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OUT IN THE FIELD

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TRAINING

STUDY CHARTS BENEFITS OF TARGETED PROGRAMS

How important is occupational skills training?

A new report by the **Aspen Institute** concludes that specialized training that coincides with the needs, economic cycles, and demands of a particular industry can boost low-wage workers' salaries significantly and increase job security.

"The current labor market is complex and contradictory," writes Maureen Conway, coauthor of the study. "In the midst of rising unemployment rates, employers in critical industries such as healthcare, manufacturing, and the building trades continue to struggle to recruit and retain workers with sound basic and technical skills.

"In recent years," she continued, "changes in technology and in the general business environment have compelled many companies to increase their investment in training in order to remain competitive. At the same time, investments in training by the public sector have diminished. The end result is that workers who are the least likely to receive employer provided training - entry-level workers with low earnings and limited work experience and education - also are increasingly less likely to have access to publicly funded training that can build skills, improve employment prospects, and boost earning power."

The answer, according to Conway and coauthor Ida Rademacher, are special training programs that are targeted to the needs of specific industries. "Industry-specific work force programs have helped workers advance in the labor market," said the study, which examines the work force outcomes of 732 participants in sector training programs offered by 32 work force investment boards across the country. Of the individual participants, 26 were tracked for four years.

According to the study, the median personal earnings of program participants rose from \$4,144 to \$13,650 in the year following training, to \$16,894 the second year after training due to an average 31 percent increase in wage rates as well as work hours.

The researchers noted that the best training programs targeted a select industry or subset of an industry and then figured out how to address the sector's work force needs. They also

positioned themselves as strategic partners and developed ties to companies in the industry. They strove to understand the sector's competitive pressures and how the regulatory environment shaped its work force issues. Additionally, the primary mission of the most effective industry-specific training programs was to "leverage employment opportunities for low-income job seekers."

"They worked with the relevant labor market stakeholders - community colleges, community based nonprofits, employers, policy makers - to develop systemic solutions for recurring work force challenges faced by both employers and low-income job seekers," the researchers said.

For participants, the rewards were tangible, the researchers found. "In addition to greater wages, many participants received job benefits such as health insurance, paid sick and vacation leave, pension plans and other benefits," said the report. "Specifically, 78 percent of the main jobs that participants held during the first and second years after training provided access to health insurance, compared to 50 percent prior to training. The proportion of participants who actually received health insurance through their jobs rose from 53 percent in the first year after training to 65 percent by the second year, an increase due to improved employment stability. In all, 77 percent of the participants said that because of their new jobs they now have paid vacation, 64 percent said they have paid sick leave, and 59 percent reported that their employers offer a pension plan.

When the researchers surveyed the backgrounds of the 732 participants, they found that 96 percent had prior work experience, and many had been in the labor market for an average of 11 years. The majority, about 72 percent, had a high school diploma or general equivalency diploma. After completing training and landing jobs, 82 percent of all the participants said they believed that their future job prospects had improved because they had participated in a targeted sector training program. "Many also expressed an increased desire to further develop their skills and education and were confident of their ability to achieve their goals," the study said.

The researchers also found that employers valued their relationships with the targeted training programs because they felt their approach to skills training worked and created more productive employees. One such program: Focus: Hope in Detroit. The program teaches participants machine skills and forges agreements with local colleges to help students move from entry-level to course work that requires a degree and leads to higher level jobs.

In Boston, Jobs for Youth, now called JFY Networks Inc., offers training in industries where demand for workers is high and the economic prognosis seems secure. The nonprofit organization has also developed a relationship with Suffolk University that allows participants in its environmental training program to take specialized courses. Other participants in JFY Networks' skills training programs have obtained advanced degrees in biology and accounting.

Despite the achievements of such programs, the **Aspen Institute's** researchers found that many receive little financial support from the government. One reason: The government has slowly reduced support for training for the working poor or disadvantaged. Federal programs such as the Job Training Partnership Act have been disbanded and replaced by the Workforce Investment Act, with fewer funds to support nonprofit sector training, the authors said.