
**The Regional Economic Impact
of the
Northern Virginia
Workforce System**

January 2011



Executive Summary

This report assesses the economic and fiscal impact attributable to the career training and job placement services provided by the Northern Virginia Workforce System in fiscal year (FY) 2010. The principle findings from that assessment are as follows:

- 1. In FY 2010, Northern Virginia, like the state and the nation as a whole, continued to experience the after effects of the most significant economic contraction of the post-war period:**
 - The Northern Virginia Workforce System provides workforce services to Fairfax, Loudoun, and Prince William counties, and the cities of Fairfax, Falls Church, Manassas, and Manassas Park.
 - In the third quarter of 2009 (the first quarter of FY 2010), employment in Northern Virginia fell by 28,533 jobs relative to the year before.
 - These year-over-year employment losses continued over the next two quarters (a loss of 19,416 jobs in the second quarter of FY 2010 and 11,380 in the third quarter), with the region experiencing its first positive year-over-year employment growth in almost two years in the last quarter of FY 2010 (a gain of 9,542 jobs).
 - The number of unemployed individuals within Northern Virginia rose from 50,100 on average in FY 2009 to 64,841 in FY 2010 – a 29 percent increase.

- 2. In the face of this unprecedented economic stress, the role of the Northern Virginia Workforce System in transitioning individuals into meaningful employment became that much more critical to the people and businesses of Northern Virginia:**
 - In FY 2008, a total of 365 individuals enrolled in the Northern Virginia Workforce System's Adult, Dislocated Worker, and Youth WIA programs. In FY 2009, when the recession began in earnest, that number grew to 677 individuals, and in FY 2010 it increased to 1,840 individuals.¹ That represents a 400 percent increase in enrollment between FY 2008 and FY 2010.

¹ The enrollment figure for FY 2010 includes both WIA and ARRA enrollment in Adult, Dislocated Worker, and Youth programs.

- In FY 2010, through its Workforce Investment Act (WIA), American Recovery and Reinvestment Act (ARRA), Base Realignment and Closure (BRAC), Virginia Serious and Violent Offender Re-Entry Initiative (VASAVOR), and Pre-Release Center (PRC) programs the Northern Virginia Workforce System was responsible for placing 568 previously unemployed individuals into jobs.
 - If one includes self-referred individuals who take advantage of the Core Services provided through the Northern Virginia Workforce System, the number of individuals placed into jobs in FY 2010 increases to 1,518.
 - Average salaries for these jobs ranged from \$19,011 to \$59,176.
- 3. The career training and job placement services provided by Northern Virginia Workforce System have a large economic impact on Northern Virginia:**
- The combined pre-tax income of the 568 previously unemployed individuals placed into employment through the Northern Virginia Workforce System's FY 2010 WIA, ARRA, BRAC, VASAVOR, and PRC programs was approximately \$21.9 million.
 - These salaries contributed to the Northern Virginia economy in several ways.
 - i. First, they had a direct economic impact of \$11.8 million. This direct economic impact is attributable to the consumption expenditures (*e.g.*, housing, food, clothing, transportation, and entertainment) that these 568 newly employed individuals were able to make because of their salaries.²
 - ii. Second, they had an indirect economic impact of approximately \$4.9 million. This indirect economic impact is attributable to the “ripple effect” that the initial consumption expenditures had as they moved through the regional economy (*e.g.*, as those expenditures became someone else's income and were then in turn spent on additional consumption, which became someone else's income, etc.).
 - iii. Total economic impact was \$16.7 million.
 - iv. This total economic impact also generated an additional 117 jobs, as well as \$1.5 million in federal tax revenue, and \$1.2 million in state and local tax revenue.

² This figure takes into account those consumption expenditures that are made on goods that are imported into the study area from elsewhere in the U.S. or from overseas. Because these expenditures flow to producers outside of the study area, they represent a “leakage” from the local economy.

- If one broadens the scope of available workforce services to include self-referred individuals who take advantage of the Northern Virginia Workforce System's Core Services, the combined pre-tax income of the 1,518 previously unemployed individuals placed into employment in FY 2010 was \$46.1 million.
- These salaries also contributed to the Northern Virginia economy in several ways.
 - i. They had a direct economic impact of \$24.6 million and an indirect economic impact of approximately \$10.2 million, for a total economic impact of approximately \$34.8 million
 - ii. This total economic impact also generated an additional 154 jobs, along with \$3.1 million in federal tax revenue, and \$2.5 million in state and local tax revenue.

4. Comparing the costs associated with the programs to the economic benefits associated with them shows that benefits far exceed costs.

- In FY 2010, the cost associated with the WIA, ARRA, BRAC, VASAVOR, PRC, and Core Services programs provided by the Northern Virginia Workforce System was approximately \$3.7 million.
- Comparing that cost to the \$16.7 million economic impact associated with the WIA, ARRA, BRAC, VASAVOR, and PRC programs shows that the benefit/cost ratio associated with these programs is approximately 4.5 – indicating that benefits are four-and-a-half times greater than costs.
- If the analysis is expanded to include Core Services as well, the benefit/cost ratio rises to approximately 9.3 – indicating that benefits are more than nine times greater than costs.

5. In conclusion, in FY 2010 the Northern Virginia Workforce Services System provided critical workforce support services that aided Northern Virginia in mitigating the impact of an unprecedented economic downturn. Those services were instrumental in transitioning 1,518 previously unemployed individuals into meaningful employment. In addition, as empirically quantified in this report, those services also had a significant positive economic impact on the Northern Virginia region.

