



**Wider  
Opportunities  
for Women**

**Written Testimony Submitted for the Record  
Subcommittee on Higher Education and Workforce Training  
Committee on Education and the Workforce  
United States House of Representatives**

**Hearing on "Removing Inefficiencies in the Nation's Job Training Programs"  
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## **How Federal Job Training Programs Help Workers and the Economy Attacks on Employment And Training Programs Are Arbitrary And Misdirected**

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Thank you Chairwoman Foxx, Ranking Member Hinojosa and members of the subcommittee for allowing me to submit this written testimony. WOW appreciates the opportunity to submit testimony about the efficiency and effectiveness of the nation's workforce system. Wider Opportunities for Women (WOW) is a nonprofit organization that works nationally to build pathways to economic security for America's women and their families. For more than 40 years, WOW has helped women learn to earn, with programs emphasizing literacy, technical and nontraditional skills, welfare-to-work transition, career development and retirement security. Today, WOW is recognized nationally for its skills training models, technical assistance and advocacy for women workers.

In January 2011, the Government Accountability Office released a report analyzing the federal workforce education and training system. The report findings are being distorted by some in a misdirected attempt to exact substantial program cuts that will jeopardize both the economic recovery and workers trying to achieve economic security. To the contrary, cutting the very programs that have helped people find new jobs is a short-sighted budget maneuver that will hurt recent economic growth and ultimately put less money in the hands of struggling families and ultimately the economy as a whole.

Jobs continue to be scarce with the number of working poor increasing and their wage values continuing to fall in many jobs.<sup>1</sup> The unemployment rate for women who maintain families are even higher than the national average and the underemployment rate for workers with less than a high school degree has risen. Millions of Americans who work full-time cannot pay their basic living expenses let alone have enough money to make investments in their future. These harsh realities demonstrate the need for reinforcing the safety net for hard working families facing hard times and supporting programs and policies that contribute to moving families to economic security such as those contained within the workforce system.

### **Education and Training Is An Effective Tool to Move Families to Economic Security**

GAO stated that *"federally funded employment and training programs serve an important role in our society by helping job seekers enhance their job skills, identify job opportunities, and obtain employment."*<sup>2</sup> Education pays; the more education one has the higher their wages.<sup>3</sup> *"Every additional level of education completed leads to increased earnings and lower rates of unemployment."*<sup>4</sup>

WIA has experienced a 234 percent increase in demand for services over the past two years, and has risen to the challenge of assisting millions of individuals annually to secure employment.<sup>5</sup> As our country continues to recover from the recession eliminating or even reducing employment and training programs<sup>6</sup> is a step that will further harm both businesses and workers, not support them. Employer associations like [Deloitte Touche and the Manufacturing Institute](#) have been crying out for job training programs. Manufacturing employment has shown signs of an [unexpected recovery](#) that is dependent to a significant degree on access to a skilled workforce.

Workforce development programs work. In the last year at height of the recession, WIA programs helped 4.3 million workers find employment out of 8 million who entered the program. Hundreds of thousands more enrolled in education and skill training through WIA, career and technical education in community colleges and a variety of other job training programs. Here in Washington, of the 278 women and men who completed our Building Futures pre-apprenticeship construction program, 74% gained employment during the two years that ended April 31, 2011. This program, has been supported by the Women in Apprenticeship and Nontraditional Occupations (WANTO) program, administered by the Office of Apprenticeship and Women's Bureau at DOL, and green jobs training funds from the Recovery Act administered by the GSA.

### **Funding for Education and Training Programs Has Continued To Decrease**

The GAO report states that *"In fiscal year 2009, 9 federal agencies spent approximately \$18 billion to administer 47 programs—an increase of 3 programs and roughly \$5 billion since our [GAO] 2003 report."*<sup>7</sup> This increase, as GAO importantly highlights, was temporary resulting from American Recovery and Reinvestment Act of 2009 (ARRA) investments that are now no longer available.

Funding for programs such as Workforce Investment Act (WIA) and Temporary Assistance to Needy Families (TANF) has gone down to their pre-ARRA rates. These pre-ARRA rates are rates that have significantly decreased over the years as neither has been reauthorized - WIA since 1998 and TANF since 2005. In fact, TANF funds have not been adjusted since TANF was created in 1996.

### **Programs Provide Critical Services Targeted to Participants**

Critics of workforce development programs were quick to highlight a GAO finding there are 47 programs with *significant overlap*. However, a more in-depth read of the GAO report<sup>8</sup> provides further detail - the vast majority of programs are provided through DOL and HHS and in fact, *76 percent of all funding and 91 percent of all participants identified by the GAO are served through programs authorized under WIA.*<sup>9</sup> Programs funded outside of DOL and HHS are typically for specific populations such as veterans or youth or for specialized industries such as in the case of the Brownfield job training program under the Environmental Protection Agency and; have broader goals such as the employment and training services of TANF. Moreover, services provided often *differ in meaningful ways.*<sup>10</sup> For example, individuals within a population group may be eligible for one program, but not another because program eligibility criteria differ and overlapping programs also have different objectives.<sup>11</sup> HHS points out that some overlap is appropriate and necessary so as not to exclude populations from receiving certain services – this does not imply duplication.

