A CRITICAL APPRAISAL OF RETRAINING AND RELOCATION OF UNEMPLOYED WORKERS IN DISTRESSED AREAS.

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THIS FORD FOUNDATION SPONSORED RESEARCH PROJECT CONCENTRATED ON EVALUATING AND REPORTING ON PROGRAMS ESTABLISHED UNDER THE AREA REDEVELOPMENT ACT OF 1961 TO RETRAIN AND RELOCATE UNEMPLOYED WORKERS IN FOUR DEPRESSED AREAS OF WEST VIRGINIA. RESEARCHERS, SCHOLARS, AND RESOURCE PERSONS WERE INVOLVED IN CONDUCTING THE WEST VIRGINIA PHASE OF THE PROJECT AND IN FURTHERING ITS BROADER OBJECTIVES. ABOUT 80 REPORTS AND PUBLICATIONS HAVE RESULTED, WITH SEVERAL MORE PUBLICATIONS PENDING, ON RESEARCH STUDIES AND PUBLIC POLICY IN SUCH AREAS AS WORKER MOBILITY, SKILL DEVELOPMENT, BENEFIT COST ANALYSIS, AND CHARACTERISTICS OF THE LABOR FORCE. THIS UNDERTAKING, TOGETHER WITH CLOSELY RELATED RESEARCH ON THE EFFECTS OF NEW PLANTS AND PUBLIC WORKS RELOCATION PROJECTS, AND EXPERIMENTAL RETRAINING PROGRAMS FOR OLDER WORKERS, IS BEING CONTINUED IN THE CENTER FOR STUDIES IN VOCATIONAL AND TECHNICAL EDUCATION, ESTABLISHED BY A FIVE-YEAR GRANT TO THE UNIVERSITY OF WISCONSIN BY THE FORD FOUNDATION. (THIS DOCUMENT WAS THE FINAL REPORT TO THE FORD FOUNDATION FOR THE PERIOD FEBRUARY 1, 1962 - JANUARY 31, 1967.) (LY)
A CRITICAL APPRAISAL OF RETRAINING AND RELOCATION OF UNEMPLOYED WORKERS IN DISTRESSED AREAS

Final Report to the Ford Foundation

Prepared by
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Department of Economics
University of Wisconsin
January 31, 1967
A CRITICAL APPRAISAL OF RETRAINING AND RELOCATION OF UNEMPLOYED WORKERS IN DISTRESSED AREAS

I. Purposes of the Study:

The basic purposes of the project sponsored by the Ford Foundation, beginning February 1, 1962, were as follows:

1. To evaluate the effectiveness of public and private programs designed to retrain unemployed workers, primarily in depressed areas.

2. To determine the link, if any, between retraining programs and the relocation of unemployed workers from depressed areas to areas of expanding labor demand.

3. To give special emphasis to the retraining programs established under the Area Redevelopment Act of 1961 in depressed communities of West Virginia.

4. To disseminate the results of these evaluations in such a way as to influence public policy as well as to add to scholarly knowledge in the manpower field.

II. Scope of the Study and Personnel Associated with the Research:

The research was designed to meet the above-indicated objectives. The primary concentration, and the bulk of our budgetary allocation, was directed toward four areas in West Virginia: Harrison County, Monongalia County, Huntington-Charleston metropolitan areas, and McDowell County. These areas were selected because of their exceptionally high rates of unemployment in 1962 and because they represented a diversity of mining-manufacturing-agricultural composites.
The only government-sponsored retraining programs for the unemployed in existence in 1962 were those established under the federal ARA of 1961 (indeed, our evaluation included the nation's first ARA retraining program), and training programs established under West Virginia state legislation enacted in the same year. Although it was felt that there would be some value in waiting for the inception of the more far-reaching Manpower Development Training Act programs to be established under legislation passed in 1962, it was decided that the follow-up period required for a proper evaluation would have meant the delay of our study until at least 1963 if the MDTA courses were to be included. Consequently, the studies focussed on the earliest retraining programs, and we were thereby permitted to bring some influence to bear on changes made in initial policies.

Associated in the West Virginia research were the Director of the project, Gerald G. Somers, Professor of Economics, University of Wisconsin; Harold Gibbard, Chairman, Department of Sociology, University of West Virginia; Professor John Minick, then Chairman, Department of Economics, Marshall University, Huntington, West Virginia; Ernst Stromsdorfer, Project Associate, now Assistant Professor of Economics, Pennsylvania State University; Mrs. Pauline Fosdick, Project Supervisor; and the following graduate Research Assistants:

Marvin Levine, now Assistant Professor of Economics, Ohio State University

Edward Koziara, now Assistant Professor of Economics, Drexel Institute

Karen Shallcross Koziara, now Assistant Professor of Economics, Temple University
Bhalchandra Bhatt, now Research Associate, University of Wisconsin
Graeme H. McKechnie, now Research Associate, University of Wisconsin
Conchita Jimenez Poncini, now with ILO, Geneva, Switzerland
John Bowman, now Instructor, Whitewater State University
and the following doctoral candidates at the University of Wisconsin:

