

The logo for the Arapahoe/Douglas Workforce Board is centered in a white circle. It features a stylized blue wave above the text "Arapahoe/Douglas WORKFORCE BOARD" in a blue, sans-serif font. The background of the slide is a solid blue color with a repeating pattern of faint, circular, concentric designs.

Arapahoe/Douglas  
WORKFORCE BOARD

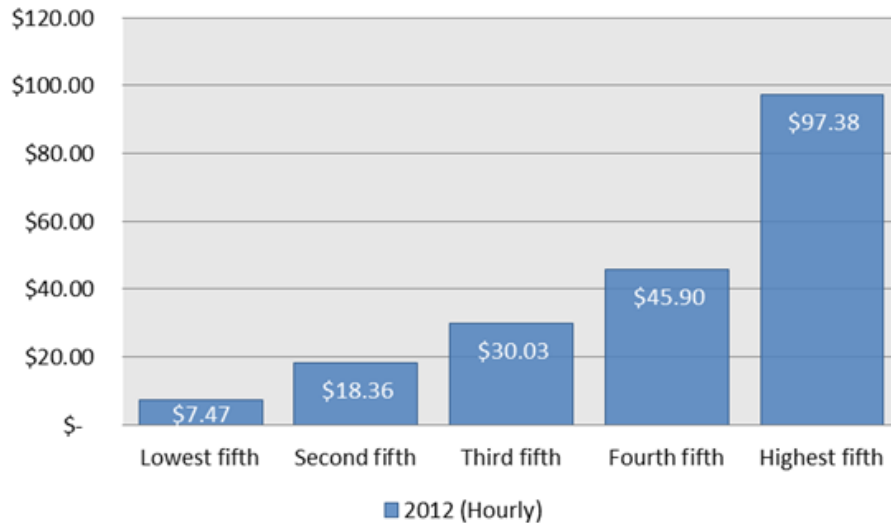
# Using Quintiles in Workforce Development

May 28, 2014

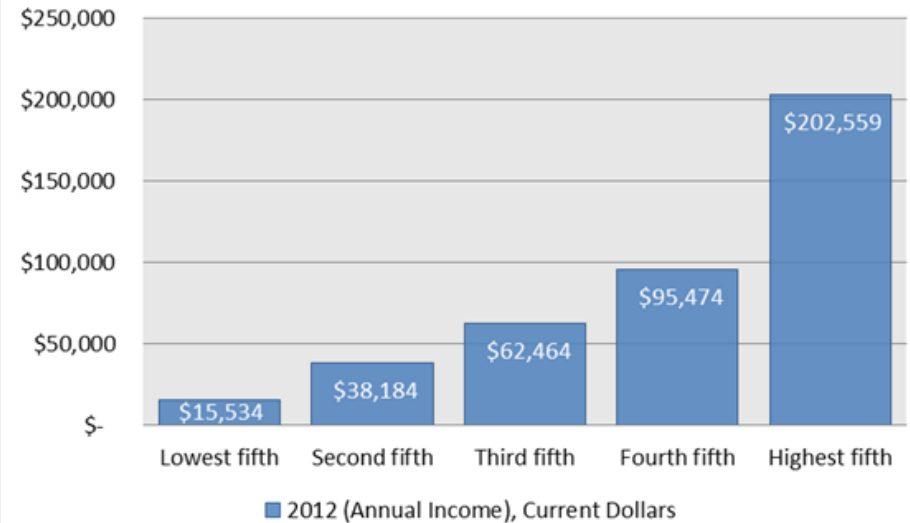
# Defining Quintiles

- In the United States, both households and families are divided by income into five quintiles; a quintile represents 20% of the population. The charts below show what this looks like both annually and hourly.

