Recent economic trends led to several pieces of manpower legislation and the establishment of several programs: the Manpower Development and Training Act of 1962, the Comprehensive Employment and Training Act of 1973, and the Emergency Jobs and Employment Assistance Act of 1974. This legislation opened public service jobs and established Federal programs for special unemployment assistance. The role of manpower programs in alleviating the unemployment situation and the need to develop human resources to meet employment needs in the future are discussed. Aspects of the implications that these programs have for research and development issues in the making of comprehensive manpower plans and the establishment of planning councils are reviewed. Some of the research and development needs arising from current public service employment programs are raised. Suggestions for major efforts under manpower programs include: special programs for disadvantaged clients; providing income assistance to ex-offenders; placing trained minority women in jobs commensurate with their skills; and improving the employment service. Other areas for research and development concern the transition from school to work for young people and the increasing unemployment rate of black teenagers. (Author/EC)
Recent Manpower Legislation And Programs: Implications For Research And Development

Howard Rosen

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RECENT MANPOWER LEGISLATION AND PROGRAMS:
IMPLICATIONS FOR RESEARCH AND DEVELOPMENT

by

Howard Rosen

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The Ohio State University
Columbus, Ohio 43210

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PREFACE

As a part of The Center’s Occasional Paper Series designed to provide educators and other interested individuals with information dealing with critical issues and problems surrounding the education of human beings, The Center has decided to include a recent staff development presentation by Dr. Howard Rosen on the topic of “Recent Manpower Legislation and Programs. Implications for Research and Development.”

Dr. Rosen, Director of The Office of Manpower Research and Development, Manpower Administration, U.S. Department of Labor, presents in his lecture, (1) a review of the climate of the 1960s and early 1970s which led to the manpower legislation and programs, (2) economic situations which, in part, account for the current state of manpower legislation and programs, and (3) the implications for research and development. Rosen’s ten years of experience as the chief administrator for the Manpower Research and Development Office, places him in an ideal position to provide insight into the effectiveness of manpower programs and the research and development priorities in the area of manpower education programs.

A native of Newark, New Jersey, Rosen holds a Bachelor of Arts degree from Rutgers University (1939), Master of Arts degree from New Jersey State Teachers College (1942); and a Doctorate in Economics (1956) from The American University. Dr. Rosen’s experience includes two years as an administrator in private industry; four years of teaching at Hampton Institute; and twelve years as an economist with the Bureau of Labor Statistics. In addition to his current assignment as Director, Office of Manpower Research and Development, Manpower Administration, Dr. Rosen holds the concurrent position as Professional Lecturer, School of Public Administration, George Washington University.

Dr. Rosen has been awarded a number of honors, including the Distinguished Service Award from the Department of Labor; Group Honor Award for contribution to the publication of the Report of the Manpower Conservation Task Force, “One-Third of a Nation”; Distinguished Career Service Award, 1973.

Dr. Rosen is the author of several publications including:

“The Doctorate Program of the Manpower Administration of the U.S. Department of Labor,” The Production of Manpower Specialists—A Volume of Selected Papers, Cornell University, 1971


“Vocational Guidance: Room for Improvement,” Manpower, Volume 1, No. 7, U.S. Department of Labor, Manpower Administration, August 1969
"Manpower Supply in the United States," National Vocational-Technical Education Seminar in Occupational Mobility and Migration, North Carolina State University at Raleigh, April 1966


On behalf of The Center for Vocational Education, I take pleasure in introducing Dr. Rosen's lecture, "Recent Manpower Legislation and Programs. Implications for Research and Development."

Robert E. Taylor
Director
The Center for Vocational Education
RECENT MANPOWER LEGISLATION AND PROGRAMS: IMPLICATIONS FOR RESEARCH AND DEVELOPMENT

I have been asked to discuss the implications for research and development which have evolved from the recent manpower legislation and programs. Before I get to the specifics of my topic, I should like to review the climate of the 1960s and early 1970s which led to the manpower legislation and programs. Furthermore, I want to discuss the economic situation in which we find ourselves in 1975 and then move on to the implications for research and development.