Introduction

This report assesses the economic and fiscal contribution that the Northern Virginia Workforce System's fiscal year (FY) 2010 career training and job placement services made to Northern Virginia.³ This report was prepared by Mangum Economic Consulting, LLC at the request of the SkillSource Group, the non-profit arm of the Northern Virginia Workforce Investment Board.

Background

The Northern Virginia Workforce System

The Northern Virginia Workforce System serves the localities of Fairfax, Loudoun, and Prince William counties, and the cities of Fairfax, Falls Church, Manassas, and Manassas Park. A map depicting these localities along with the locations of the SkillSource Group's various service centers is provided in Figure 1.⁴

The mission of the Northern Virginia Workforce System is to foster a globally competitive business environment in Northern Virginia. It does that by:

- aiding in the creation of a well-trained workforce to keep regional businesses competitive,
- providing the services and workforce information that enable businesses to connect with qualified job applicants,
- helping residents find their way to meaningful employment,
- facilitating the transition of ex-offenders and others with employment challenges into the community by providing them with the skills they need to become successfully employed, and
- preparing today's young adults for tomorrow's jobs.

³ July 1, 2009 through June 30, 2010.

⁴ The addresses of these facilities are as follows: 1) Falls Church SkillSource Center, 6245 Leesburg Pike, Falls Church, 2) South County SkillSource Center, 8350 Richmond Highway, Alexandria, 3) Lake Anne Employment Resource Center, 11484 Washington Boulevard West, Reston, 4) Loudoun Workforce Resource Center, 102 Heritage Way, Northeast, Leesburg, PR) Fairfax County Pre-Release Employment Center, 10520B Judicial Drive, Fairfax, E-Reston) SHARE Network Site at Reston Interfaith, 11150 Sunset Hills Road, Reston, E-Centreville) SHARE Network Site at Katherine Hanley Shelter, 13000 Lee Highway, Fairfax, and E-Gainesville) SHARE Network Site at Auspicious Cloud Monastery, 2101 James Madison Highway, Haymarket.

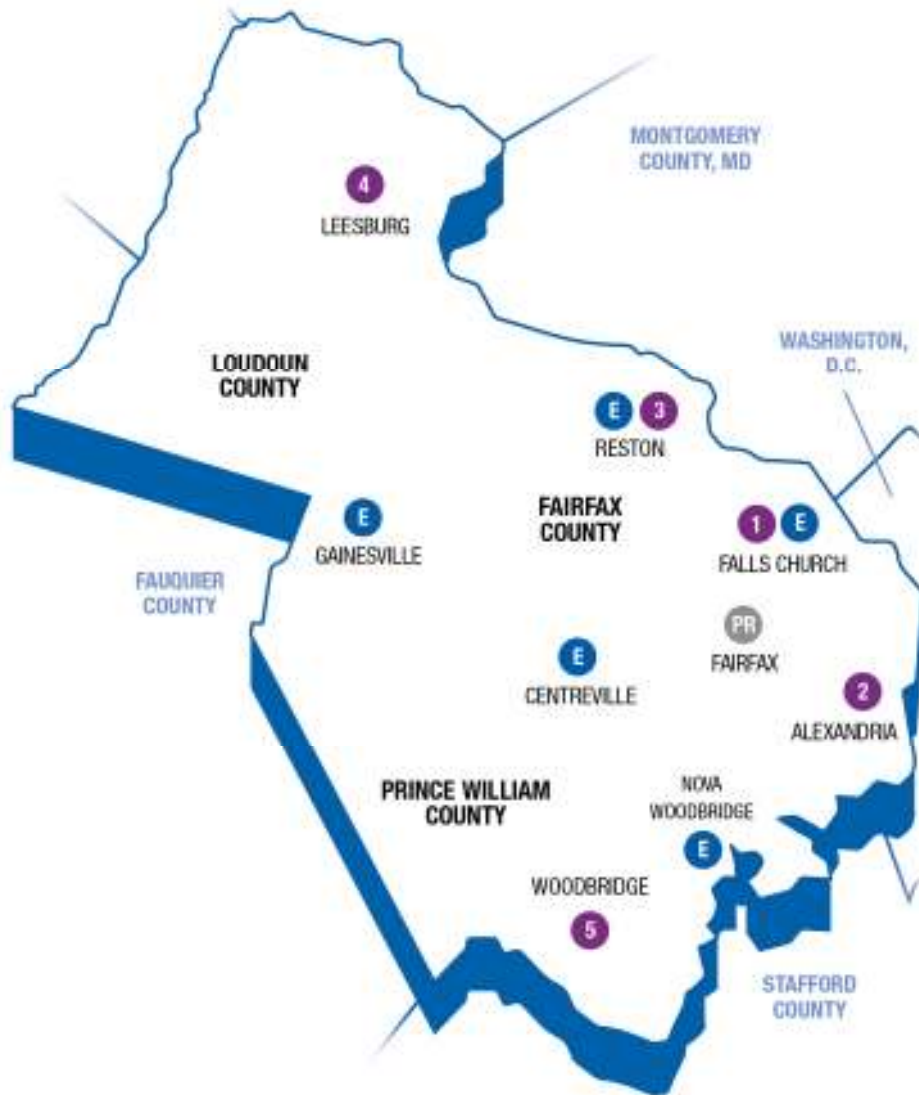


Figure 1: SkillSource Group Service Area and Service Center Locations

Services Provided in FY 2010

In FY 2010, the Northern Virginia Workforce System provided career training and job placement services through seven separate workforce programs:

