National Association of Workforce Boards

SKILLS ECONOMY TOOLKIT

ACTION GUIDE:
EVALUATION AND IMPACT

Introduction

Building a skills economy is a significant investment of time, resources, and political capital. To sustain momentum, secure continued funding, and continuously improve, you must demonstrate impact. Evaluation isn't just about accountability; it's about learning what works, telling your story effectively, and making data-driven decisions.

This guide will help you design evaluation frameworks, select the right metrics, collect meaningful data, and communicate impact to diverse stakeholders.

Why Skills Economy Evaluation Matters

In a skills economy, you can't show the value of the transformation without data. Workforce boards face constant pressure to demonstrate ROI to funders, justify investments to taxpayers, and show employers that skills-based approaches actually work. Yet, traditional workforce metrics weren't designed for skills infrastructure.

- **Measuring** 'credentials earned' doesn't tell you if those credentials led to jobs.
- **Tracking** 'training completion rates' doesn't show if workers gained skills employers value.
- **Counting** 'job placements' doesn't reveal if skills-based hiring expanded opportunities for underrepresented populations.

A skills economy requires new metrics that capture what actually matters: *Are workers advancing based on demonstrated skills? Are employers finding talent they couldn't reach before? Are credential systems creating pathways or just adding paperwork? Are equity gaps closing or widening?* Without rigorous evaluation, skills initiatives risk becoming expensive experiments that can't prove impact, secure sustainable funding, or improve over time. In this action guide, we outline the steps and tools for effectively evaluating the reach, engagement, and impact of skill-focused workforce activities.

Step 1: Develop a Logic Model

A logic model maps the relationship between your investments, activities, and intended results. It provides the foundation for selecting metrics and designing an evaluation.

Component	Description & Examples
Inputs	**Resources invested:** Staff time, funding, technology platforms, partnerships, training materials
Activities	**What you do:** Convene employers, map skills ecosystem, implement digital badges, provide training, conduct outreach
Outputs	**Direct products:** # of badges issued, # of employers engaged, # of training programs aligned, # of people served
Short-term Outcomes	**Initial changes (0-12 months):** Increased awareness of skills-based hiring, credentials recognized by employers, and job seekers able to articulate skills
Medium-term Outcomes	**Behavioral changes (1-3 years):** Employers hire based on skills, not just degrees, workers earn stackable credentials, training aligns with the job market
Long-term Impact	**Systemic change (3+ years):** Reduced skills gaps, increased economic mobility, more equitable access to opportunity, stronger regional economy

🔴 ***Action Item:*** *Use the Logic Model Template (Tool 1) to map your theory of change.*

Step 2: Select Meaningful Metrics

Not all metrics are equally useful. Select measures that are meaningful, measurable, and actionable. Balance leading indicators (predict future success) with lagging indicators (measure final results).

Category	Example Metrics	Data Source
Ecosystem Development	# of active employer partners, # of aligned training programs, # of credentials mapped to skills taxonomy	Partnership agreements, training provider records, credential registry
Individual Outcomes	# earning credentials, % placed in jobs, average wage at placement, credential completion rate	Case management systems, wage records, credential platforms, and follow-up surveys
Employer Impact	% using skills-based job descriptions, time-to-hire reduction, quality of hire ratings, retention rates	Employer surveys, ATS data, HR analytics, interviews
System Efficiency	Average time from enrollment to credential, cost per credential earned, and credential portability rate	Program tracking systems, financial records, and credential transfer data
Equity	Outcomes by race/ethnicity, gender, disability status, income level; participation rates by demographic group	Disaggregated program data, demographic surveys, and accessibility metrics

🔴 ***Action Item:*** *Use the Metrics Selection Matrix (Tool 2) to choose your key performance indicators.*

Step 3: Consider Skills Specific Evaluation Methods

Skills are deeply connected to the context in which they were learned, developed, and in which they are used. There are multiple methods for evaluating skills to uncover their richness and value, as well as to assess their demonstration. Here, we present 12 methods for evaluating the adoption, use, and value of skills in a skills economy.