During the early 1960s, a good deal of discussion and fear about automation and technological change and obsolete skills led to the passage of the Manpower Development and Training Act. In 1961, we had an unemployment rate of 6.7 percent with about 4.7 million people unemployed. We had about 70.5 million in our civilian labor force. By 1962, the year the Manpower Act was passed, the unemployment rate had dropped to 5.5 percent and the number of unemployed had declined to less than 4 million.

The Manpower Development and Training Act of 1962 established a centralized decision-making system in which the important decisions as to the distribution of funds among clients were made in Washington. The act also called for assistance to categories of persons, e.g., ex-offenders, Spanish-speaking and others.

After eleven years of experience with the MDTA, the Congress, the administrators of the act and the administration had concluded that the act was not really meeting the desired objectives of providing the best and most effective manpower services to those needing training and other services. To set the record straight, the dissatisfaction with the way the MDTA was providing services had started long before 1973 when Mr. Nixon signed the Comprehensive Employment and Training Act.

CETA, which is the acronym for the new act, calls for the establishment of a flexible and decentralized system of federal, state and local manpower programs for "... economically disadvantaged, unemployed and underemployed persons." Thus, although the basic clients are the same as those identified in the MDTA, the decision-making system is quite different. As noted earlier, almost all decisions were made in Washington under the MDTA. Under CETA, many of the toughest decisions as to who gets the manpower money and who delivers the training and other services are made under the general jurisdiction of the political leader known as the prime sponsor.

Although the decision-making system has been drastically changed, the categorical issues have not been completely clarified. Many of the same categorical groups identified in the original legislation are still part of the scene under CETA.

Let me note that when the CETA legislation was signed in 1973 we had an average annual rate of unemployment of less than 5 percent. We had 4.3 million unemployed—only about 400,000 more
than in 1962 when the MDTA was enacted. Although there was little difference in the number of unemployed in 1962 and 1973, the number of workers in our civilian labor force had grown by 26 percent from 70.6 million to 88.7 million. Thus, our economy had developed more than 17 million new employment opportunities during the eleven-year period. This explains why we were able to place most of those trained in the manpower programs. In 1973, we were able to place more than 60 percent in jobs.

During the same eleven-year period, some very significant shifts also took place in the kinds of clients served. For example, in 1963, more than three-quarters of the trainees in institutional training programs were white. By 1973, the proportion of white trainees had dropped to 66 percent. The percentage of black trainees had risen from 21 percent to 31 percent. Almost 60 percent of our clients were classified as in a poverty status. Interestingly enough, 31.5 percent of our trainees were Unemployment Insurance claimants in 1963. But by 1973, less than 10 percent were UI claimants. Keep these figures in mind when we talk about our problems in 1975.

It is far too soon to pass judgment on whether the Comprehensive Employment and Training Act is doing a much better job in providing service than the MDTA. We will not know for another year or two whether the prime sponsors—the governors—and the mayors are providing new wine in new bottles or providing old wine in old bottles or providing combination offerings. The wine tasters of the future—sometimes known as evaluators—will eventually provide us with answers to these conundrums.

The evaluation of the effectiveness of CETA will be muddied by what has happened in the past five months. Somehow, the economy seemed to be poised in December 1974 as though it were a small snowball going down a hill covered with loose and adhesive snow. Without going into the details as to why and how the economy moved into the current recession, the fact is that the economy of April 1975 is not the same one that we had at the end of 1974.

In March 1975, we had an unemployment rate of 8.7 percent and some 8.0 million Americans couldn't find jobs. This is the highest unemployment rate since 1941. Our economy has lost 2.6 million jobs since September 1974. The March increase in joblessness was shared all across the board by virtually all worker groups. Blue-collar workers have been particularly hit hard by joblessness. The unemployment rate for construction workers was up, to 18.1 percent, while the rate for manufacturing workers rose for the tenth consecutive month to 11.4 percent—more than double a year ago.

Congress and the President reacted to the rise in unemployment by passing the "Emergency Jobs and Unemployment Assistance Act of 1974." This piece of legislation now dominates the manpower scene. The concentration is now on public service jobs for unemployed and underemployed persons. The act also establishes a temporary federal program of special unemployment assistance for unemployed workers who are not eligible for unemployment allowances.

