



IMPAQ
INTERNATIONAL LLC

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PRESENTER: DR. NEHA NANDA



NAWRS 2017

**STARTUPS—AN ECONOMIC
DEVELOPMENT TOOL?**
A RANDOMIZED CONTROL TRAIL
STUDY IN FLORIDA

DOL WIF GRANTS – BUILDING EVIDENCE-BASE

TYPE A	\$1-3 Million Dollars	Outcome Analysis
TYPE B	\$3-6 Million Dollars	Comparison Group Methodology such as Quasi-Experimental Design
TYPE C	\$6-12 Million Dollars	Random Assignment Design

- All grant types required an Implementation study and an Outcome analysis
- \$12 million Workforce Innovation Fund (WIF) USDOL grant to CareerSource North Central Florida, to implement the Startup Quest® entrepreneurial training program

STARTUP QUEST[®] PROGRAM

- 10-session program that provides:
 - An introduction to the processes required to form a startup
 - The opportunity to work with a team and entrepreneurial mentor
 - Develop and present a commercialization strategy for an innovative technology.

STARTUP QUEST[®] PROGRAM

- Teams of five to eight participants are supported by a mentor with entrepreneurial expertise, as they
 - participate in training sessions
 - work to create and present a business plan and investor pitch centered on a new and innovative idea to commercialize an existing technology
 - The existing technology patents are held by Offices of Technology Licensing (OTLs) at universities, NASA, or federal labs.

