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# POLICY MATTERS OHIO

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## **Displaced workers need high-skill training, good labor market information** **New Policy Matters Ohio study assesses strengths, weaknesses of JTPA**

Federally-supported occupational training for unemployed workers showed clear benefits for individuals under age 30, but many participants had difficulty finding jobs in fields related to their training. These are two of the key findings of a new Policy Matters Ohio study of the final three years of activity under the Job Training Partnership Act (JTPA). The JTPA was replaced by the Workforce Investment Act (WIA) in 2000. WIA reporting data for Ohio does not permit a complete analysis of training occupations.

The JTPA offered short-term training, and 83 percent of those who completed the program entered employment. However, less than half of those finding work in the main occupations were employed in a training-related field. This was likely due to both poor relationships between programs and employers, and poor use of labor market information. Three of the common training courses were in occupations that were projected to decline in employment base.

“Analyzing the final years of the JTPA offers important guidance for current and future policy affecting dislocated workers,” said Jon Honeck, report author. “Some lessons are that we should have high-skill training, a good understanding of high-quality jobs that are growing, strong connections to employers, and clear standards for the training and the placements.” Findings include:

- ◆ Eight of the eighteen most frequent training paths were not in skill intensive fields, and trained people for occupations that need only short or moderate-term on-the-job training. The skills taught in most of these fields were not highly valued by employers, making it difficult for workers to attain their pre-layoff wages. The median involved worker saw a wage drop of about 9 percent, about \$1.00 an hour.
- ◆ Workers who completed their training entered employment at a rate 24 percentage points higher than those who did not. Workers were more likely to complete training courses that were less skill intensive. Most trainees did not receive additional financial assistance or support services during training.
- ◆ Truck driving trainees (the most common field for men) were the most likely to find any kind of job (90 percent did), and most likely to obtain a training-related placement. However, turnover rates in tractor-trailer driving are extremely high, so placements were likely short term.
- ◆ The program trained women most frequently for computer operator positions, a basic skill training that yielded the worst training related outcomes (17 percent, or over one in six).
- ◆ The median wage of placed workers was \$10.00 per hour, below the state’s median wage. Some were reemployed at very low wages. Each year, at least 5 percent of trainees were placed in jobs that paid below the poverty level for a family of three.

Other recommendations for workforce policy based on the findings include:

- ◆ Target high-wage occupations with benefits and career paths.
- ◆ Use labor market information and partnerships with employers to focus training on skills that employers demand.
- ◆ Encourage skill-intensive training that is more likely to enable dislocated workers to reach their previous wage levels.
- ◆ Provide financial and other supportive services, such as transportation and child care, to make it easier for people to complete training.

“As a society, we’ve made choices that make layoffs and job loss more likely. For workers affected, the consequences can be devastating,” said Honeck. “As Ohio’s industrial composition continues to change, it is essential that we understand how to help workers make the transition to new occupations and new industries.”

The report, *Retraining Unemployed Workers in Ohio* is available at [www.policymattersohio.org](http://www.policymattersohio.org).