

Unemployment Predictions Highlight the Need for Investment in Job Training

 By [MEGAN CARPENTIER](#) 3/29/10 12:38 PM

While the Congressional Black Caucus (among others) [pushed unsuccessfully for a major investment in job training to be included in the stimulus package](#), new data on the [long-term prospects for a labor market recovery](#) highlight the ongoing need for the president and Congress to put job training back on the economic recovery agenda. Matthew Scott of Daily Finance has the sobering statistics:

Unemployment is expected to remain above 9% for at least the next two years, according to Christopher Woock, research associate for The Conference Board, and other economists. That's because many of the estimated 4 million jobs lost in the construction and manufacturing industries during the recession may never come back. That's what happened after the 2001 recession in sectors such as data processing, computer and electronics manufacturing, and textile manufacturing.

Even in strong sectors, the projected 3-4 percent annual economic growth won't be enough to entice employers back to pre-recession hiring levels.

So what are out-of-work construction workers or auto workers going to do if their jobs don't come back? Many of them are going to need to be trained to work in an industry that isn't floundering.

"If we have substantial structural change," says Woock, "then that's going to require a significant reallocation of workers across various industries and that is going to make for a very slow and drawn out labor market recovery." In other words, as industries shift and jobs vanish forever, some workers may be forced to retrain to find work in a different industry.

And yet, the latest version of the jobs bill offers tax credits to employers to hire workers — but it doesn't give credits to workers enrolled in retraining programs, let alone help state and local governments or non-profits fund the establishment or expansion of such programs. Yet the sectors that economists expect to grow over the next few years require skilled labor more often than not.

Barry Bluestone, dean of the School of Public Policy and Urban Affairs at Northeastern University, predicts that within the next eight years, 2.4 million job vacancies could appear in the U.S. in the education, health care, government and nonprofit sectors. Jagadeesh Gokhale, an economist at the Cato Institute, says demand from aging baby boomers will drive job growth in health care and other related service industries.

The transition from an automotive assembly line to the health care industry might not be an obvious choice, but for people unwilling to give up on working, it could be exactly the transition they need — and they may well need help from the government to make it happen.