**Mean Family Quintile Income:  
Hourly Wage**



**Mean Family Quintile Income:  
2012 (Current Dollars)**

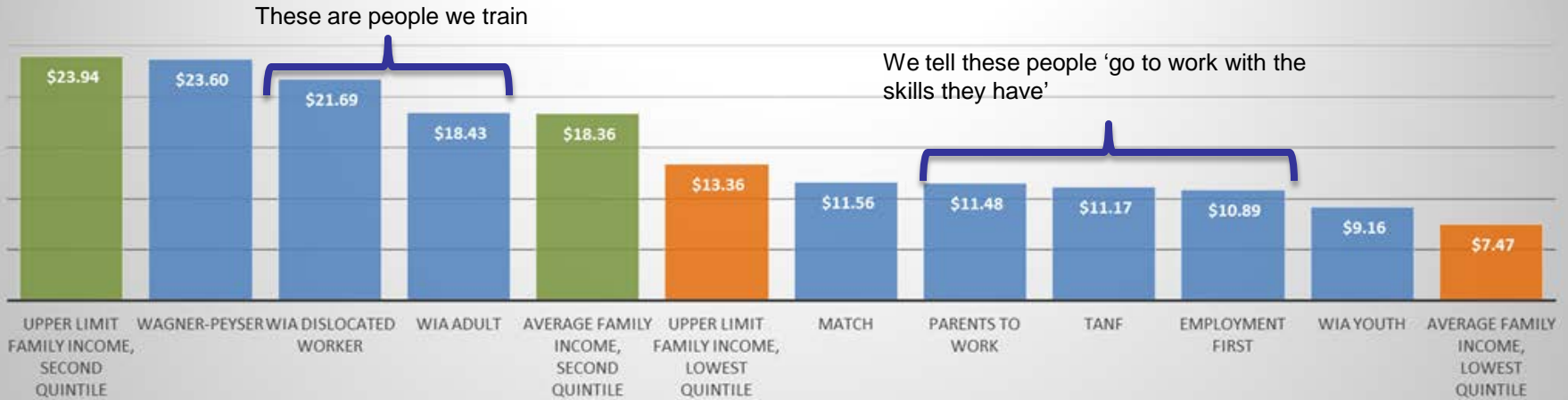


# Benefits of Placements at Higher Quintiles

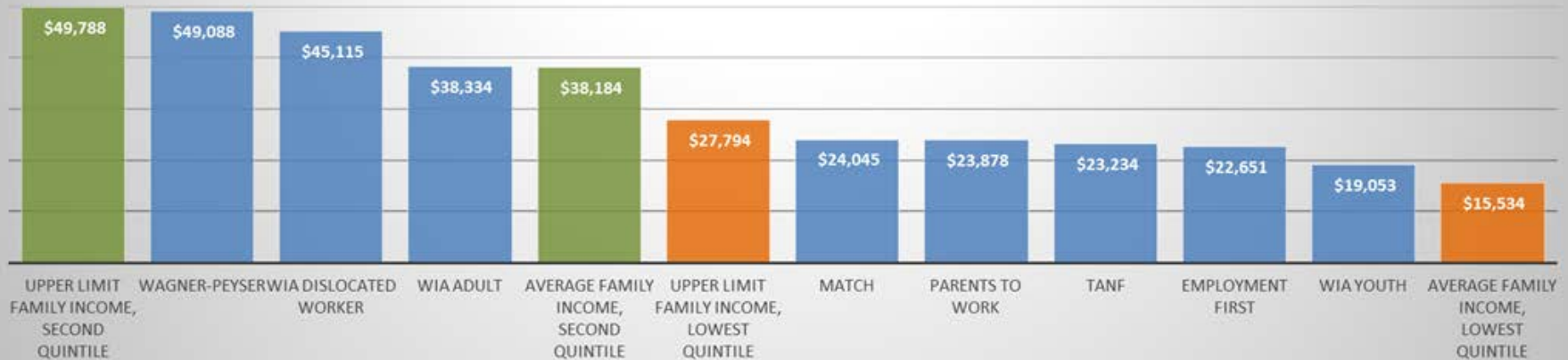
- If people earn more, they buy more stuff; this increased demand for goods and services grows the economy and adds jobs
- If people earn more, they are less reliant on social spending and so less of a burden on taxpayers and local government service delivery systems

