

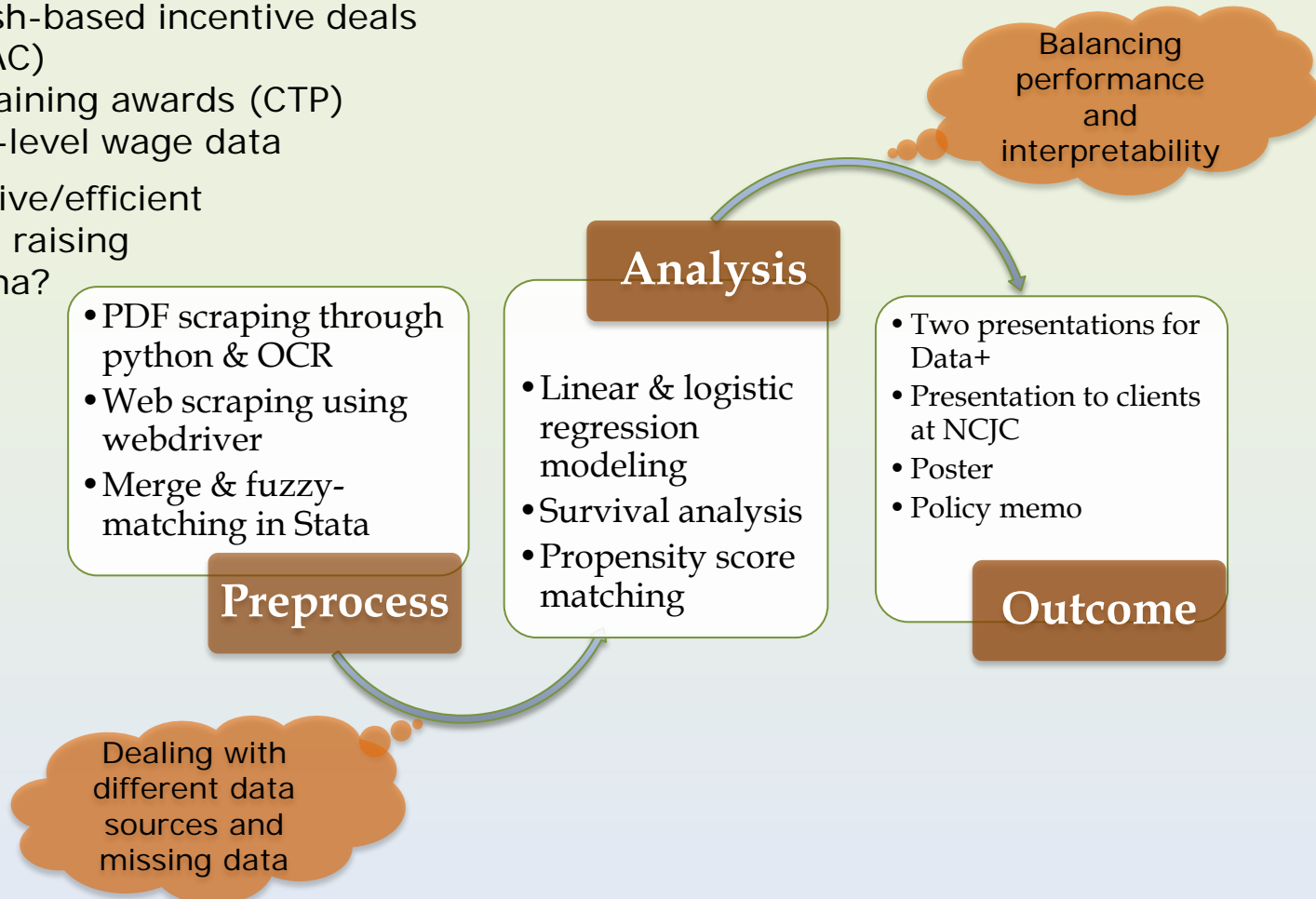
Workforce Incentives

Study frame: North Carolina from 2002-2013

Data:

- 487 traditional, cash-based incentive deals (OneNC, JDIG, JMAC)
- 2,138 workforce training awards (CTP)
- 12 years of county-level wage data

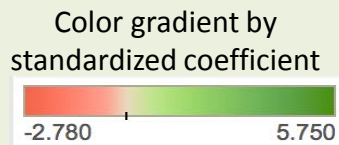
Question: How effective/efficient are these programs at raising wages in North Carolina?



