the MTB;
- The average number of resumes in the MTB system is over 625,000;
- Nearly 1,200 new employers used the MTB each month; and

- Over 57,000 resume searches were conducted monthly.

Michigan Talent Bank Services, a division of the Michigan Department of Labor and Economic Growth (MDLEG), surveys both employers and job seekers. Over **80%** of job seekers were satisfied with both the MTB resume database and job listings, while **79%** of employers were satisfied overall. Registered job seekers when asked whether they would use the MTB again, **77%** said yes. Employers indicated strongly, **92%**, that they would list job openings on the MTB again.

Custom Satisfaction

To assure that high-quality services are provided to our customers, Mystery Shopper studies are conducted to determine customer satisfaction levels.

Mystery Shoppers pose as job seekers and employers seeking assistance over the telephone and

on-site at Michigan Works! Service Centers.

Overall satisfaction levels for “employers” seeking assistance over the telephone and on-site is **84%** and **89%**, with satisfaction levels for “job seekers” at **82%** and **88%** respectively.

Calculations & Explanations

Welfare Recipient/Work First Savings:

Avoided average annual Welfare costs	\$5,046
Avoided average annual Food Assistance costs	\$2,416
New Federal and State Income Tax Revenue*	<u>\$1,206</u>
Total Savings	\$8,668

Total Savings	\$8,668	=	\$4.13
Average Cost Per Placement	\$2,098		ROI

WIA Adult Savings:

Avoided average annual Welfare costs	\$5,046
Avoided average annual Food Assistance costs	\$2,416
New Federal and State Income Tax Revenue*	<u>\$2,146</u>
Total Savings	\$9,608

Total Savings	\$9,608	=	\$1.40
Average Cost Per Placement	\$6,858		ROI

WIA Dislocated Worker Savings:

Avoided unemployment insurance (maximum=26 weeks at \$362/week)	\$9,412
New Federal and State Income Tax Revenue*	<u>\$2,928</u>
Total Savings	\$12,340

Total Savings	\$12,3340	=	\$1.53
Average Cost Per Placement	\$8,042		ROI

*Assumes one exemption at standard deduction.

Data Sources:

WIA and Work First data was obtained from the Michigan Department of Labor and Economic Growth (MDLEG). Unemployment Insurance data was obtained from the MDLEG-Unemployment Insurance Agency. Temporary Assistance for Needy Families (TANF) and Food Assistance data was obtained from the Michigan Department of Human Services.

Social Return on Investment

The majority of this Return on Investment publication focuses on the economic value of workforce programs and activities. The Michigan Works! System believes this data-driven accountability is essential in reporting our success to the public. However, it is also important to acknowledge the social value these programs generate by improving the lives of individuals, and thus society as a whole.

Many that utilize the Michigan Works! System have overcome multiple barriers to employment including substance abuse, domestic violence, and mental health issues. Others have earned a high school diploma, completed their GED, or earned additional accreditation and skills. By moving away from reliance on public assistance benefits, these individuals have become positive role models to their families, and can invest socially and financially in their communities.

It is clear to see the positive impact the Michigan Works! System has on all aspects of our state's economic and social situation.

"The people at Michigan Works! worked a miracle for me," says Bowling. "They were unselfish and relentless in helping me. I truly appreciate every person there. I have been at Cateraid for a year and all is well."



Greg Bowling
Cateraid

2007 Livingston County Alumnus of the Year and one of the 2007 Michigan Works! Alumnus of the Year



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