Wilbur J. Smith
Collette Moser
Marilyn De Poy
Michael Rich
Priscilla Ten Pas
Mark Erenburg
Leonard Hausman

Although West Virginia was the principal focus, in keeping with
the broader aims of the project, scholars in a number of other states
were invited to join in the research and were provided with financial
support from the Ford Foundation grant. These included:

Professor Arnold Weber, University of Chicago
Professor Earl Williams, then of the University of Tennessee, now
of the Institute of Human Resources Research, University of Houston
Professors Louis A. Ferman and Scott Harvey, University of Michigan
Professor Jacob Kaufman, Pennsylvania State University
Professors Carl Schaefer and John Shemick, Pennsylvania State Univer-
sity. Professor Schaefer is now at Rutgers University
Professor Michael Borus, then of Yale University, now of Michigan
State University
Professor Herbert Chesler, then at MIT, now at University of Pittsburgh
Professor Richard Solie, then at University of Tennessee, now at
the University of North Dakota
In keeping with the broader objectives of the research as well as the West Virginia concentration, valuable assistance was obtained from the following nation-wide advisory committee:

David Francis, President, Princess Coal Company, Huntington
Paul Lazarsfeld, Professor of Sociology, Columbia University
Albert Rees, Professor of Economics, University of Chicago
Stewart H. Smith, President, Marshall University
Aryness J. Wickens, Assistant to the Secretary of Labor
F. F. Foltman, Associate Professor, New York School of Industrial and Labor Relations, Cornell University

III. Publications and Reports:

In an effort to meet the total objectives of the project, reports on the findings of the research and recommendations stemming from those findings were made, even at the most preliminary stages, before Congressional committees and at conferences and seminars in academic settings, as well as in government and operational circles; and the results were published in a variety of forms such as workshop papers, Ph. D. dissertations, Congressional hearings, conference proceedings, journal articles, and book-sized volumes. A number of these publications are still pending.

The following publications and reports stemmed from the Ford Foundation project:
A. Publications--Gerald G. Somers

BOOKS:

Author of chapter entitled, "Policy Implications of Labor Market Analysis."


BOOK CHAPTERS:


PAPERS IN PROCEEDINGS:


**ARTICLES:**


**REPORTS:**

B. Unpublished Reports including Reports Presented at Conferences and Meetings--Gerald G. Somers


In June 1966, the Director was chairman of a panel on Occupational Training for Production and Service Workers at the Governor's Conference on Manpower Training in Buffalo, New York, sponsored by the New York State Manpower Advisory Council, Nelson A. Rockefeller, Governor. Published in Proceedings of the Conference.

A meeting on the problems of depressed areas sponsored by the Ford Foundation at Goucher College was addressed in the summer of 1962. This meeting was attended by government officials, graduate students, and university faculty members.

On June 12, 1963, the research findings were discussed at a meeting on "Employment Security--A Program for National Economic Growth and Manpower Development," sponsored by the Washington, D. C., chapter of the International Association of Personnel in Employment Security. This meeting was attended by government officials of such agencies as the Bureau of Employment Security and the Office of Manpower, Automation and Training, directly involved in the administration of the training programs. It was also attended by representatives of labor and management.

In November 1963, a meeting was arranged by Mrs. Aryness Wickens, Assistant to the Secretary of Labor, specifically designed for the presentation of our research findings and recommendations. This meeting was attended by most of the key personnel engaged in the administration and evaluation of the federal retraining programs.

On January 7, 1964, the research findings were discussed at a meeting of the Wisconsin chapter of the Industrial Relations Research Association in Madison. This meeting was attended by many officials of the Wisconsin Division of Vocational Education and the Wisconsin State Employment Service.

Talks on retraining were also delivered to student and faculty seminar groups at a number of universities during the period of the research, including Princeton University, Pennsylvania State University, and the University of Buffalo. A discussion on "Retraining and Human Resources," was conducted at the Regional Development Institute, Williams College, August 1-6, 1966.
C. Publications Pending--Gerald G. Somers

Editor and Co-author, Retraining the Unemployed: Case Studies, The University of Wisconsin Press, 1967, chapter headings as follows:

1. Introduction by Gerald G. Somers


Retraining the Unemployed, paperback book to be completed for Random House in 1967.

D. Publications and Reports of Co-operating Scholars on the Retraining Project:

Borue, Michael E., Assistant Professor, Michigan State University:


The Economic Effectiveness of Retraining the Unemployed, Boston: Federal Reserve Bank of Boston, 1966.