Method	Measures	How to Do It	Example
Pre/Post Skills Assessment	Actual skill gains using competency-based assessments before and after training	• Use validated skills assessments (WorkKeys, industry certifications) • Conduct practical demonstrations (welding test, coding challenge) • Have employers verify skill acquisition • Use rubrics to measure proficiency levels (beginner → expert)	Healthcare training tests participants on patient care competencies at intake, mid-program, and completion, showing progression from Level 1 to Level 3 proficiency.
Skills Pathway Progression Tracking	How workers stack skills-rich credentials and advance along defined skills pathways	• Map skill-rich credential sequences (entry → intermediate → advanced) • Track time between credential milestones • Measure wage increases at each credential level • Document job transitions enabled by new credentials	Track workers who earn the Customer Service badge → Supervisory Skills certificate → Team Leadership credential, measuring employment and wage changes at each step.
Employer Skills Verification	Whether workers actually demonstrate the skills indicated by their credentials on the job	• Survey employers 3-6 months post-hire about skill demonstration • Use 1-5 rating scales for specific competencies • Compare credential holders to non-credential holders • Conduct supervisor focus groups about credential value	90-day survey asking employers to rate new hires on 10 specific skills from digital badges, revealing which credentials accurately predict job performance.

Skills-Rich Digital Credential Analytics	How workers earn, share, and use skills-rich digital credentials over time	• Track skills-rich credential earning rates and patterns • Monitor how often workers share credentials with employers • Measure credential 'velocity' (time from earning to employment) • Analyze which credentials lead to the fastest job placement • Track credential stacking sequences that correlate with advancement	Platform data shows workers who earn IT Support credentials share them with employers 3.2x more often than traditional certificates, with 60% employed within 90 days.
Skills Transfer Measurement	Whether skills gained in one context transfer to different jobs or industries	• Track workers who transition across industries using the same skills • Compare outcomes for transferable vs. job-specific credentials • Survey workers about which skills they use across roles • Map skills taxonomy alignment across occupations	Measure how many workers with "Project Management" skills earned in construction successfully transition to healthcare administration roles.
Skills Gap Closure Analysis	How do training programs close specific skills gaps identified by employers?	• Start with labor market analysis, identifying skill shortages • Compare worker skills before/after training against employer needs • Track reduction in unfilled positions requiring specific skills • Survey employers about whether skill gaps are narrowing	Regional analysis shows 200 open positions requiring "CNC machining" skills; after training, track positions filled by credential earners and remaining gap.

Competency-Based Assessment Results	Mastery-based evaluations rather than seat time or completion	• Require learners to demonstrate 80%+ proficiency on assessments • Track how many attempts learners need to reach mastery • Compare achievement rates across training modalities • Measure employer-verified on-the-job competency	The welding program requires Level 3 proficiency on practical weld tests before earning credentials, with employers verifying quality work consistently.
Credential Recognition Rate	How many employers actually recognize and value the credentials programs issue	• Survey employers: "Do you recognize [specific credential]?" • Track job postings that mention your credentials • Measure wage premiums for credential holders • Document employer partnerships that accept credentials	45 employers in the region now list "ABC Digital Marketing Badge" in job postings, up from 5 two years ago, showing growing recognition.
Skills-Based Hiring Outcomes	Hiring outcomes when employers use skills-based methods vs. other requirements	• Track time-to-hire for skills-based vs. other postings • Methe asure diversity of applicant pools • Compare retention rates • Survey hiring managers about candidate quality	Employers using skills-based job descriptions fill positions 30% faster and hire 40% more candidates without bachelor's degrees, with equal retention.
Skills Portfolio Quality Assessment	Comprehensiveness and market-relevance of workers' documented skills	• Review worker portfolios for breadth and depth of skills • Rate portfolio completeness (technical + soft skills + work samples) • Assess alignment between documented skills and job requirements • Track portfolio updates over time as workers gain competencies	Workers with portfolios containing 8+ validated skills and 3+ work samples get interviews 2.5x more often than those with incomplete profiles.

Skills Taxonomy Alignment Analysis	How well do training programs align with standardized skills frameworks	• Map curriculum to O*NET, ESCO, or industry taxonomies • Calculate % of training hours building taxonomy-defined skills • Compare taxonomy alignment to employment outcomes • Identify gaps where programs don't teach in-demand skills	The training audit shows that 75% of the curriculum aligns with O*NET skills for the target occupation, with 25% needing updates to reflect labor market changes.
Longitudinal Skills Progression Study	How skills accumulation affects career trajectories over 3-5 years	• Follow cohorts from first credential through career milestones • Document skills added over time and resulting changes • Compare credential stackers vs. single-credential earners • Identify which skill sequences lead to the greatest advancement	A five-year study shows workers who stacked 3+ credentials in complementary skills earned 35% more than single-credential holders, with faster promotions.

