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Commentary/Op-Ed - July 2009

Job Training: Often Misunderstood But Too Important to Dismiss

In this commentary for *The Huffington Post* on behalf of the Working Poor Families Project, CUF's David Jason Fischer and the WPFP's Brandon Roberts examine some of the misperceptions and realities around job training in the United States today.

by David Jason Fischer and Brandon Roberts

Job retraining has had a bum rap in public policy circles. The latest indictment of retraining came in a *New York Times* article on July 6, describing the difficulties of laid-off workers in Michigan -- home of the country's highest unemployment rate (14.1 percent) and a much-touted state program, No Worker Left Behind, that offers up to two years of tuition assistance toward an educational or occupational credential in any "high-demand" economic sector.

One significant problem detailed in the piece was the frequency with which participants completed training but did not find jobs afterward, as ostensibly high-demand job categories proved to be anything but. Placing the Michigan workers' difficulties in broader context--and casting more doubt on the enterprise of retraining overall--the piece cited a US Department of Labor study from December 2008 which found that benefits for laid-off individuals retrained through federal Workforce Investment Act (WIA) programs were "small or nonexistent." The implication is that the public should temper expectations for the more than $1 billion for retraining included in the federal stimulus measure passed earlier this year.

But while the Times story and similar tales of woe identify real challenges with retraining, it would be incorrect to conclude either that these programs are hopeless, or that the problems of retraining call into question the value of all training. On this point, the same USDOL study (PDF) cited in the article found "positive and statistically significant" wage gains for WIA Adult program training participants in most states, with average wage gains per quarter of well over $200 compared to control groups. Other studies have also shown even stronger results, including a recent Public/Private Ventures report that analyzed job training programs linked to targeted industries or sectors and found participant wage gains of more than 18 percent -- about $4,500 -- compared to a control group over a two-year period.

Misunderstandings about the nature of job training cloud public perceptions as well. A significant portion of job training in the

U.S. occurs through community colleges -- institutions that blend educational and workforce missions, to the benefit of jobseekers and local employers alike. In fact, a just-released paper by the President's Council of Economic Advisers notes that approximately 35 percent of individuals who receive job training through WIA do so through community colleges. Smaller and more flexible than four-year institutions, community colleges typically offer industry-recognized vocational certifications, in fields from automotive maintenance to computer network administration, as well as traditional associates' degrees. Nearly four-fifths of community colleges also offer contract training, developing curricula in partnership with employers, industry associations and other outside stakeholders to train incumbent workers and jobseekers. Additionally, much apprenticeship training, which typically leads to high-wage positions, takes place in community colleges.

Mindful of community colleges' value and potential, the Obama administration recently announced the American Graduation Initiative. This groundbreaking plan will expand support to community colleges, pledging $12 billion for new initiatives to improve college completion, modernize facilities, and develop new online learning opportunities with the goal of graduating an additional five million Americans from a community college by 2020. An explicit objective of the plan is to "help rebuild the capacity and competitiveness of America's workforce." The initiative has drawn praise from both sides of the political spectrum, including prominent conservatives like Even when training outcomes do not meet expectations, the findings should not be considered as definitive. Variation in program design and implementation from one state to the next is so pronounced that, rather than looking at aggregate system performance across a number of states, we might be better served to determine which states have seen the most success in retraining and reemploying displaced workers. One such state is Washington, where displaced workers who have gone for retraining in the state's standout community and technical college system have thrived: the system's June 2009 performance report found that 81 percent of retrained workers were back working within a year of program completion, at wages comparable to what they had earned before losing their jobs. In fact, lower-income displaced workers reported an average 18 percent wage gain after retraining.

One important point mentioned within the July 6 Times article is that "[j]ob retraining is also ineffective without job creation." Considering that job creation (or preservation) was an explicit goal of the American Recovery and Reinvestment Act passed earlier this year, states' retraining efforts should use a targeted, sector-based focus with the goal of transitioning displaced workers into positions that the stimulus will support, in infrastructure and emerging fields such as clean energy. It also suggests a possible direction for programming going forward: rather than relying upon labor market economists' best guesses as to what job titles might be "hot," states and localities might be better off directing retraining efforts toward jobs that are likely to emerge as a result of their own economic development investments. As Congress and the Obama administration look toward reauthorizing the Workforce Investment Act in the near future, policymakers must find ways to more closely link job training with job creation.

At their best, workforce development programs offer incumbent workers and jobseekers a bridge to connect their current skills and experiences with stable jobs that offer family-supporting pay and advancement prospects. Given the accelerating pace of economic change, the ongoing dysfunction in our public schools -- the other system for career preparation -- and the perils and possibilities now inherent to our labor market, workforce programming, very much including retraining, is too important to dismiss or neglect.

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