# How A/D Works! is Doing Now

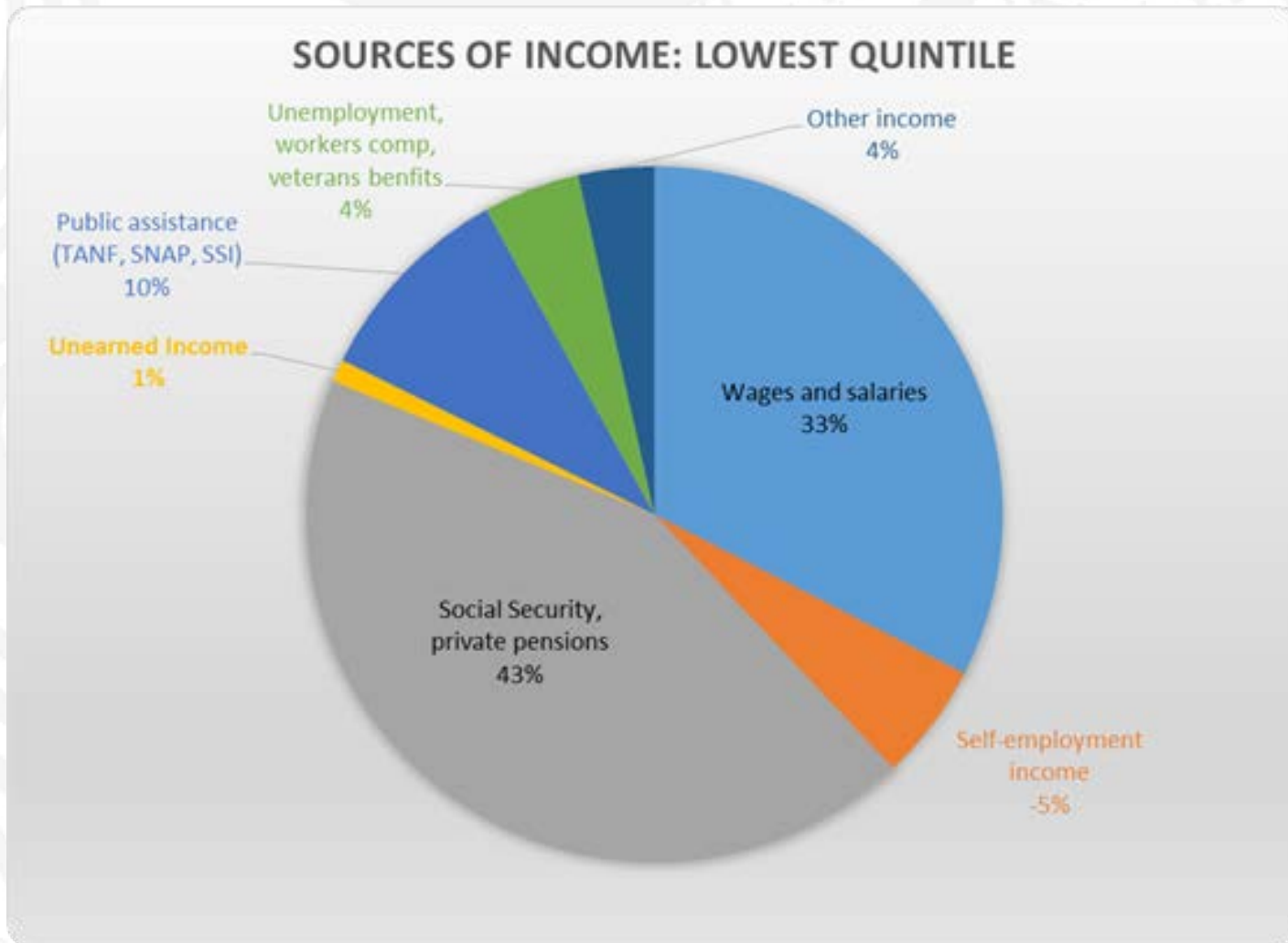
## Arapahoe/Douglas Works! Hourly Wage Outcomes, Current Program Year-to-Date