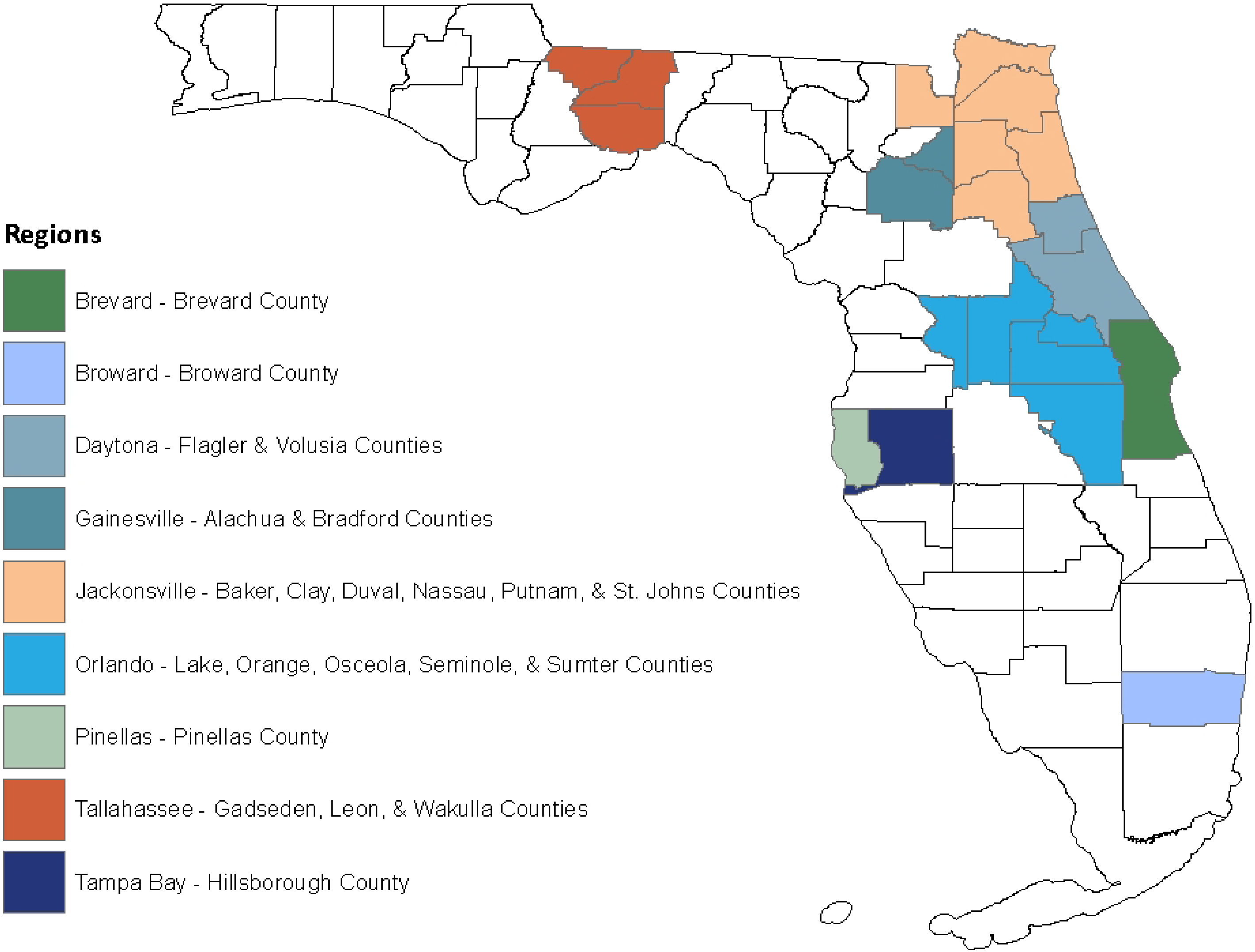
STARTUP SIMULATION LABORATORY SESSIONS

Session	Topic
0	Introductory Workshop
1	Technology Showcase and Teambuilding
2	Understanding the Value Proposition of the Technology
3	Market Analysis and Strategy
4	Commercialization Strategies and Intellectual Property
5	Financial Requirements of Bringing a Product to Market
6	Company Presentations
7	Corporate Structures and Forming the Management Team
8	Sources of Funding
9	Business Plan Submission and Work Session
10	Investor Pitch Contest

STARTUP QUEST[®] ELIGIBILITY CRITERIA

- 18 years of age or older;
- A U.S. citizen or legally authorized to work in the United States;
- Males over age 18, born on or after 01/01/1960, must be registered with the Selective Service;
- Either unemployed or underemployed at time of program registration.
- Have an associate's degree or higher.