- Workforce Investment Act (WIA) American Recovery and Reinvestment Act (ARRA) Adult Program – provides employment and training services to assist eligible adults (individuals 18 years of age and older) in finding meaningful employment.
- WIA and ARRA Dislocated Worker Program – provides employment and training services to dislocated workers (an individual who has been terminated or laid off, or has received notice that they will be terminated or laid off) in finding meaningful employment.
- WIA Youth Program – provides summer and year-round development programs to at risk youth (e.g., dropouts, foster children, juvenile offenders, children of incarcerated parents, and migrant children).
- Base Realignment and Closure (BRAC) – responds to workforce needs resulting from the federal Base Realignment and Closure process.
- Virginia Serious and Violent Offender Re-entry Initiative (VASAVOR) – supports the transition of long-term incarcerated adults from jail into the community.
- Fairfax Pre-Release Employment Center (PRC) – a one-stop employment center that provides pre-release employment and training services to selected Fairfax County jail inmates.
- Core Services (Core) – provides self-service tools that assist a job seeker in making an effective job search.

As shown in Table 1, in FY 2010 these programs were instrumental in transitioning 1,518 previously unemployed individuals into well-paying jobs (average annual salaries ranged from \$19,011 to \$59,176).⁵ Out of this number, 320 were placed through the Northern Virginia Workforce System's WIA and ARRA programs (adult, dislocated worker, and youth). While 248 were placed through the System's other programs (BRAC, VASAVOR, and PRC). In addition to these totals, 950 more individuals were placed as a result of the self-service job placement tools provided through the Northern Virginia Workforce System's Core Services (the average annual salary for those self-referred placements was \$25,522).⁶

⁵ Data Source: SkillSource Group.

⁶ Data Source: SkillSource Group.

Table 1: Northern Virginia Workforce System Job Placements in FY 2010

Program	Job Placements	Average Annual Salary
WIA – Adult	61	\$26,541
WIA – Dislocated Worker	135	\$55,307
WIA – Youth	45	\$18,970
ARRA – Adult	18	\$25,917
ARRA – Dislocated Worker	61	\$59,176
WIA/ARRA Subtotal	320	
BRAC/NEG	106	\$46,717
VASAVOR	33	\$25,584
PRC	109	\$19,011
Other Program Subtotal	248	
Core Services	950	\$25,522
TOTAL	1,518	

*Job or postsecondary school placement

Regional Economic Trends

In FY 2010, Northern Virginia, like the state and the nation as a whole, continued to experience the after effects of the most significant economic contraction of the post-war period. Figure 2 plots total employment in the seven localities served by the Northern Virginia Workforce System for the three-year period from the second quarter of 2007 through the second quarter of 2010 (the most recent quarter for which data are available). The most salient feature of these data is the precipitous decline in employment that occurred between the fourth quarter of 2008 and the first quarter of 2009. Between those two quarters alone, total employment in Northern Virginia fell from 1,155,523 to 1,109,686, a loss of 34,837 jobs or 3.0 percent of total employment. Between the first and fourth quarters of 2009 employment increased slightly, but fell again in the first quarter of 2010, dropping to 1,098,306, before rebounding to 1,130,577 in the second quarter of the year.