Step 4: Establish Data Collection Systems

The best metrics are useless without good data. Design collection systems that are sustainable, minimize burden, and protect privacy.

Method	Best For	Considerations
Administrative Data	Tracking enrollments, completions, placements, wages, and data already collected for other purposes	Low burden, but limited to what's already tracked. Ensure data quality and completeness.
Surveys	Gathering perceptions, satisfaction, outcomes beyond what's tracked administratively	Keep short, offer incentives, time strategically, expect 20-40% response rates
Interviews	Deep understanding of experiences, context, and nuances that quantitative data misses	Time-intensive, small sample size, rich qualitative data, complement with quantitative data
Platform Analytics	Usage data from digital platforms, such as logins, searches, credential views,and job applications	Automatic, but shows behavior, not outcomes. Privacy considerations for tracking.
Case Studies	In-depth stories showing how skills-based approaches work in practice	Powerful for storytelling, not statistically representative, choose diverse examples

🔴 ***Action Item:*** *Use the Data Collection Plan (Tool 3) to organize your measurement approach.*

Step 5: Tell Your Impact Story

Data doesn't speak for itself. Translate findings into compelling narratives that resonate with different audiences. Balance numbers with stories, celebrate wins while being honest about challenges.

Tailoring Messages by Audience

Audience	What They Care About	Key Messages
Funders	ROI, outcomes, accountability, scalability, alignment with priorities	$X invested → Y people served → Z% employment rate → $A in wage gains
Employers	Quality of talent, time-to-hire, retention, skills match	Partners saved X days in hiring, 90% of placements retained after 6 months
Job Seekers	Opportunities, fairness, recognition of skills, and career advancement	Success stories of people who earned credentials and advanced their careers
Policymakers	Economic development, equity, constituent impact, innovation	Skills initiative increased regional employment by X%, reduced disparities by Y%
General Public	Community benefit, fairness, opportunity, human stories	Video profiles of community members whose lives improved through skills-based pathways

Pro Tip: *Lead with stories, support with data. A single compelling case study plus 3-5 key statistics is more memorable than 20 charts.*

Evaluation Tools & Templates

Use these tools to design, implement, and communicate your evaluation.

TOOL 1: Logic Model Template

Map your theory of change.

INPUTS: What resources do we invest in?
ACTIVITIES: What do we do?
OUTPUTS: What do we produce?
SHORT-TERM OUTCOMES: What changes in 0-12 months?

MEDIUM-TERM OUTCOMES: What changes in 1-3 years?
LONG-TERM IMPACT: What systemic change in 3+ years?

TOOL 2: Metrics Selection Matrix

Evaluate potential metrics against key criteria.

Potential Metric	Important?	Feasible?	Actionable?	Use It?
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐

	☐	☐	☐	☐
	☐	☐	☐	☐
	☐	☐	☐	☐

Important: *Aligns with goals, matters to stakeholders*

Feasible: *Data is available or collectible at a reasonable cost*

Actionable: *Results will inform decisions and improvements*

TOOL 3: Data Collection Plan

Organize your measurement approach.

Metric	Data Source	Frequency	Responsible

TOOL 4: Impact Dashboard Template

Track and visualize your key metrics.

Key Performance Indicator	Target	Actual	Status
# of Employers Engaged			
# of Credentials Issued			
# of People Served			
% Job Placement Rate			
Average Wage at Placement			
Credential Completion Rate			
Employer Satisfaction Score			
Participant Satisfaction Score			
Time to Credential (avg days)			
Cost per Credential			

Status: ✓ On Track | ⚠ Needs Attention | ✗ Off Track

Next Steps

Evaluation is not a one-time event; it's an ongoing process of learning and improvement. Here's how to get started:

- **Build your logic model** to clarify your theory of change
- **Select 5-10 key metrics** that balance outputs and outcomes
- **Create a data collection plan** with clear roles and timelines
- **Set up reporting systems** and dashboards to track progress
- **Share results regularly** with stakeholders in accessible formats
- **Use findings** to continuously improve your work

Additional Resources

- **W.K. Kellogg Foundation:** Logic Model Development Guide
- **Urban Institute:** Outcome Indicator Library
- **DOL WIOA Performance Accountability:** Federal reporting requirements
- **Other Action Guides:** Strategic Planning and Data Governance

Questions, feedback, or need help in determining your region's impact?
Contact the National Association of Workforce Boards
www.nawb.org