As pointed out in the report, many of the programs critics point to as wasteful or duplicative, in fact, have no overlap with any other program and serve a unique population, such as the Brownfield Job Training Cooperative Agreements program, the Senior Community Service Employment Program, and the Women in Apprenticeship and Nontraditional Occupations (WANTO) program. In fact, recent proposals would cut SCSEP— a unique and vital program gives low-income, unemployed seniors work experience that can be applied to post-retirement careers – almost in half.

WANTO is the only job training specifically designed for girls and women seeking to enter occupations where they are currently less than 25% of the workforce. These are occupations where they can earn 30% or more than in jobs traditionally occupied with women who have less than a 4-year degree. One example is the building trades where women are currently less than 5% of the workforce. Others are in high-paying technical occupations such as office machine repair where women make up only 11% of the workforce and where the median weekly wage was \$832 in 2009. WANTO is a small (\$1 million), competitive grant program that supports organizations that have staff with specific experience in outreach, recruitment and career counseling to see the possibilities these fields offer and to learn the specialized skills necessary to succeed. WANTO tackles gender stereotyping, mentors women on the job, and works with employers and labor unions to ensure that, once employed in a nearly all-male workplace, they are able to remain in the job and have a lifetime career.

### **Better System Alignment Does Not Equal Program Funding Cuts**

The GAO report findings can inform decisions leading to improved system alignment, a goal that we share along with those in Congress and the Administration who are working to reauthorize the Workforce Investment Act. The Senate Health, Education, Labor and Pensions Committee is reportedly planning to introduce a bi-partisan proposal to reauthorize WIA in the near future that would move toward better alignment. Over the years, WOW has supported other reauthorization bills that moved toward program alignment, including the use of a Self-Sufficiency measure in goal setting and evaluation, as defined in the Carl D. Perkins Act of 2006 the Green Job Act of 2007.

At the same time, the GAO report should not, be used to rationalize further cuts in training services that currently are funded at 40 percent less than they were in 2002, adjusted for inflation. Research shows that a stable funding structure is needed for One-Stop Career Centers to be successful.”<sup>12</sup> Achieving the goal of streamlining services must be done in a way that recognizes the realities of those the program services. Streamlining can simultaneously afford states flexibility to respond to local needs and *should be achieved without losing connection to other important supports needed such as those needed by TANF enrollees*. GAO highlights that factors, such as the *number of clients that any one-stop center can serve and one-stops’ proximity to clients, particularly in rural areas, could warrant having multiple entities provide the same services*.<sup>13</sup> We need more information about strategies and results of such initiatives to understand how states and localities should undertake streamlining of services and if such an undertaking would garner cost savings and greater administrative efficiencies. Further, service alignment or streamlining would take time to implement and not likely realize financial benefits for some time. DOL and DHHS could begin by disseminating information that could inform efforts recommended by GAO. Currently, however, HHS lacks legal authority to mandate increased TANF-WIA coordination to create incentives for such efforts.<sup>14</sup>

### **Program Outcomes Can Be Improved by Employing Practices Known To Work**

Despite critiques that there is no program outcome data – the fact is, we do have outcome data from the programs including entered employment, employment retention, and wage gain or change. The Department of Labor has inaugurated a rigorous *evaluation program and proposals have also been made in the context of WIA reauthorization*.

Research entities such as [MDRC](#), for example, have provided concrete information on what makes an education and training program effective. Their research showed that programs providing financial incentives to supplement earnings in combination with services can promote employment retention among low-wage workers. Low-wage workers often advance by changing jobs and that matching

individuals with jobs in particular firms that pay higher wages can be an effective strategy to promote advancement.<sup>15</sup> Even more directly, data from [Jobs for the Future](#) show that:

- *Employment and training services under the WIA Adult Program generate significantly higher earnings and employment rates. The impacts persist for several years resulting in a minimum 10 to 15 percent boost in annual earnings for disadvantaged adults, and return \$1.50 for every dollar invested by society.*
- *Women's earnings are boosted by as much as 25 percent (\$2400 annually) and men's earnings by 10 to 15 percent (\$1700 annually) from the program's services.*
- *Core and intensive counseling and job placement services are cost effective, raising employment rates by 6 to 10 percent quarterly; and training increases earnings by at least 10 percent, with training most closely connected to employers (such as on-the-job and sector-based training) creating returns of 15 to over 20 percent.*<sup>16</sup>

### **Business Can Improve Their Partnership with the Workforce Development System**

Last year, WIA served 8 million jobseekers; over 4.3 million secured jobs through the system; and hundreds of thousands of WIA participants received training to prepare for new careers.<sup>17</sup> Can corporate America pick up the slack? They haven't. Business is a partner within the workforce development system and is at the table to assure its needs are met along with workers looking to improve their financial status. Business and the workforce education and training system could certainly do better to align programs and services to ensure full mutual benefits are achieved - but simply put, government programs fill in the gap when there is broad need.

The workforce system does provide vital services to employers, including brokering training and helping employers find the skilled workers they need to be competitive while matching workers to employment.