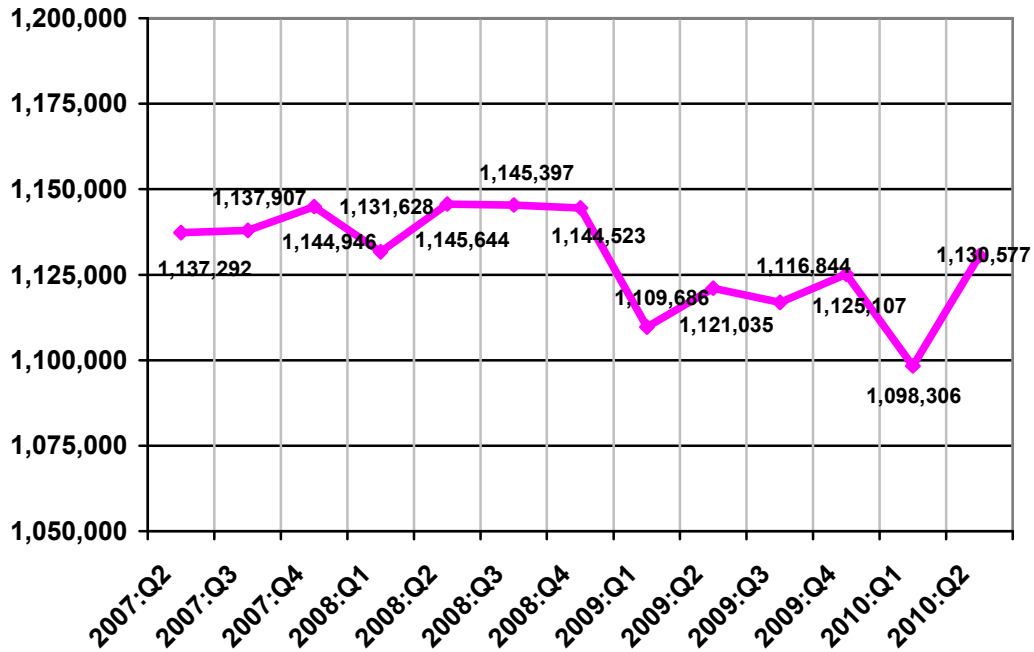


Figure 2: Northern Virginia Total Employment, 2007:Q2 through 2010:Q2⁷

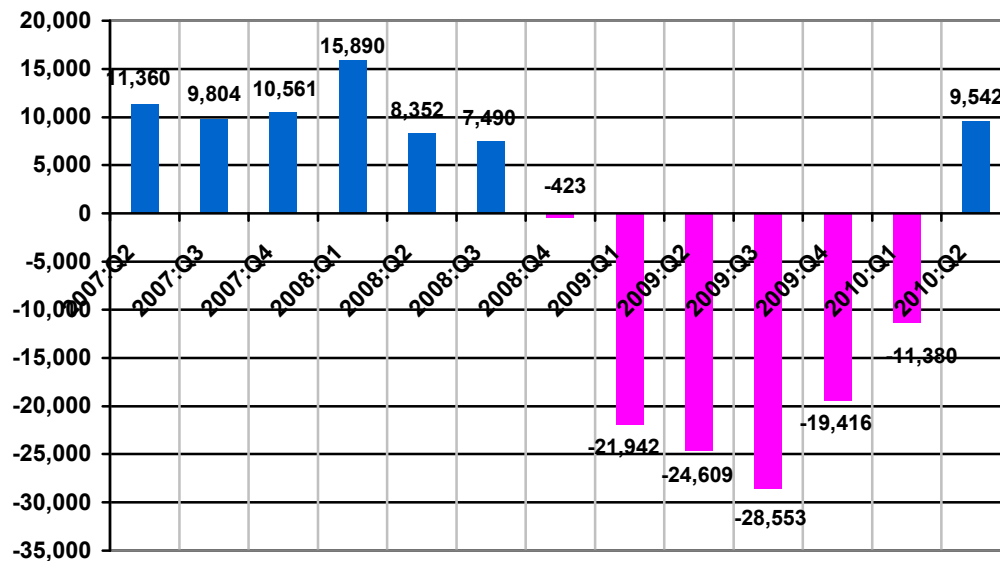


Figure 3: Northern Virginia year-over-year change in Total Employment, 2007:Q2 through 2010:Q2⁸