1 Manpower Report of the President, April 1975, pp. 53.

In reviewing the April 1975 situation, one ought to start thinking about what can the current manpower programs do to alleviate the unemployment situation. The first point that must be made clear is that not even the most devoted adherents of manpower programs are so naive as to believe that these programs, alone, can resolve the unemployment problem facing this country. Manpower programs are simply one of many tools that can be used during a recession. Fiscal and monetary stimuli must be used to create employment opportunities. Manpower programs have different functions and contributions to make during a recession than during a growth period.

The current economic downturn is the sharpest one experienced during the history of the modern manpower programs. These are two kinds of reactions we can have during a recession. We can have only a quick knee-jerk reaction to this recession or we can start to put manpower programs into new perspectives at this time. I hope that this recession will force us into thinking more broadly about the potential contributions of manpower programs in developing our human resources not only for the short run but also for the long run.

As noted earlier, the first reaction of Congress and the Administration to the sharp rise in unemployment was to put unemployed workers back on to payrolls as quickly as possible through the public service employment program. This is fastest and most efficient way to get money into the hands of unemployed workers and to provide them with jobs at the same time. Despite the short-term effectiveness of this program, it does not provide new skills and does not make a major contribution to the development of our human resources.

The question I want to raise is whether we ought not to think of using this period of recession as an opportunity to concentrate on developing our human resources for the day when unemployment will decline and employment will rise. I submit that this recession can be used to improve the skill level of thousands of workers so that they will eventually be able to move back into productive employment at higher levels of skills and earnings when the economy improves.

If we take the opportunity that time gives us, we can provide longer in-depth training than is customarily provided in the regular training programs. The Office of Manpower Research and Development has conducted demonstration programs in which workers of little skill and limited education have been given intensive training by working craftsmen from industry for periods of six months and more. These trainees have been able to earn far more than the MDTA institutional trainees who are, customarily, given shorter periods of training. More programs which are directly tied to high quality training should be tried in order to make productive use of recession time.

One of the questions that we have never faced squarely in this country is the issue of the waste of human resources. We are already beginning to hear about apprentices losing their jobs and manpower training program trainees unable to find employment. To let partially trained apprentices go and to let manpower trainees join the ranks of the unemployed is a waste of economic and human resources. We ought to do some thinking about the possibility of developing institutions or institutional arrangements which will prevent the loss of potentially trained manpower during periods of less than full employment. As a nation, we are fully prepared to pay the cost of putting military equipment into a standby basis until we need them. We have not yet accepted this concept in thinking about our human resources. If we adopted a policy of maintaining or even increasing our training posture during periods of recession, we might be better able to handle problems of the shortage of trained manpower which may contribute to inflation when the economy recovers.
Before turning to some of the R & D issues which have evolved from the recent manpower legislation, let me point out that the Comprehensive Employment and Training Act of 1973 which emphasizes decentralization—contains a title—Title III—which does not call for decentralization but, instead, calls for the establishment of a research, experimental, demonstration program and pilot projects under federal control.

Among the R & D issues which have floated to the surface is the need to examine the efficiency and effectiveness of the whole CETA system that is in the process of being installed.

We need to know more about the comprehensive manpower plans that have been developed. How are they developed? By whom? What are the qualifications of the planners? What kinds of information were used in developing plans? What kind of information is missing? What is the relationship between the proposed plan and the accomplishments during the year the plan is instituted? We need to examine, on a regional basis, the relationship among all the plans in order to determine problems of overlap and replication.

We need to know more about the planning councils established under each prime sponsor. How representative are they? How effective are they? What use is being made of the recommendations of the planning councils?

The same set of questions can be applied to the Manpower Services Councils which are supposed to review the plans of the prime sponsor and the state agencies responsible for providing services to the sponsors.

I am pleased to note that Dr. Ripley of the Department of Political Science at The Ohio State University is conducting a project for the Office of Manpower Research and Development which is attempting to analyze the performance of state and local officials and various organizational arrangements during the first year of the formal existence of CETA. The study is concentrating on administrative patterns of implementation and on patterns of client service among all CETA grantees in the State of Ohio.