## Arapahoe/Douglas Works! Annual Wage Outcomes, Current Program Year-to-Date

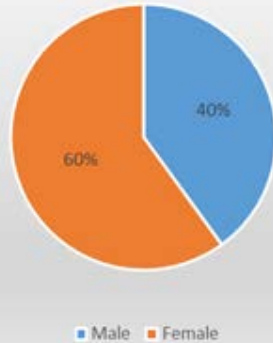


# Sources of Income: First Quintile

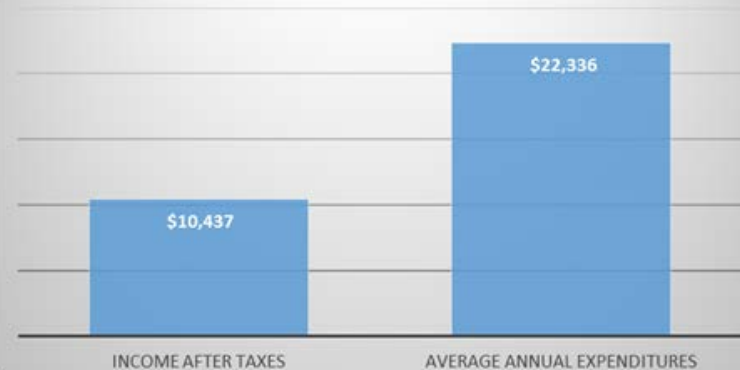


# First Quintile Earners Economically Fragile

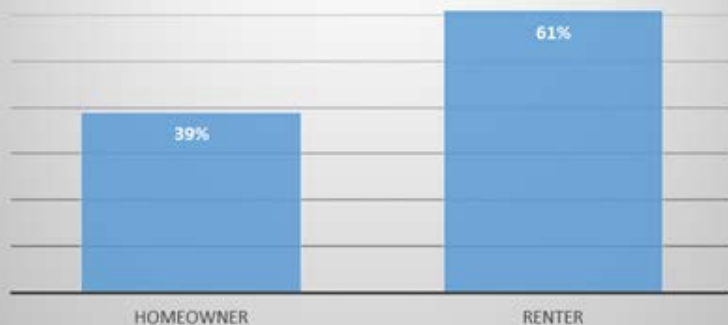
Gender Distribution: Lowest Quintile



Income vs Expenditures: Lowest Quintile



Housing Tenure: Lowest Quintile

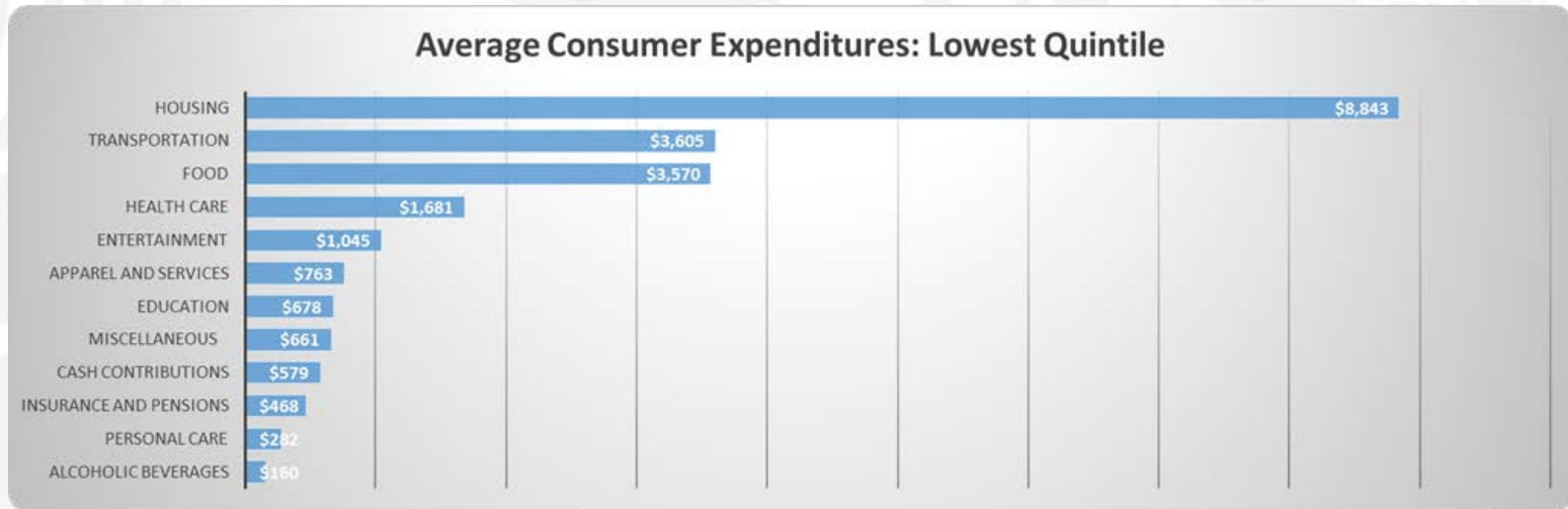


- Women are disproportionately represented in the first quintile
- First quintile earners rarely have enough to make ends meet
- Only 39% own homes, which is the primary way Americans in lower quintiles build wealth