⁷ Data Source: Virginia Employment Commission

⁸ Data Source: Virginia Employment Commission

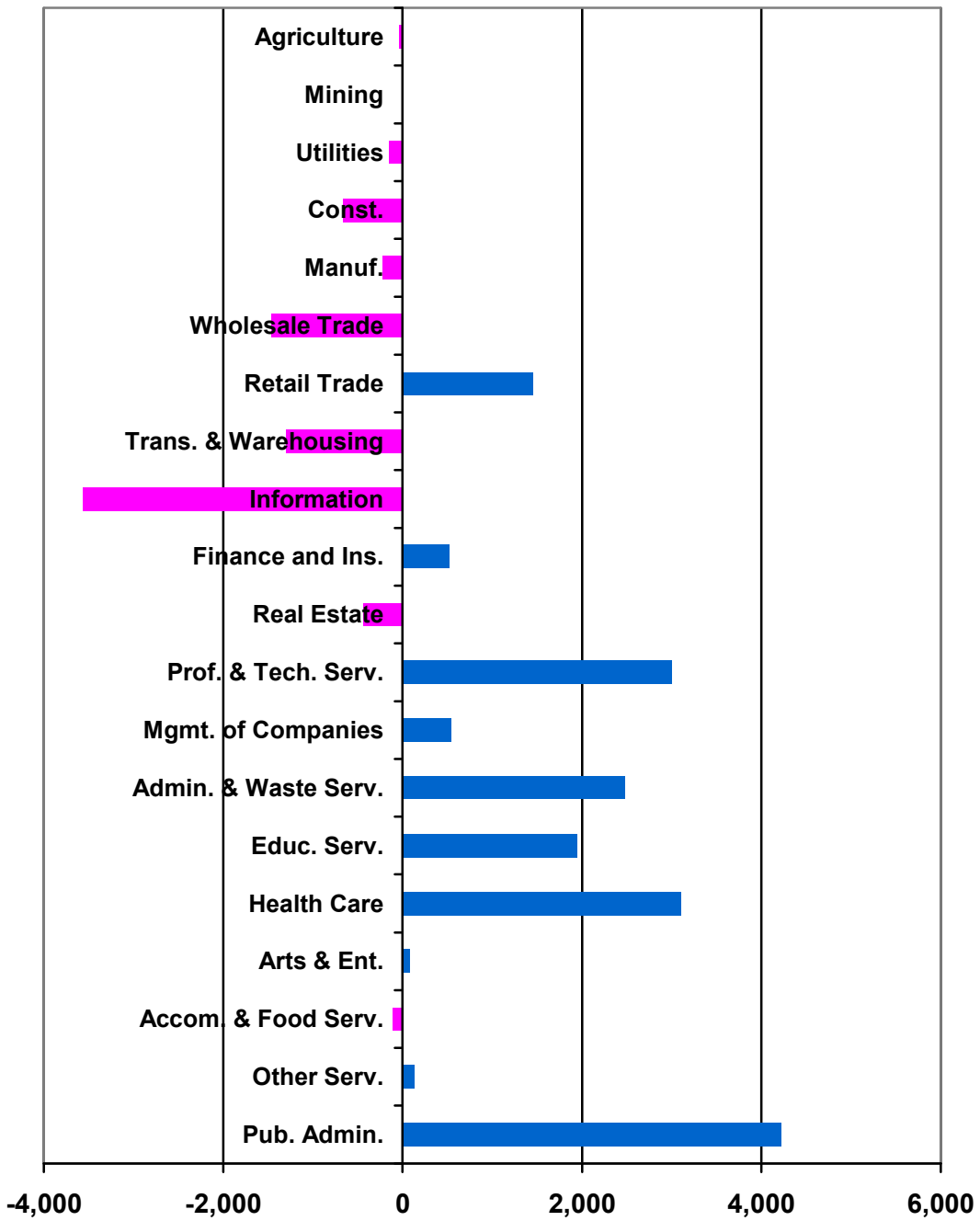


Figure 4: Northern Virginia Employment Change by Major Industry Category, 2009:Q2 to 2010:Q2⁹

⁹ Data Source: Virginia Employment Commission

To place these numbers in perspective by controlling for the normal effects of seasonality (*i.e.*, employment typically falls in the first quarter of the year as construction and other weather affected industries reduce employment during the winter), Figure 3 depicts the year-over-year change in total employment for this same three-year period. As this graph demonstrates, even by this measure employment levels in Northern Virginia dropped sharply in the first quarter of 2009, falling by 21,942 jobs relative to the first quarter of 2008. Those year-over-year employment declines continued throughout 2009 and into the first quarter of 2010. In the second quarter of 2010, however, employment in Northern Virginia posted its first year-over-year gain since the third quarter of 2008, rising by 9,542 jobs.

Figure 4 provides additional detail on regional employment changes in Northern Virginia during the FY 2010 period, by depicting the change in employment between the second quarters of 2009 and 2010 by major industry sector. What these data show is that, even taking into account employment gains in the second quarter of 2010, over the period as a whole employment fell in nine out of twenty major industry sectors. The biggest job losses occurred in information services (lost 3,560 jobs), wholesale trade (lost 1,464 jobs), and transportation and warehousing (lost 1,302 jobs). Of the eleven sectors that gained employment, by far the largest job increase was in public administration (up 4,217 jobs), followed by healthcare (up 3,106 jobs), and professional and technical services (up 3,002 jobs).

The flip side of Northern Virginia's employment equation –the unemployment rate – is shown in Figure 5. These data are monthly and cover the period from November of 2007 through November of 2010 (the most recent month for which we have data). These data tell a very similar story to that of the employment data. Northern Virginia's unemployment rate increased sharply between December of 2008 and June of 2009, rising from 3.6 percent to 5.2 percent. It then continued to generally drift upward, peaking at 5.7 percent in February 2010, before gradually falling to 4.7 percent in November of 2010.

Figure 6 puts a "face" on these unemployment rates by translating them into the actual number of unemployed individuals. The number of unemployed individuals in Northern Virginia rose from approximately 27,000 in late 2007 to around 36,000 on average in 2008, increased sharply to 61,000 on average in 2009, and has remained high since, hovering around 65,000 so far in 2010. To put these figures in perspective, this means that the number of individuals who were in need of workforce services more than doubled in Northern Virginia between 2007 and 2010. In the face of this economic and human cost, the workforce services provided by the Northern Virginia Workforce System became that much more important to the health of the regional economy.