STARTUP QUEST® REGIONS



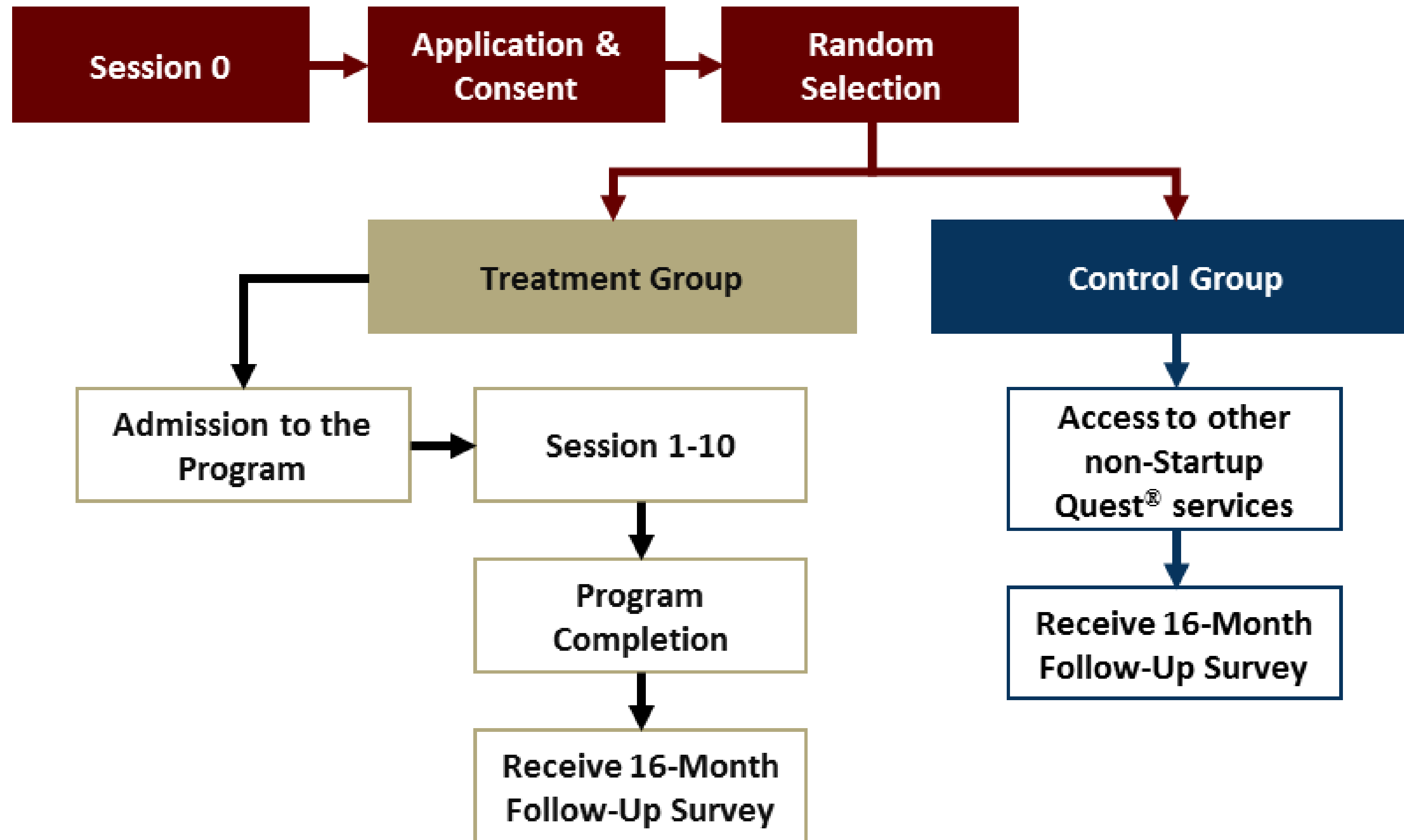
FEATURES OF THE STARTUP QUEST® MODEL



PROGRAM START DATES

Region	Program Start Date Round 1	Program Start Date Round 2	Program Start Date Round 3	Program Start Date Round 4	Program Start Date Round 5
Brevard	4/9/2013	3/6/14	4/7/15	--	--
Broward	8/22/13	2/26/14	8/27/14	2/21/15	7/31/15
Tallahassee	1/9/14	9/4/14	2/12/15	7/23/15	--
Orlando	7/30/15	--	--	--	--
Daytona	5/8/13	2/11/14	3/6/15	--	--
Gainesville	9/11/13	3/12/14	2/24/15	--	--
Jacksonville	5/23/13	3/14/14	3/9/15	--	--
Pinellas	9/18/13	9/3/14	6/16/15	--	--
Tampa Bay	2/10/14	1/22/15	6/16/15	--	--

STARTUP QUEST® RANDOM ASSIGNMENT



OUTCOMES

- Self-employment
- Self-employment earnings
- wage and salary employment
- Wage and salary earnings
- UI receipt, number of weeks of UI receipt, and the amount of UI benefits received

DATA

- Baseline Data
- Follow-up Data on Outcomes
 - Administrative Wage Records
 - 16-month Survey

BASELINE DATA

Element	Information Collected
Background Characteristics	SSN, Date of birth, Gender, Race and Hispanic ethnicity, Education, Whether the applicant has children under 18, Household income prior to enrollment, Whether the applicant was born in the U.S., Disability or health problem, Primary language
Pre-program Labor Market Experience	Current Employment Status Weeks worked in a salary/wage job in the year prior to enrollment Years worked in salary/wage employment Industry of salary/wage employment Full-time/Part-time status of last salary/wage job Earnings before taxes and deductions Stop date of most recent salary/wage job
Previous Self-Employment History	Any past self-employment Self-employment at the time of application Number of years/months of self-employment What the business made/sold/did Full-time/Part-time status at business
Other Information	Currently receiving welfare assistance Currently receiving UI benefits Number of weeks applicant received UI benefits in the last 12 months

FOLLOW-UP DATA ON OUTCOMES

Data Source	Outcomes						
	Salaried Employment	Earnings from Salaried Employment	Self Employment	Self Employment Earnings	Likelihood of UI Benefit Receipt	UI Benefit Amount	Weeks of UI Benefits Claimed
Wage Records Data	✓	✓					
Follow-up Survey			✓	✓	✓	✓	✓