Cain, Glen G., Assistant Professor, University of Wisconsin:


Chesler, Herbert, Department of Economics, University of Pittsburgh:


Doctoral dissertation based on research supported by the grant completed at Massachusetts Institute of Technology, 1964.
D. Publications and Reports of Co-operating Scholars on the Retraining Project:

Borus, Michael E., Assistant Professor, Michigan State University:


The Economic Effectiveness of Retraining the Unemployed, Boston: Federal Reserve Bank of Boston, 1966.


Cain, Glen G., Assistant Professor, University of Wisconsin:


Chesler, Herbert, Department of Economics, University of Pittsburgh:


Doctoral dissertation based on research supported by the grant completed at Massachusetts Institute of Technology, 1964.
Erenburg, Mark, Research Assistant, University of Wisconsin:

"A Study of Potential Mobility of Texas-Mexican Migratory Farm Workers to Oshkosh, Wisconsin," doctoral dissertation in process.

Ferman, Louis, Institute of Labor and Industrial Relations, University of Michigan:

"Job Retraining in Michigan," (with Scott Harvey), Retraining the Unemployed: Case Studies, ed. by Gerald G. Somers, Madison: University of Wisconsin Press, 1967.

Gibbard, Harold A., Chairman, Department of Sociology, West Virginia University:


Hausman, Leonard J., Research Assistant, University of Wisconsin:


E. C. and K. S. Koziara, Assistant Professors at Drexel Institute and Temple University, respectively:


Levine, Marvin, Assistant Professor, Ohio State University:


McKechnie, Graeme H., Research Associate, University of Wisconsin:


Moser, Collette, Research Assistant, University of Wisconsin:

"An Evaluation of Area Skill Surveys as a Basis for Manpower Policy," doctoral dissertation in process.

Pichler, Joseph, Assistant Professor, University of Kansas:


Schaefer, Carl, Department of Vocational-Technical Education, Rutgers University:

"Employment and Societal Effects of Field Oriented Versus Job Oriented Retraining Curriculums, (Eastern Pennsylvania)," (with John Shemick) Retraining the Unemployed: Case Studies, University of Wisconsin Press, 1967.


Smith, Wilbur J., Research Assistant, University of Wisconsin:


Solie, Richard J., Associate Professor, University of North Dakota:


"The Employment Effects of Retraining the Unemployed," article submitted to journal for possible publication.

"The Costs and Benefits of Retraining the Unemployed," article submitted to journal for possible publication.

"Retraining of Young School Dropouts," article currently being prepared for submission to journal for possible publication.
Stromsdorfer, Ernst W., Assistant Professor, Pennsylvania State University:


Weber, Arnold R., Professor of Industrial Relations, University of Chicago:

"Experiments in Retraining: A Comparative Study (Illinois, Missouri and Texas)," Retraining the Unemployed: Case Studies, University of Wisconsin Press, 1967.

Strategies for the Displaced Worker, (with George Shultz), Harper and Rowe, 1966.

Williams, J. Earl, Institute of Human Resources Research, University of Houston:


IV. Continuation of the Research:

The research carried out under the Ford Foundation grant is now being continued in the Center for Studies in Vocational and Technical Education, established under another five-year grant by the Ford Foundation to the University of Wisconsin in the fall of 1964. The work in which the Director was engaged under the Retraining Grant was instrumental in his being named Co-Director of the new Center, and, possibly, in the Center's location at this University. As is indicated in the enclosed annual report of the Center, a number of studies in the tradition of those carried out in the past five years are continuing
as part of the Center program. These are focused primarily on an
evaluation of the training and job placement of disadvantaged workers;
but they also encompass the broad range of vocational training programs.
Since the University of Wisconsin has agreed to continue the Center for
Studies in Vocational and Technical Education after the expiration of
the Ford Foundation grant in 1969, the studies of vocational training
initiated in 1962 will apparently be part of a permanent research pro-
gram at this University.

In addition to the studies being conducted in the Center, Gerald
Somers is directing closely-related research under grants made by other
agencies. These include a study of the impact of new plants and public
works on employment and training in depressed areas, financed by the
U. S. Department of Commerce; an evaluation of relocation projects
designed to move retrained unemployed workers from depressed areas
to areas of labor demand, sponsored by the U. S. Department of Labor;
and an evaluation of experimental retraining programs for older unem-
ployed workers in four communities, sponsored by the National Council
on the Aging.

As a basis for furthering research in this field, a Journal of
Human Resources has been established at Wisconsin under the editorial
direction of Gerald Somers; and a national depository and clearing
house of documents on vocational training has been attached to the
vocational center.
Although it is not yet possible to assess the impact of the conference reports, workshop papers, dissertations, and publications on public policy or scholarly research, nor to estimate the possible future contribution of a continuation of this type of research, there is some evidence of such influence in the changes made in the early training programs and in footnote citations in scholarly journals.

The Project Director and all those associated with the research are grateful to the Ford Foundation for the opportunity to participate in these worthwhile activities.