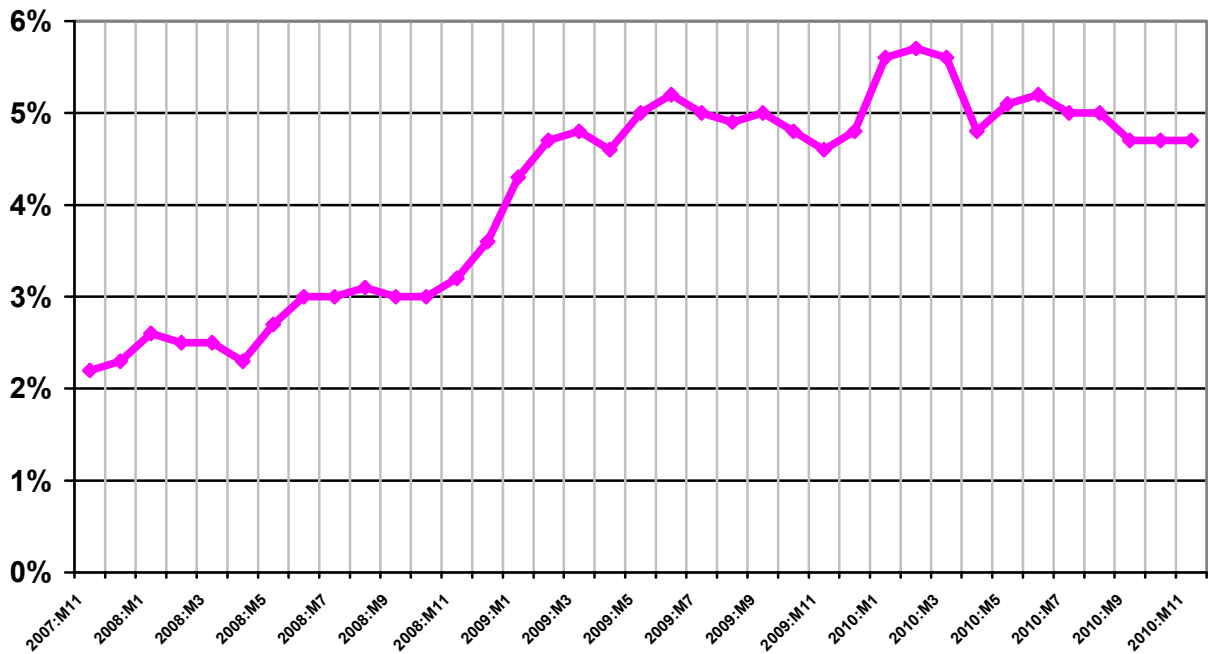


Figure 5: Northern Virginia Unemployment Rate, November 2007 to November 2010¹⁰

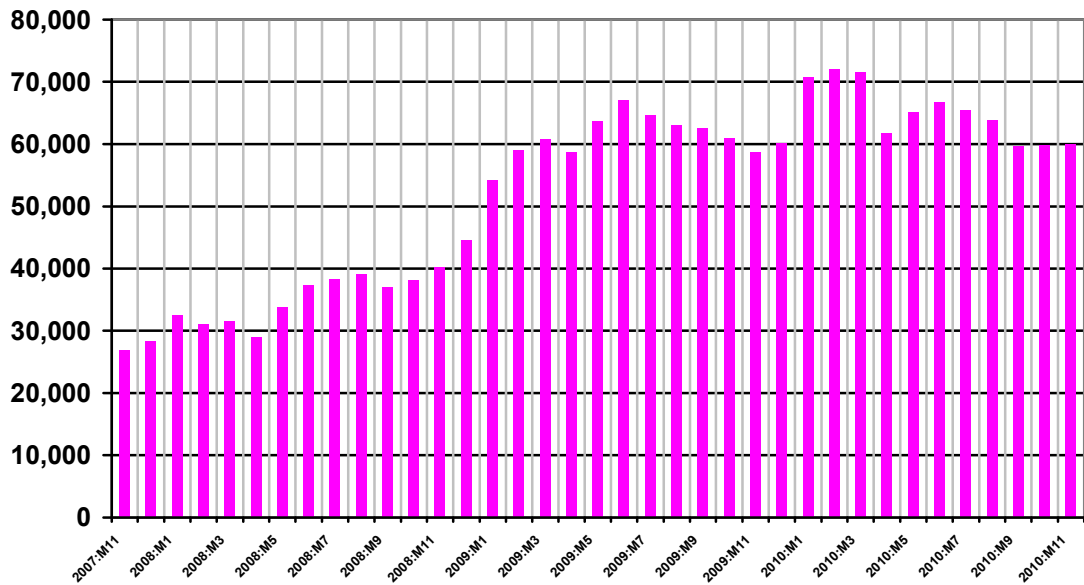


Figure 6: Northern Virginia Unemployment, November 2007 to November 2010¹¹

¹⁰ Data Source: Virginia Employment Commission

¹¹ Data Source: Virginia Employment Commission

Economic Impact

In this section, we assess the economic impact that the FY 2010 career training, job placement, and other workforce services that were provided by the Northern Virginia Workforce System had on the economy of Northern Virginia. The primary nature of that impact had to do with the new income earned by the 1,518 previously unemployed individuals that the Northern Virginia Workforce System was instrumental in transitioning into meaningful employment.¹² As shown in Table 2, the aggregate annual pre-tax income generated through those placements was approximately \$46.1 million.

Table 2: Consumption Expenditures Attributable to FY 2009 Job Placements

Program	Job Placements	Average Annual Salary	Total Pre-Tax Income	Total Consumption Expenditures
WIA Adult	61	\$26,541	\$1,619,001	\$1,607,668
WIA Dislocated Worker	135	\$55,307	\$7,466,445	\$7,227,519
WIA Youth	45	\$18,970	\$853,650	\$851,089
ARRA Adult	18	\$25,917	\$466,506	\$463,240
ARRA Dislocated Worker	61	\$59,176	\$3,609,736	\$3,494,224
BRAC/NEG	106	\$46,717	\$4,952,002	\$4,833,154
VASAVOR	33	\$25,584	\$844,272	\$838,362
PRC	109	\$19,011	\$2,072,199	\$2,065,982
Subtotal	568		\$21,883,811	\$21,381,239
Core Services	950	\$25,522	\$24,245,900	\$24,076,179
TOTAL	1,518		\$46,129,711	\$45,457,418

Economic impact is generally referred to in terms of “direct” and “indirect.” In this case, the direct economic impact of the \$46.1 million in new income generated by the Northern Virginia Workforce System’s job placements in FY 2010 pertains to consumption expenditures. As previously unemployed individuals exit the workforce programs provided by the Northern Virginia Workforce System and are placed in new jobs, they

¹² It is important to note that whereas the wages earned by these previously unemployed individuals constitute the primary economic impact of the career training, job placement, and other workforce services provided by the Northern Virginia Workforce System in FY 2010, they are by no means the only economic impact. Although it is beyond the scope of the analysis presented here, a more inclusive definition of economic impact would also include, among other things, the cost of any social assistance that these individuals were receiving while unemployed (e.g., unemployment assistance, food stamps) and that they no longer required after they were employed. For that reason, the more narrowly focused estimates of economic impact presented in this report should be assumed to be conservative in nature.