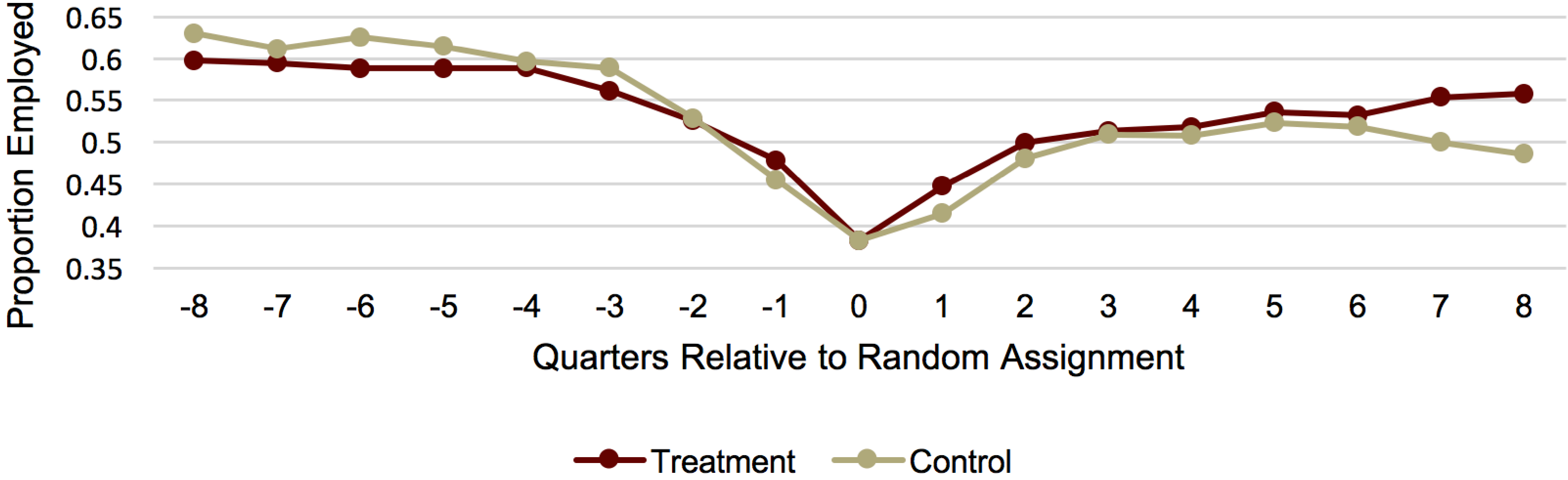
DISTRIBUTION OF APPLICANTS IN THE STUDY SAMPLE

Site	Treatment Group	Control Group	Total Applicants
Brevard	76% (133)	24% (43)	176
Broward	75% (508)	25% (170)	678
Daytona	76% (165)	24% (53)	218
Gainesville	75% (195)	25% (65)	260
Jacksonville	75% (212)	25% (69)	281
Orlando	76% (73)	24% (23)	96
Pinellas	73% (223)	27% (81)	304
Tallahassee	75% (275)	25% (91)	366
Tampa	75% (169)	25% (56)	225
All Regions	75% (1953)	25% (651)	2,604

