

## ARE JOB TRAINING PROGRAMS A GOOD WAY TO FIGHT POVERTY?

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Starting with the 1960s War on Poverty, job training programs – now called “workforce development” – were deployed to improve the skills of poor youth and adults and help them find employment. After a modest beginning, workforce development got a big infusion of federal funding in the 1970s; but support declined after 1980.

Did the original training programs fall short of expectations? More importantly, what do the best current data and analyses show about job training as a tool for reducing poverty in the future?

### The Rise and Decline of Workforce Development

The War on Poverty was launched toward the end of an era of prosperity shared by all American workers. Average household incomes roughly doubled between 1945 and 1970, dramatically reducing poverty in the process. President Johnson’s economic advisers assumed that poverty could be eliminated by modest efforts to raise skills and reduce racial job bias.

- This helps explain why the War on Poverty included only a few small training programs – most notably the Job Corps, a residential program for low-income youth that still exists.
- New programs and greater funding came during the administrations of Richard Nixon and Gerald Ford, and grew even more under President Jimmy Carter. The Comprehensive Employment and Training Act of 1973 provided funds for classroom and on-the-job training. Public service jobs were also funded when it became clear that poor people needed more jobs as well as better skills.
- But after the 1980 election of President Ronald Reagan and in subsequent administrations, federal funding for public service jobs was totally eliminated, and funding for workforce programs steadily declined. The programs have evolved through various legislative changes to include more local business control and less money for training, especially of the poor. By 2012, federal funds in the remaining Workforce Investment Act program were about 80% lower than for predecessor programs in 1980.

### Why Did Job Training Wane?

Research and evaluation studies raised doubts about the cost-effectiveness of particular programs, but the major impediments came from shifts in the national economy and politics and changes in the lives of poor families and communities.

Beginning in the early 1970s, productivity and income growth slowed, and when growth rebounded in the 1980s and 1990s, earnings inequalities rose dramatically, as the highly educated pulled away from others and well-paid industrial jobs dwindled. Women and college-

educated workers continued to enjoy gains, but the earnings of less-educated men deteriorated. Employment declined most dramatically for less-educated African American men, who also married less often and became more involved in illegal activities. With these dramatic shifts, job training seemed less relevant, and experts and leaders instead grew more concerned with gaps in education and achievement across racial and income groups.

Politics and policies also changed – in the direction of pressing poor adults simply to take any available low-wage jobs, rather than try to raise their skills. During the 1990s, welfare reform, subsidized child care, and employment-based tax subsidies pushed millions of poor women into the low-wage job market. At the same time, large numbers of low-income African American men went to prison, removing them from the labor market. Hard-to-employ people with weak skills, physical or emotional disabilities, and criminal records have been left to struggle economically – and the recent Great Recession and sluggish recovery have made things worse.

### Recent Developments, New Evidence, and Future Prospects

There has been some good news. As job training has dwindled, Pell grants that help pay for low-income youth and adults to attend college have expanded dramatically, especially under President Barack Obama. As of 2013, Pell funding stood at \$36 billion, more than twice the funding for all federal employment and training programs. Many Pell recipients are older students or are enrolled in short-term programs. In effect, Pell grants are now the main workforce program for the poor, with most training provided by community colleges.

At the state and local levels, expanded *sectoral* training programs target growing industries (like health care and information technology) that offer well-paid jobs to people without bachelor's degrees. *Career pathway* programs meld formal education with work experience, and traditional vocational education in high school is evolving with the growth of programs (like Career Academies and apprenticeships) that stress academic as well as technical preparation.

A growing body of research evidence validates new initiatives. Older job training programs generated modest earnings gains for the poor, but the best sectoral programs do better. People who earn associate degrees or certificates in community colleges also earn more. However, the percentages of poor students completing community college after enrolling remain very low, and efforts to help the least-skilled youth and adults find good jobs rarely succeed.

Governments now face tight fiscal constraints and the American public has little sympathy for spending on the poor. The best route forward involves workforce development efforts coordinated with two- and four-year college programs. Low-income youth and adults will do best at completing programs that include career services and are well-tailored to local labor market conditions. High-quality career and technical education in high school can help. Various states are experimenting with all these approaches, often with business support. Yet we must remember that very poor people with disabilities, criminal records, or unpaid child support debts will often not succeed through standard programs unless they get additional support and guidance. One size does not fill all.

The overall lesson is: workforce programs have changed and they must continue to evolve, but they still have an important role to play in efforts to mitigate poverty in America.

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Read more in Harry J. Holzer, "Workforce Development Programs," in *Legacies of the War on Poverty*, edited by Martha J. Bailey and Sheldon Danziger (Russell Sage Foundation, 2013), 121-151.