# First Quintile Earners are Economically Fragile

- Working poor tend to have low wage jobs with little security and few benefits
- A personal illness or sick child can cause them to lose their job
- A broken down car or missed bus can lead to losing their job
- A lost job could mean temporary homelessness

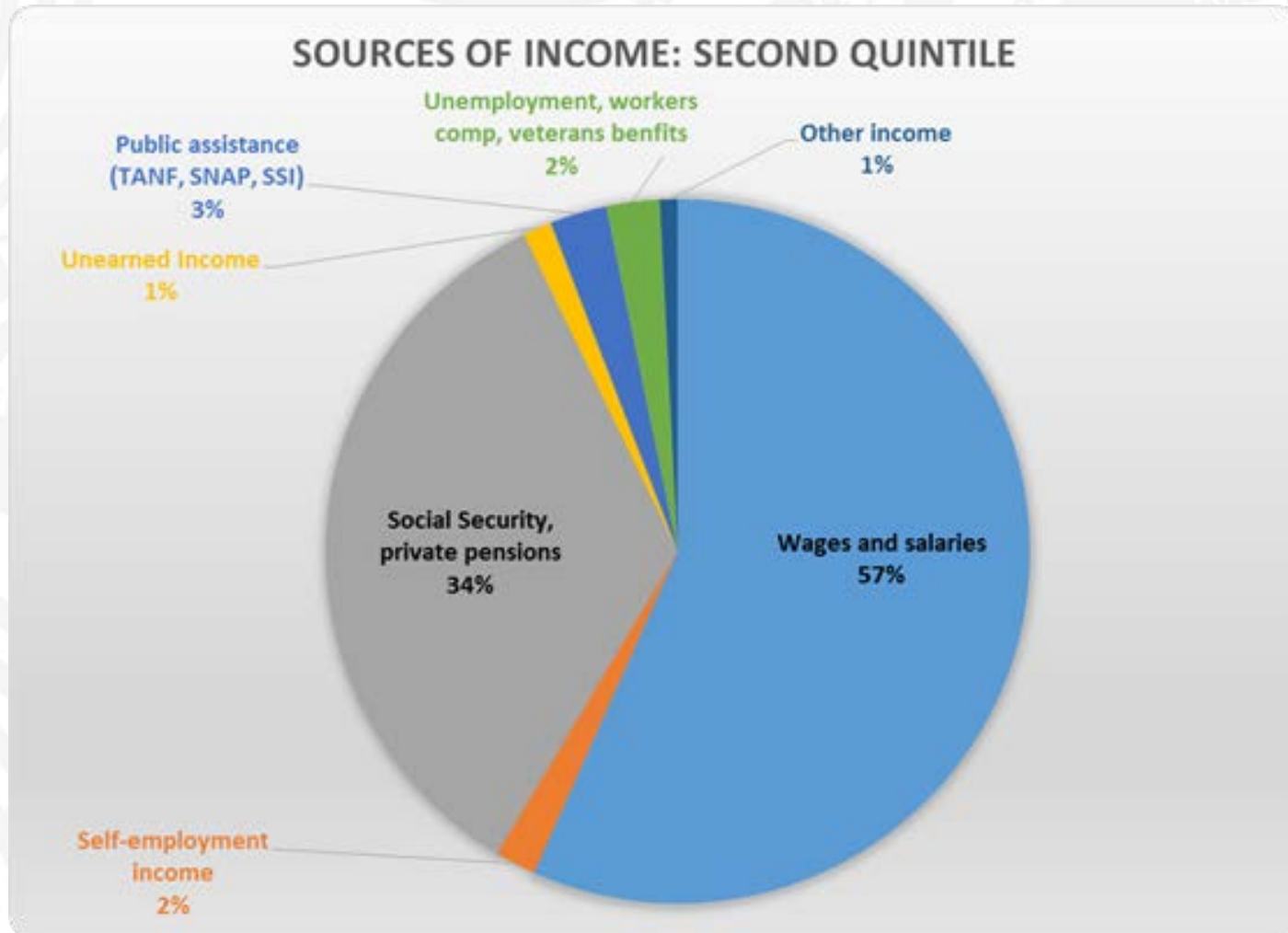
# How They Must Spend Their Money Reveals Why