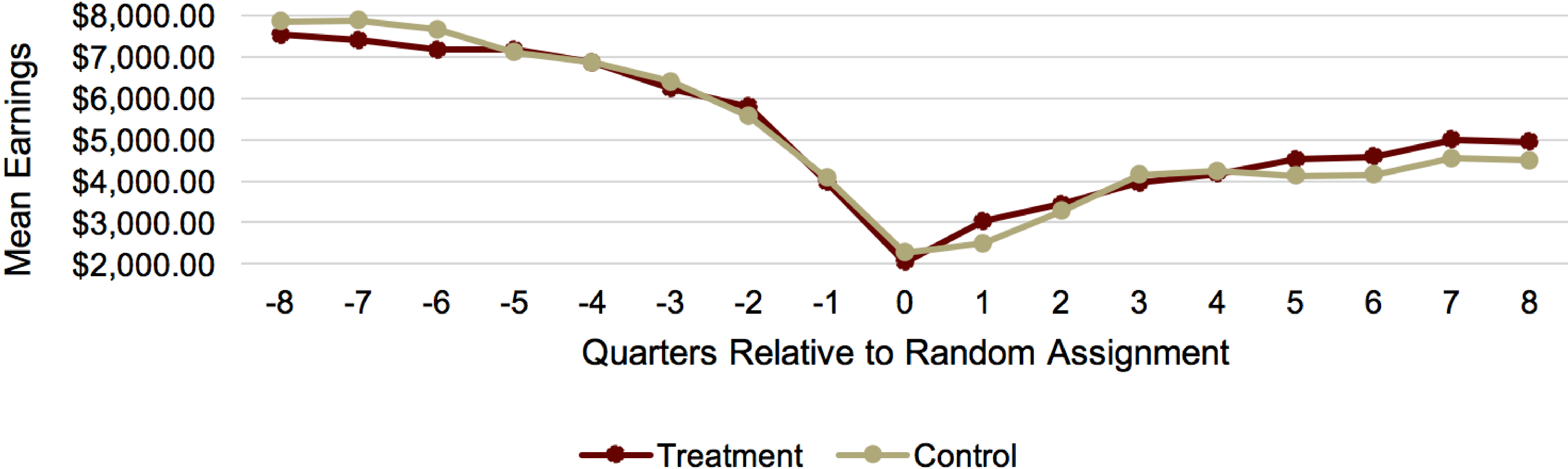
DESCRIPTIVE STATISTICS

Characteristics	Treatment	Control
Male	0.440	0.430
Race		
White	0.600	0.561
African-American	0.355	0.387
Hispanic ethnicity	0.154	0.157
Age Group		
20-29 Years	0.061	0.069
30-44 Years	0.265	0.27
45-64 Years	0.631	0.613
65+ Years	0.042	0.046
Other Characteristics		
English-speaking	0.915	0.899
Household size	2.36	2.40
Currently receiving public assistance	0.211	0.155
Education		
HS diploma, some college, vocational	0.018	0.014
Associate's Degree	0.141	0.115
Bachelor's Degree	0.447	0.473
Professional Degree	0.393	0.398
Currently Self Employed	0.202	0.218
Self-Employed in the Past	0.437	0.465
Currently receiving UI benefits	0.243	0.238

SALARIED EMPLOYMENT AMONG TREATMENT AND CONTROL GROUPS



SALARIED EARNINGS AMONG TREATMENT AND CONTROL GROUPS



IMPACT ESTIMATES ON SELF-EMPLOYMENT OUTCOMES

Dependent Variable	Unadjusted			Adjusted Estimate	Sample Size
	Treatment Group Mean	Control Group Mean	Difference		
Likelihood of Self-Employment	31.77	33.94	-0.022 [0.250]	-0.004 [0.874]	1,703
Self-Employment Earnings Last Month (\$)	383.5	503.6	-120.2 [0.260]	-95.48 [0.320]	1,666
Self-Employment Earnings Last Year (\$)	7242.1	8529.5	-1287.5 [0.400]	-890.7 [0.520]	1,664

IMPACT ESTIMATES ON EMPLOYMENT AND EARNINGS OUTCOMES

Dependent Variable	Unadjusted			Adjusted Estimate	Sample Size
	Treatment Group Mean	Control Group Mean	Difference		
Panel A: Salaried Employment					
Ever Employed Q1/Q2	0.555	0.531	0.024 [0.388]	0.018 [0.416]	2,586
Ever Employed Q3/Q4	0.576	0.551	0.025 [0.410]	0.024 [0.392]	2,298
Ever Employed Q5/Q6	0.593	0.560	0.033 [0.518]	0.022 [0.614]	1,713
Ever Employed Q7/Q8	0.610	0.535	0.076** [0.048]	0.060* [0.068]	1,352
Panel B: Salaried Earnings					
Average Earnings Q1/Q2 (\$)	3233.6	2876.7	356.9 [0.224]	395.7 [0,144]	2,586
Average Earnings Q3/Q4 (\$)	4062.6	4177.9	-115.3 [0.716]	16.61 [0.948]	2,298
Average Earnings Q5/Q6 (\$)	4554.7	4138.0	416.7 [0.382]	444.9 [0.314]	1,713
Average Earnings Q7/Q8 (\$)	4967.4	4527.6	439.7 [0.530]	509.1 [0.428]	1,352

IMPACT ESTIMATES ON UI RECEIPT, DURATION, AND AMOUNT

Dependent Variable	Unadjusted			Adjusted Estimate	Sample Size
	Treatment Group Mean	Control Group Mean	Difference		
UI Receipt	0.195	0.259	-0.064### [0.006]	-0.067## [0.024]	1,731
UI Duration (in weeks)	2.477	4.094	-1.617## [0.030]	-1.543# [0.054]	1,715
UI Amount (in \$/week)	59.33	69.83	-10.50# [0.066]	-20.29 [0.236]	1,712

SUB-GROUP ANALYSIS

- Likelihood of self-employment for the younger treatment group increased by 10.4 percentage points
- Program decreased UI reliance for younger individuals.
 - Younger treated individuals 12.8 percentage points less likely to claim UI benefits between baseline and follow-up.
 - Younger treated individuals claimed benefits for 1.78 weeks less than the control group.
- No effect on labor market outcomes for individuals unemployed or underemployed at baseline.

