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One More Job-Training Program? Really, Obama?

By Veronique de Rugy April 16, 2014

During a visit at the Community College of Allegheny County in Oakdale, Pa., today, President Obama and Vice President Biden "will announce \$500 million in grants aimed at increasing coordination between community colleges and industry groups and another \$100 million to expand access to apprenticeships to boost job training," <u>according to the WSJ</u>.

One more job-training program, really? According to the Government Accountability Office, the federal government spends \$18 billion a year on 47 duplicative job training programs across nine federal agencies. But the White House isn't just adding to this host of repetitive rackets – it's effectively creating a new program that will duplicate other programs already put in place at the state level. Here is the *WSJ* on the issue:

The initiatives are similar to approaches used by some states, which have tried to leverage relationships between community colleges and local businesses to steer workers toward available jobs. But the proposals also show the limits of White House power. While most of the grants will be more targeted, the initiative essentially is a continuation of existing grants already disbursed to community colleges.

Now, leaving aside whether or not it's the role of the federal government to train workers (it's not), there is the question of the effectiveness of job-training programs. The GAO could not find evidence that any of them were working. They're not the only ones: Senator Tom Coburn, of course, has produced <u>numerous reports</u> on the issue, and the Cato Institute's Chris Edwards has made the same point:

More fundamentally, federal employment and training programs don't fill any critical economic need that private markets don't already fill. Instead, the federal programs provide an opportunity for policymakers to show that they are "doing something" to help the labor market. To policymakers, federal job training sounds like something that should boost the economy, but five decades of experience indicate otherwise.

Even though millions of Americans have been out of work in recent years, relatively few of them have sought out federal employment and training services. Instead, individuals looking for jobs and training mainly rely on personal connections, the Internet, temporary help agencies, private education firms, and other market institutions.

This is not new. In fact, the GAO and others have been saying that for a while:

The GAO has been noting the dearth of positive findings regarding program effectiveness for many years. Back in 1996, the agency noted:

"Although the federal government spends billions of dollars annually to support employment training programs, little is known about their long-term effects on participants' earnings and employment rates. Few training programs have been rigorously evaluated to assess their net impact, and, for those that have, the research results have often been inconclusive."

The GAO's analysis in 1996 found no statistically significant improvement in wages over the long term from participation in JPTA training programs. A decade earlier, the prestigious National Research Council came to a similar conclusion regarding federal job training programs for youth.

Edwards's piece is <u>here</u>. But how about the effectiveness of the specific training program promoted by the White House? The *Journal* notes that "past presidents have also tried to make community colleges a central focus of job-training programs with mixed success." So basically, there's no reason to expect success this time — that would take some new ideas.