- First quintile earners tend to be 'house poor'
- Only \$300/month for transportation; actual cost of owning car \$534/month
- Less than \$300/month for food; thrifty nutritious food plan \$376/month
- \$63/month for clothing for entire household
- Virtually no money available for childcare
- No money available for savings



# Sources of Income: Second Quintile



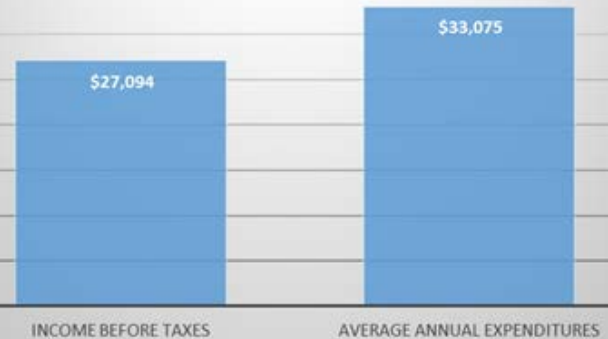
# Second Quintile Earners Much Less Economically Fragile

Gender Distribution: Second Quintile

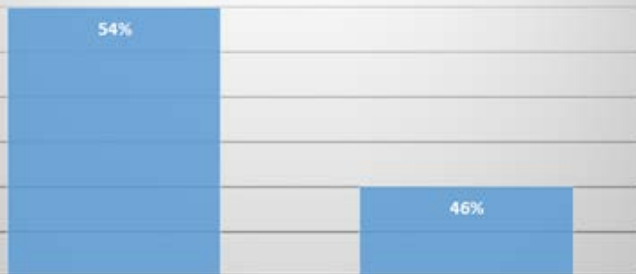


■ Male ■ Female

Income vs Expenditures: Second Quintile

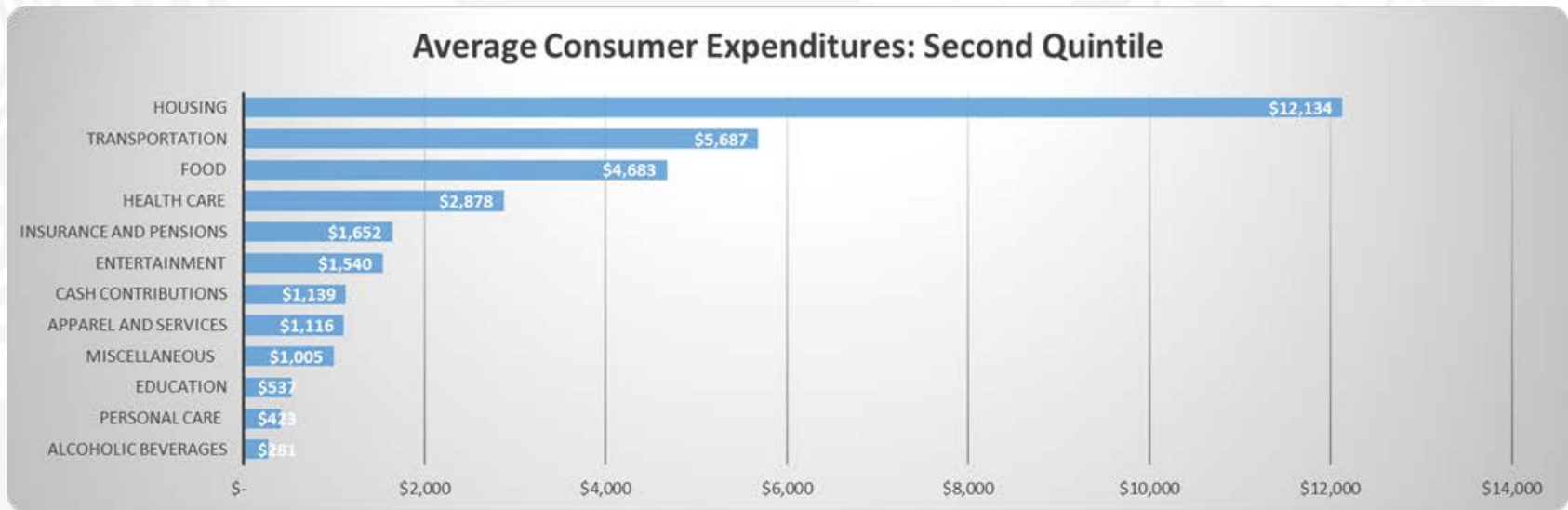


Housing Tenure: Second Quintile



- Still a struggle
- Women continue to be disproportionately represented
- Easier to meet monthly expenses
- Home ownership over 50%