IMPLICATIONS

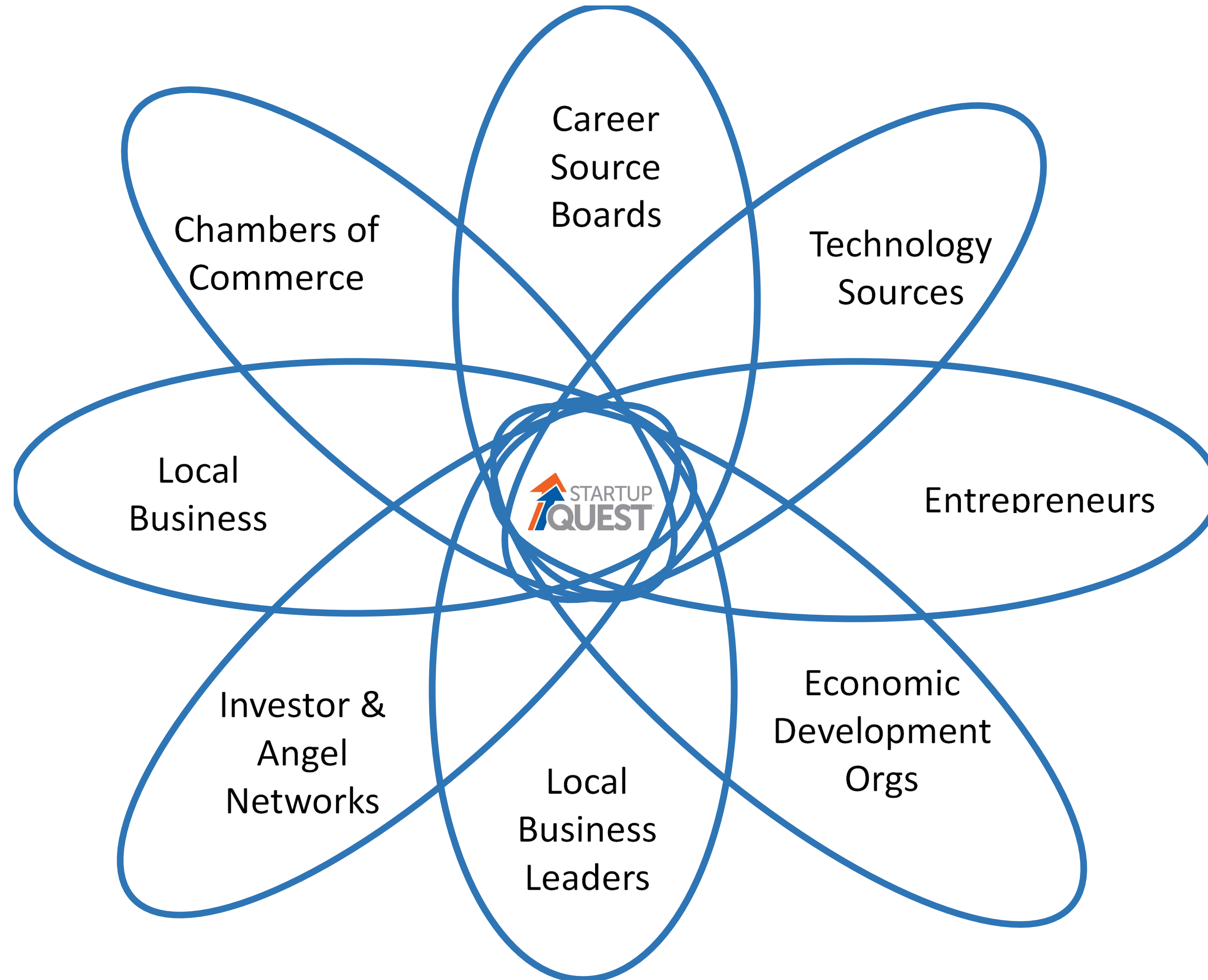
- This technology-based, self-employment program may be a better fit for younger program participants.
- Framing Startup Quest[®] as both a self-employment and employment training program may both help increase demand for the program and broaden community support for local and regional employers.
- Positive program impacts on labor market outcomes may be due, in part, to the networking opportunities created by the program.
- Future evaluations of similar labor market programs should consider long-term data collection post-random assignment to examine program impacts on medium- and longer-term outcomes.

CONTACT INFORMATION



Dr. Neha Nanda
Senior Research Associate
443.259.5245
nnanda@impaqint.com

STARTUP QUEST® COMMUNITY PARTNERS



STARTUP QUEST® SERVICE DELIVERY MODEL



DOL WORKFORCE INNOVATION FUND (WIF) GRANTS

- June 2012, ETA DOL awarded 26 grant programs to support innovative employment and training service delivery in the public workforce system.
 - Design innovative approaches to generate long-term improvements in the public workforce system
 - Improved economic outcomes for job seekers and employers
 - Build evidence-based practices in the workforce development field