The R & D component of CETA specifically directs us to establish a program which will, "...contribute to the formulation of manpower policy; development or improvement of manpower programs; increased knowledge about labor market processes; reduction of unemployment and its relationships to price stability; ..." In addition we are told to be concerned with developing improved techniques for forecasting manpower supply and demand and easing the transition from school to work, etc.

Title III of CETA contains references to youth, offenders, persons of limited English-speaking ability, older workers, veterans, Indians and migrant and seasonal farmworkers.

Now, let me turn to some of the other R & D issues which are evolving from recent manpower legislation and programs:

Here are some of the R & D questions we need to think about concerning the public service employment program which now is the tail wagging the manpower programs in the U.S.
The emergency public service employment signed by President Ford on December 31, 1974, authorizes $2.5 billion for 330,000 new jobs. Although the legislation calls for "... where feasible to provide ... related training and services," no one expects much in the way of training to be conducted under this act.

Again, I want to underscore that this country labors under the delusion that we have discovered the Holy Grail of perpetual full employment. When an economic downturn does occur we act shocked and are usually immobilized for too long a period. We act as if it can never happen to us.

We never want to acknowledge that we need to be prepared in advance for recessions. We need to have on hand an inventory of programs which should help smooth fluctuations in economic activity during a period of increased unemployment. Instead of regarding public service employment as one of our proven manpower tools we consider it as a, "... last ditch emergency measure rather than a staple of public policy."

Some European countries have long used public service employment as a device for providing useful work experience and skill acquisition for their citizens who can't make it in the regular job market. Eventually, some of these citizens can move to nonsubsidized jobs in either the public or private sector. For most of the other participants in their public service employment programs it is transitional activity which is available only during periods of economic slowdowns.

It has been suggested by some that funds should be available for public service jobs regardless of the level of national unemployment. A public service employment program can be used which will expand or contract triggered to rates of unemployment.

Some of the R & D needs evolving from the current public service employment program are:

1. How many of these jobs are really new, i.e. additional?
2. What are the costs and benefits of a public service employment program?
3. Which jobs offer the greatest transitional opportunities to unsubsidized jobs?
4. What are the institutional impediments such as civil service regulations which hinder the effectiveness of the program?
5. What impact does public service employment have on aggregate unemployment?
6. What impact does it have on the quantity and quality of public services?
7. What impact does it have on local economies?
8. Who get the jobs and what kinds of jobs do they get?

9. Do we need a triggering device for public service employment programs?

10. If so, at what level of unemployment should the trigger go off?

11. What are the possibilities of public service employment as a substitute for sheltered work shops?

The Department of Labor and several other federal agencies, in cooperation with Ford Foundation, are now engaged in a national demonstration project on supported employment which may provide some of the answers to the questions I have raised.

Some of the longer term issues we are exploring include:

A major effort to bring in under manpower programs a group of disadvantaged clients requiring special and innovative programs. We are providing "supported work" for former drug addicts, ex-offenders, school dropouts and welfare mothers. Persons participating in the program in thirteen cities will work for public and private employers doing housing maintenance and rehabilitation, neighborhood beautification, and providing services to the elderly. These workers will be given paychecks for performing work while they develop an employment record. It is hoped that most or all of these workers will be eventually moved off supported work to unsubsidized private or public jobs.

Another major R & D effort will be concerned with an experimental project to test whether income assistance provided to ex-offenders as they leave prison will reduce recidivism. This concept of transitional income to ex-offenders has been tried on a limited scale in the State of Maryland. We now expect to test it on a larger scale in two other states. If the findings of our Maryland project are replicated on a larger scale, we may come up with a new and significant technique for reducing recidivism among ex-prisoners in the U.S.