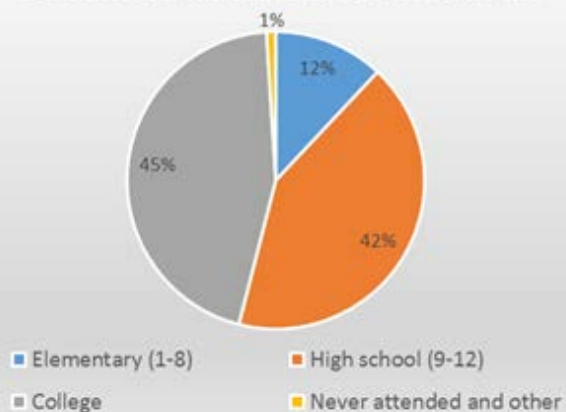
# More Money to Spend



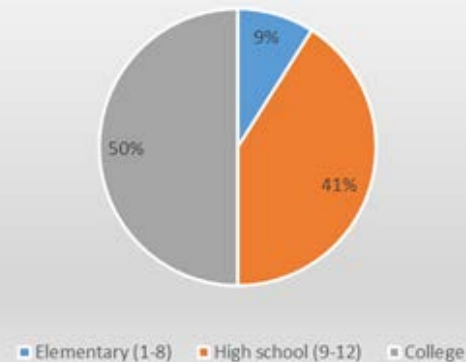
- Transportation is still an issue for second quintile households, as the amount spent does not yet meet the threshold of \$9,122 defined by the U.S. Department of Transportation, though the 'INSURANCE AND PENSIONS' guideline provides enough for at least liability insurance
- The 'FOOD' line item is sufficient to meet the threshold for a moderate-cost food plan for a family of 2 defined by the U.S. Department of Agriculture, however may be insufficient for larger families
- Childcare is still very much an issue, as the minimum monthly \$300 cost exceeds the amount available in the 'CASH CONTRIBUTIONS' line item by 216%
- The 'EDUCATION' line item is barely sufficient for school 'fees' and supplies for children, let alone enough for the continuing education necessary for further advancement

# Moving from the First Quintile to Second: What is the Key?

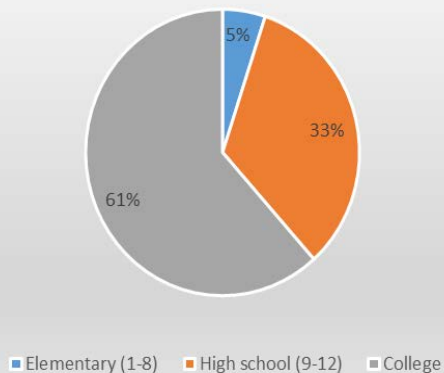
Educational Attainment: Lowest Quintile



Educational Attainment: Second Quintile



Educational Attainment: Middle Quintile



These pie charts underscore the importance of postsecondary training to achieve entry into the second quintile; to move up a person must have at least some postsecondary education that leads to an industry recognized credential.

# Conclusions

- The Arapahoe/Douglas Workforce Investment Board must achieve sufficient understanding of career pathways in key regional industry sectors to move average wage at placement in poverty prevention, on-the-job training (MATCH) and youth programming closer to the second quintile
- Customers must be educated about career pathways; if they begin work at a first quintile job, they need an understanding of what they need to do to advance
- It must find funds allowing it to be a resource in assisting incumbent workers in the first quintile with the education they need to advance to the second quintile
- Things to watch:
  - Trends in increasing minimum wage so that the social assistance taxpayer burden is reduced for lower quintile earners
    - Seattle now up to \$15/hr
  - Ways to increase access to affordable childcare
  - Finding ways to increase affordability of occupational training education for both unemployed and incumbent workers