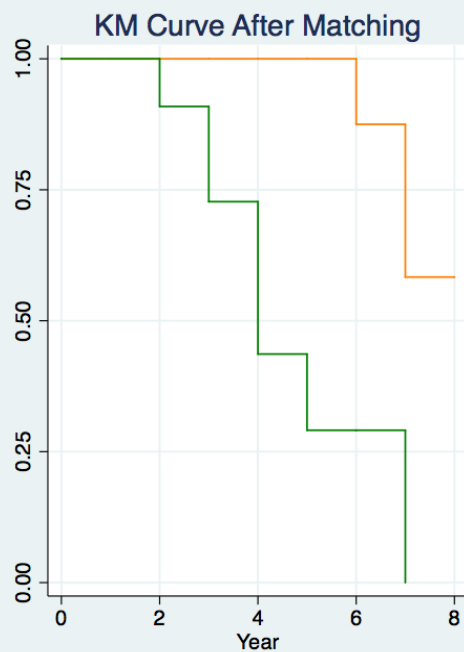
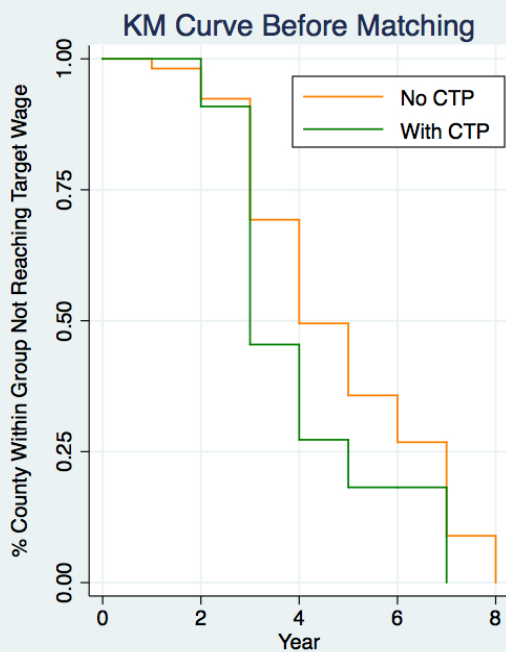
Results

Linear and logarithmic regression:

$$\text{Outcome} = \beta_0 + \beta_1 \text{YearofAward} + \beta_2 \text{RuralPercentage} + \beta_3 \text{LogAwardPerJob} + \beta_4 \text{CTP} + \beta_5 \text{OneNC} + \beta_6 \text{FirmSize} + \beta_7 \text{Headquarter} + \beta_8 \text{Manufacturing} + \beta_9 \text{Recruitment} + \varepsilon$$



	Wage Ratio	Success
Year of Award	Red	Green
Rural Percentage	Dark Green	Red
Log Award Per Job	Green	Green
CTP	Light Orange	Green
OneNC	Light Green	Green
Firm Size	Green	Light Green
Headquarter	Dark Green	Light Green
Manufacturing	Red	Light Orange
Recruitment	Red	Light Orange



Survival analysis & propensity score matching:

- Used to measure how fast a county reaches 110% of its average wage when the study started.
- Comparisons, both non-parametric (KM curve) and parametric (log-rank test) were made between counties that received CTP during study period (treatment) and those that did not (control).
- Counties were matched to their closest neighbor based on rural population, starting unemployment rate and starting average wage, so that the effect of customized training on wage growth could be isolated.

Conclusions

Recommendations:

- More awards, both traditional and workforce development should be distributed to rural or economically distressed counties.
- The higher success rate of OneNC suggests focus should be on smaller, more numerous awards paired with CTP grants.
- The use of worker training programs should be increased, specifically in counties with lower rates of wage growth, firms in manufacturing industries, and branch or recruited firms.

Impact:

- Policy recommendations can be used to modify existing strategies in order to limit inequality and improve wage growth across the state.
- Millions of dollars of state funds can be more effectively and efficiently allocated to create jobs and raise wages.