spend the majority of their newly acquired incomes on rent, food, clothing, and other goods and services. Those consumption expenditures provide an immediate injection into the regional economy. As shown in Table 2, based on recent data on consumer expenditures from the U.S. Department of Labor, we estimate that the \$46.1 million in annual pre-tax income generated by FY 2010 Northern Virginia Workforce System job placements translated into approximately \$45.5 million in new consumption expenditures.¹³

Indirect economic impact refers to the ripple effects that an expenditure has as it makes its way through the economy. For example, when the \$45.5 million in new consumption expenditures described above become income for someone else, which is in turn spent, thereby becoming income for someone else, and so on, and so on, and so on.¹⁴ Through this process, one dollar in initial expenditures ultimately generates multiple dollars of income. The mathematical relationship between the initial expenditure and the total income generated is called the Keynesian multiplier. Keynesian multipliers are named after John Maynard Keynes, the British economist who studied this phenomenon in the early portion of the last century.

To fully quantify the direct and indirect economic impact associated with the Northern Virginia Workforce System's FY 2010 job placements we employ a commonly used regional economic impact model called IMPLAN.¹⁵ The IMPLAN model uses regional and national economic data to construct regional Keynesian multipliers and uses these multipliers to quantify economic impact. In the estimates that follow, we further disaggregate those impacts into three categories: 1) the economic output, or the dollar value of the impact, 2) the number of additional jobs that are associated with that economic output, and 3) the fiscal impact, or tax revenue generated.

¹³ Estimates of consumption expenditures are derived using data from the U.S. Department of Labor's "2009 Consumer Expenditure Survey."

¹⁴ Indirect economic impact is defined in this study to include both the ripple effects from inter-firm purchases as well as the ripple effects associated with household expenditures by affected employees.

¹⁵ IMPLAN is produced by Michigan IMPLAN Group, Inc.

WIA, ARRA, BRAC, VASAVOR, and PRC programs

We first look at the economic impact associated with the Northern Virginia Workforce System's WIA, ARRA, BRAC, VASAVOR, and PRC programs – those programs where the Northern Virginia Workforce System directly provided career training and job placement services that enabled an individual to transition from unemployment into a well-paying job. In assessing the likely economic impact attributable to those programs, we employ the following assumptions:

- A total of 568 individuals exited from these programs and were placed into jobs in FY 2010.
- The average salary and total pre-tax income associated with these programs are detailed in Table 2.
- Consumption expenditures are derived using data from the U.S. Department of Labor's "2009 Consumer Expenditure Survey" for four income categories: \$15,000 to \$25,000, \$25,000 to \$35,000, \$35,000 to \$50,000, and \$50,000 to \$75,000.
- All consumption expenditures were made within Northern Virginia.
- Economic impact is based on a "representative year" and no attempt is made to phase placements in based on actual job start data from FY 2010.

By feeding these assumptions into the IMPLAN model, we obtain the following estimates of the economic impact that career training and job placement services provided in FY 2010 through the WIA, ARRA, BRAC, VASAVOR, and PRC programs had on Northern Virginia. As shown in Table 3, with respect to overall economic output, it is estimated that the combined direct and indirect economic impact from these programs was over \$16.7 million. In addition, this economic impact generated 117 jobs (it is important to realize that these jobs, primarily in retail trade, housing, and other service sectors that are typically impacted by household consumption expenditures, are in addition to the 568 placements), and over \$2.7 million in state, local, and federal tax revenue.

Table 3: Estimated Economic Impact of WIA, ARRA, BRAC, VASAVOR, and PRC Programs

	Direct	Direct less imports ¹⁶	Indirect	TOTAL
Output	\$21,381,239	\$11,826,168	\$4,915,730	\$16,741,898
Employment		86	31	117
Fiscal				\$2,732,008
State and Local Tax Revenue				\$1,235,522
Federal Tax Revenue				\$1,496,486

WIA, ARRA, BRAC, VASAVOR, PRC, and Core Services programs

In this section, we add FY 2010 placements from Core Services to the placements attributable to the WIA, ARRA, BRAC, VASAVOR, and PRC programs. Core Services have an arguably less direct impact on job placement since these services primarily involve self-service tools that assist a job seeker in making an effective job search. In assessing the likely economic impact attributable to the combined FY 2010 placements from all of these programs, we employ the following assumptions:

- A total of 1,518 individuals exited from these programs (568 from WIA, ARRA, BRAC, VASAVOR, and PRC, and 950 from Core Services) and were placed into jobs in FY 2009.
- The average salary and total pre-tax income associated with these programs are detailed in Table 2.
- Consumption expenditures are derived using data from the U.S. Department of Labor’s “2009 Consumer Expenditure Survey” for four income categories: \$15,000 to \$25,000, \$25,000 to \$35,000, \$35,000 to \$50,000, and \$50,000 to \$75,000.
- All consumption expenditures were made within Northern Virginia.

¹⁶ Takes into account those consumption expenditures that are made on goods that are imported into the study area from elsewhere in the U.S. or from overseas. Because these expenditures flow to producers outside of the study area, they represent a “leakage” from the local economy.

- Economic impact is based on a “representative year” and no attempt is made to phase placements in based on actual job start data from FY 2010.