### **Conclusion**

Poverty is on the rise and is projected to increase in the coming years as the country makes its way out of this recession. It is essential that the foundation of our safety net is there for individuals and families and that it provide the opportunity to improve their economic security. We know that the path to self-sufficiency for low income, low -skilled workers often requires career pathways that lead to economically secure jobs. Eliminating education and training opportunities that foster economic advancement is not the right path.

Indeed the GAO findings can be used as a guide for system improvements. Its intent was not, nor should it be, used to rationalize massive, arbitrary program cuts. Job training and education have been proven to assist low-income working families increase their wages and employers to build a skilled workforce. Those with a college degree, on average, can earn twice as much as high school graduates.<sup>18</sup> We still have 13.7 million American workers unemployed. We must make smart investments in spending that foster an educated workforce that can move workers to economic security with the skills that are needed for a strong economy.

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- January 2011 <http://www.gao.gov/products/GAO-11-92> Multiple Employment and Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies
- National Skills Coalition: [Federal Job Training Programs are Meeting Critical Skilled Workforce Needs](http://www.nationalskillscoalition.org/homepage-archive/nsc-responds-to-coburn.html). <http://www.nationalskillscoalition.org/homepage-archive/nsc-responds-to-coburn.html>

## END NOTES

<sup>1</sup> U.S. Department of Labor, Bureau of Labor Statistics, Report 1027, *A Profile of the Working Poor, 2009*. Retrieved from the Internet at <http://www.bls.gov/cps/cpswp2009.pdf> on May 16, 2011; and Economic Policy Institute. *Entry Level Workers Face Lower Wages*. August 24, 1999. Retrieved from the Internet at:

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<sup>2</sup> Government Accountability Office. Report to Congressional Requesters. *Multiple Employment And Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies*. January 2011. <http://www.gao.gov/new.items/d1192.pdf> p 7

<sup>3</sup> Bureau of Labor Statistics. Employment Projections. *Education Pays*. [http://www.bls.gov/emp/ep\\_chart\\_001.htm](http://www.bls.gov/emp/ep_chart_001.htm)

<sup>4</sup> Bureau of Labor Statistics. *Job Outlook by Education, 2006-2016*. Fall 2008  
<http://www.bls.gov/opub/oog/2008/fall/art01.pdf> page 5

<sup>5</sup> Statement of Raymond J. Uhalde Vice President, Jobs For The Future. Before the Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations United States House of Representatives

<http://appropriations.house.gov/files/040711TestimonyofRaymondUhaldeVPJobsfortheFuture.pdf>

<sup>6</sup> Government Accountability Office. Report to Congressional Requesters. *Multiple Employment And Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies*. January 2011. <http://www.gao.gov/new.items/d1192.pdf> page 8. Employment and training programs are defined by GAO as — a program that is specifically designed to enhance the specific job skills of individuals in order to increase their employability, identify job opportunities, and/or help job seekers obtain employment.

<sup>7</sup> *Ibid* page 2

<sup>8</sup> *Ibid* - Figure 1 page 12

<sup>9</sup> Statement of Raymond J. Uhalde Vice President, Jobs For The Future. Before the Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations United States House of Representatives

<http://appropriations.house.gov/files/040711TestimonyofRaymondUhaldeVPJobsfortheFuture.pdf> Page 3

<sup>10</sup> Government Accountability Office. Report to Congressional Requesters. *Multiple Employment And Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies*. January 2011. page 19

<sup>11</sup> *Ibid* pages 22/23

<sup>12</sup> The Nelson A. Rockefeller Institute of Government. *The Workforce Investment Act in Eight States* Burt S. Barnow Johns Hopkins University; Christopher T. King University of Texas at Austin. Prepared for: U.S. Department of Labor Employment and Training Administration. February 2005.

[http://www.rockinst.org/pdf/workforce\\_welfare\\_and\\_social\\_services/2005-02-the\\_workforce\\_investment\\_act\\_in\\_eight\\_states.pdf](http://www.rockinst.org/pdf/workforce_welfare_and_social_services/2005-02-the_workforce_investment_act_in_eight_states.pdf). Pages 13-14

<sup>13</sup> Government Accountability Office. Report to Congressional Requesters. *Multiple Employment And Training Programs: Providing Information on Colocating Services and Consolidating Administrative Structures Could Promote Efficiencies*. January 2011. page 2

<sup>14</sup> *Ibid* page 101

<sup>15</sup> MDRC. The Employment Retention and Advancement Project  
*How Effective Are Different Approaches Aiming to Increase Employment Retention and Advancement? Final Impacts for Twelve Models*. April 2010. <http://www.mdrc.org/publications/558/execsum.pdf>

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<sup>16</sup> Statement of Raymond J. Uhalde Vice President, Jobs For The Future. Before the Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations United States House of Representatives

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<sup>17</sup> *Ibid*

<sup>18</sup> Georgetown University. Center on Education and the Workforce. *College is Still the Best Option*. Retrieved from the Internet at: <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/college%20still%20best%20option.pdf> page 3. on May 16, 2011.