Despite the downturn in the economy, we are expanding to seven cities a successful program for placing professionally trained minority women who are underutilized and unemployed in jobs commensurate with their training and skills. This demonstration project was conducted in Atlanta and Houston and is now being tested in five other cities. We are learning that we can answer the arguments of employers that they cannot find qualified minority applicants for professional jobs if we do a careful screening and recruitment job. We have already placed more than 200 minority women in jobs in two cities. Most of these women are working in jobs in which minority women had never been employed and some are working in jobs in which the employers had never used women.

One of the greatest R & D needs which existed under the MDTA and still exists under CETA is to develop an R & D strategy which can improve the Employment Service and make it into a more effective and efficient manpower instrument that will be more responsive to the clients it serves on a local and national level. Considerable effort is being devoted within the Department of Labor to develop a long-term strategy to improve the productivity of the E.S. and to make it into a more flexible public institution so that it can be more useful under different economic and social conditions as a labor market exchange institution.
One of the areas of greatest needs that the Office of Manpower Research and Development faces is for the development of a two-way communication system between a centralized R & D program and a decentralized operational program. We need to learn more about the needs of the local manpower administrators and operators so that the R & D program can provide them with the tools and information they need in order to do a better job in decision-making and the delivery of service to clients. The two-way communication system must also provide a flow of information and ideas from Washington to the field.

This does not mean that we want to set up a service operation for every administrator who needs data. The only kind of R & D work that can make sense for a communication system must depend on models that can be exported and applied elsewhere.

A last area of R & D need that seems to be perpetually with us is the old issue of transition from school to work. Some of the work done by Dr. Herbert Parnes of Ohio State in his longitudinal study of young workers has given us a new perspective about the mobility and job hopping pattern of young workers. Dr. Parnes’ data suggest that some of this job-hopping is essentially a test of the labor market. Young workers often move from job to job in order to improve their status and learn about different kinds of jobs, i.e. working conditions, skill requirements, wages and advancement opportunities. In fact, many job-hoppers end up with higher wages than those who stay fixed with one employer.

Our office is concerned with the 1.6 million young persons who graduated from high school in 1974. The 1.4 million young men and women of the class of ’74 who enrolled in college are, at least temporarily, not a problem today. We may be worried about them in 1978.

Above, all, we are most concerned with the 300,000 youth, predominantly sixteen-nineteen years old, who left school during the year ending in October 1974, without receiving a diploma. More than one out of four (28 percent) of these dropouts were unemployed last year. After all the millions of dollars that have been spent to keep students in school and prepare them for the transition from school to work, we still find ourselves with this enormous number of youngsters who are not served by our educational institutions. Whether these young persons are dropouts or pushouts is not the real problem. The fact remains that we have not been able to create educational or training institutions that will enable most of these young persons to make a painless transition from school to work.

We are still looking for the ideas or programs that will contribute to the solution of the dropout problem.

My next comments are as critical toward manpower programs as they are toward our educational and training institutions. We still have had little or no impact on the unemployment rates of black young men in our society. When we started the manpower programs in 1963, black young men—ages sixteen and seventeen—had an unemployment rate of 27 percent. Ten years later, after millions of dollars of expenditures on the manpower and educational system, their unemployment rate had gone up—not down—to 34 percent. The rate for black teenage girls has remained above 30 percent since 1963.

In March 1975 the unemployment rate for black teenagers sixteen-nineteen for both sexes has reached a tragic level of 41.6 percent. This means that two out five black teenagers looking for jobs cannot find one.
The employment and unemployment problem of black teenage young men and women was and is a priority item for our R & D program. Unfortunately, we have now reached a stage of sophistication and skepticism which forces us to warn most of the proposal makers that we are no longer interested in replicating that which has been tested and failed in the past. Unless, a research or experimental or demonstration idea recognizes the failures of the past and suggests an innovative approach to the difficult and complex problem of black teenage unemployment, we are not interested in providing support.

Let me add one final note as an administrator of a social science R & D program for the past ten years. In looking over what we have funded in the past it becomes apparent that we serve many masters. Our R & D program must be responsive to the Secretary of Labor and his assistants. We must also provide information and assistance to those who administer and operate manpower programs at the national and local level. We also must support R & D projects which produce findings useful to Congress, educators, employers, and parents.