Again feeding these assumptions into the IMPLAN model, we obtain the following estimates of the economic impact that the combined FY 2010 placements from the WIA, ARRA, BRAC, VASAVOR, PRC, and Core Services programs had on Northern Virginia. As shown in Table 4, with respect to overall economic output, it is estimated that the combined direct and indirect economic impact from these programs was just under \$34.8 million. In addition, this total economic impact generated 243 jobs (again, it is important to realize that these jobs are in addition to the 1,518 placements), and just over \$5.6 million in state, local, and federal tax revenue.

Table 4: Estimated Economic Impact of WIA, ARRA, BRAC, VASAVOR, PRC, and Core Services Programs

	Direct	Direct less imports¹⁷	Indirect	TOTAL
Output	\$45,457,418	\$24,590,861	\$10,201,882	\$34,792,743
Employment		178	65	243
Fiscal				\$5,643,555
State and Local Tax Revenue				\$2,528,058
Federal Tax Revenue				\$3,115,498

Benefit/Cost Ratio

In FY 2010, the cost associated with the WIA, ARRA, BRAC, VASAVOR, PRC, and Core Services programs provided by the Northern Virginia Workforce System was approximately \$3.7 million.¹⁸ Comparing this cost to the benefits derived from these programs, in terms of total economic output, allows us to calculate a benefit/cost ratio. If the analysis is restricted to the WIA, ARRA, BRAC, VASAVOR, and PRC programs

¹⁷ Takes into account those consumption expenditures that are made on goods that are imported into the study area from elsewhere in the U.S. or from overseas. Because these expenditures flow to producers outside of the study area, they represent a “leakage” from the local economy.

¹⁸ *Data Source:* The SkillSource Group.

that benefit/cost ratio is approximately 4.5, indicating that the benefits derived from the programs are four-and-a-half times greater than the costs required to generate those benefits. If the analysis is expanded to encompass Core Services as well, the benefit/cost ratio rises to approximately 9.3, indicating that the benefits are more than nine times greater than the costs required to generate them.

Conclusion

The Northern Virginia Workforce System provides workforce services to the localities of Fairfax, Loudoun, and Prince William counties, and the cities of Fairfax, Falls Church, Manassas, and Manassas Park. In FY 2010, these localities, like the state and the nation as a whole, continued to experience the after effects of the most significant economic contraction of the post-war period. In the third quarter of 2009 (the first quarter of FY 2010), employment in Northern Virginia fell by 28,533 jobs relative to the year before. These year-over-year employment losses continued over the next two quarters (a loss of 19,416 jobs in the second quarter of FY 2010 and 11,380 in the third quarter), with the region experiencing its first positive year-over-year employment growth in almost two years in the last quarter of FY 2010 (a gain of 9,542 jobs). In addition, the number of unemployed individuals rose from 50,100 on average in FY 2009 to 64,841 in FY 2010 – a 29 percent increase.

As a result of this unprecedented economic stress, the role of the Northern Virginia Workforce System in transitioning individuals into meaningful employment became that much more critical to the people and businesses of Northern Virginia. The clearest indication of this heightened importance can be found in the number of individuals enrolled in the System's WIA programs. In FY 2008, a total of 365 individuals enrolled in the Northern Virginia Workforce System's Adult, Dislocated Worker, and Youth WIA programs. In FY 2009, when the recession began in earnest, that number grew to 677 individuals, and in FY 2010 it increased to 1,840 individuals.¹⁹ That represents a 400 percent increase in enrollment between FY 2008 and FY 2010.

As demonstrated in this report, the most measureable economic and fiscal contribution that the Northern Virginia Workforce System made to Northern Virginia in FY 2010 pertains to the 1,518 previously unemployed individuals that the System was able to transition into well-paying jobs. Out of that total, 568 of the placements came through the WIA, ARRA, BRAC, VASAVOR, and PRC programs (programs that directly provide career training and job placement services), and 950 came through Core Services (self-service tools that assist a job seeker in making an effective job search). The average annual salaries associated with those placements ranged from \$19,011 to \$59,176. In

¹⁹ The enrollment figure for FY 2010 includes both WIA and ARRA enrollment in Adult, Dislocated Worker, and Youth programs.

combination, these 1,518 placements generated approximately \$46.1 million in additional annual pre-tax income for the region, and drove an additional \$45.5 million in local consumption expenditures.

In turn, those \$45.5 million in additional local consumption expenditures had a significant impact as they rippled through the Northern Virginia economy. Focusing first on the 568 placements associated with the WIA, ARRA, BRAC, VASAVOR, and PRC programs, that impact is estimated to be \$16.7 million in total economic output, 117 additional jobs (these jobs are in addition to the 568 placements), and \$2.7 million in state, local, and federal tax revenue. If we increase the scope of workforce services to include Core Services, the economic impact associated with the resulting combined 1,518 placements is estimated to be \$34.8 million in total economic output, 243 jobs (these jobs are in addition to the 1,518 placements), and \$5.6 million in state, local, and federal tax revenue.

Comparing these estimated benefits to the \$3.7 million in costs associated with the WIA, ARRA, BRAC, VASAVOR, PRC, and Core Services programs allows us to calculate a benefit/cost ratio. If the analysis is restricted to the WIA, ARRA, BRAC, VASAVOR, and PRC programs that benefit/cost ratio is approximately 4.5, indicating that the benefits derived from the programs are four-and-a-half times greater than the costs required to generate those benefits. If the analysis is expanded to encompass Core Services as well, the benefit/cost ratio rises to approximately 9.3, indicating that the benefits are more than nine times greater than the costs required to generate them.



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