In order to run a meaningful R & D program we must not only support short-term projects but also long-term ones. The diversity of the projects we support may be compared to the portfolio of investments that a financial manager builds up for his clients. The portfolio must take into account a great variety of current needs and the anticipation of future needs of a highly dynamic economy. The priorities I have referred to today represent just one level of potential future investments. Changes in social and economic trends will call for new priorities in the years ahead.

As we have experienced the short-term issues of our society, we have always tried to balance our portfolio by recognizing that there are certain problems that will not recede or disappear in a decade or two. Hopefully, our assessment of these long-term issues will enable us to make a major contribution in information and ideas for attacking the more persistent problems of our society.
RESPONSE TO QUESTIONS

1. Question

In your presentation, you spoke of a project which provided training and placement of minority women in the labor market. What kind of training is provided?

Response

Our project, "Minority Women Employment," does not provide training. We are taking minority women with professional training who are either unemployed or underemployed and trying to place them in professional jobs commensurate with their training. We have gone to the leading employers in Atlanta and Houston and tried to determine their professional employment needs. A careful effort has been made to match properly trained professional women with the available vacancies. In many cases, employers have taken on women in jobs in which women have never been used before. In other cases, employers are taking on minority employees for the first time. The effort essentially represents an ideal case of worker-job matching.

2. Question

What attempt has been made to compare the job training efforts of public and private vocational education programs with those of manpower training programs?

Response

We have made comparisons among all types of training programs and have concluded that all of these programs have different contributions to make. The type of worker and kind of job and employer really determine the kind of institutional training that is best.

The educational and skill level of some workers require intensive training and supportive services that cannot be supplied in regular public and private vocational schools. Other workers only need skill training and are not in need of supportive services.

There is no one best way to train. We need a variety of systems in order to meet the needs of a highly diversified labor force and job market.

3. Question

What are the problems that exist under the influence of minimum wage and public assistance laws?
Response

We don't see any real problems that exist under either of these laws. The difficulty is finding jobs for people after they are trained. Hopefully, the trainees should be productive enough to satisfy employers that they are worth being paid minimum wages. The welfare laws direct the Department of Labor to try to place eligible welfare recipients in training and find them jobs at the conclusion of training. Our research studies tell us that the welfare population has the same interest in employment as the rest of the population.

4. Question

What progress has been made in terms of being able to accurately project employment needs regionally and nationally?

Response

The Comprehensive Employment and Training Act requires better manpower projections on a regional and local level. The Manpower Administration has a unit concerned with improving labor market information. We expect to have considerably improved projection techniques in the near future.

The Bureau of Labor Statistics has been developing national projections for several decades. It is constantly seeking better techniques.

I just want to caution those who are quick to criticize the work of those who do the projections. Many of the critics fail to realize that projections contain within them the seeds of self-destruction. For example, a projection of a shortage of engineers attracts an increasing number of students into this field. This increased interest meets the shortage and therefore, none develops. When the critics say that no shortage developed, they fail to take into account the flow of applicants into a field which is very often stimulated by the projection.

Question

What is being done to develop a database to look at accountability or evaluation under CETA rather than simply political accountability?

Response

Our evaluation office is developing a longitudinal study of CETA trainees which will examine the before and after condition of persons who came into CETA programs. Our administrative and program people are also developing data systems which will require CETA sponsors to account for their accomplishments under the act.

6. Question

Are there provisions in CETA which allow for state and local agencies with CETA grants to obtain technical assistance?
Response

The Assistant Regional Directors for Manpower, the prime sponsors and the State Employment Services are being contacted about their technical assistance and staff training needs. Funds will be provided for technical assistance. Under Title I, prime sponsors can also use their own money to buy technical assistance at a local level.

Question

What kinds of trends do you see relative to responsibility in placement of school graduates?

Response

This responsibility will depend on local leadership and responsiveness to the needs of students. I am in favor of as many institutions as possible helping students in making the transition from school to work. I don't think that the Employment Service has a monopoly hold on this responsibility. Frankly, the more involvement by schools, employers, parents, social organizations, the better for the students. I believe that future trends will find much more involvement by different groups than we have ever had in the past.