

In Brief

Selected Public Workforce Development Programs in the United States

Lessons Learned for Older Workers¹

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The public workforce system emerged in the Great Depression. The first two pillars of the system—the public Employment Service and Unemployment Insurance—were established by the 1933 Wagner-Peyser Act and the 1935 Social Security Act, respectively. Federally funded and locally delivered job skills training began mostly in the 1960s. Control of programs remains unchanged under the Workforce Innovation and Opportunity Act of 2014. Employees of state-run Employment Services and public and private service providers of locally run workforce investment boards deliver services at approximately 2,500 American Job Centers. Since the 1980s, the public workforce system has decreased staff-assisted job search assistance and substituted automated self-serve systems. Decreasing budgets, less state and local staff, and higher workloads abetted the movement to automated solutions. Today, a decreasing percentage of counseling, job matching, and job development services are staff-assisted. American Job Centers do not currently have dedicated staff specializing in job development and job placement for older workers.

Evaluations of low-cost, staff-assisted employment services have shown them to be effective. Job skills training evaluations have produced mixed evidence of the training's effects on employment and earnings. Training often has been found to be more effective for women than men. Rigorous evaluations of the training of disadvantaged adult workers and of sectoral training programs have had encouraging results. The most effective types of job training tend to be on-the-job training, customized training, and targeted classroom skill training. Some policy options to increase the availability and effectiveness

This **In Brief** is a synopsis of the research report, ***Selected Public Workforce Development Programs in the United States: Lessons Learned for Older Workers 2015-02***. To view the full report, visit: www.aarp.org/futureofwork.



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of services for older job seekers in the American Job Center Network are:

Employment Services

- Reduce reliance on automated self-services for older job seekers by increasing staff-assisted services for assessment, screening, counseling, job search assistance, job referrals, and job development.
- Provide staff-assisted services for older job seekers who need individualized assistance.
- Establish staff positions in American Job Centers for older worker representatives to assist older job seekers.
- Increase the use of job clubs for older workers and conduct evaluations of their effectiveness.
- Increase funds for targeted reemployment services provided to unemployment insurance claimants. In-person assistance to permanently separated, experienced workers would be especially helpful to older workers.

Training

- Older worker training should be targeted to the job skills in demand by local employers. Stronger guidance should be provided through staff-assisted counseling on the use of Individual Training Accounts. The training should concentrate on (1) high-demand and high-return occupations, (2) on-the-job training slots that can result in employment with significant earnings, and (3) customized training that can improve skills and may increase retention and earnings.
- Training allowances, which are needed to help workers defray living expenses during longer training periods, and other supportive services (such as transportation and childcare or elder-care assistance) should be available. Increased state flexibility to provide supportive services is contained in the Workforce Innovation and Opportunity Act.
- Better assessment, including interviewing, testing, and counseling, would more effectively screen participants for referrals to training for occupations in demand.

- Because of severely limited provision of more costly job training by the public workforce system, policy efforts should be focused on providing more lower-cost, staff-assisted employment services.

Incentives, Subsidies, and Job Creation

- Increase the use of cash incentives, such as wage supplements, paid to workers upon reemployment or the expansion of the Earned Income Tax Credit.

Senior Community Service Employment Program

- Conduct a rigorous national evaluation of the Senior Community Service Employment Program to better assess the impacts of the program.

Reemployment Bonuses

- Conduct a rigorously evaluated field experiment to study the impact of reemployment cash bonuses for older workers.

Public Service Employment

- Implementation of targeted countercyclical Public Service Employment demonstration projects during the next recession should be considered. The design of such demonstration projects should take into account the impact on various demographic groups, including older workers.

Temporary Assistance for Needy Families (TANF) Emergency Fund-Supported Subsidized Employment Programs

- An evidenced-based demonstration project limited to older workers should be considered to determine whether the results of TANF Emergency Fund-supported subsidized employment programs can be replicated for older workers.

Improved Data

- The U.S. Department of Labor should collect and publish data with a greater number of age breakouts to allow demographic comparisons across workforce programs and to permit consistent contrasts with standardized labor force summary statistics. According to the Workforce Innovation and Opportunity Act, data in state and local area reports are to be

disaggregated by age and made publicly available.

- Consideration should be given to oversampling older workers in future evaluations.

The extent to which outcomes for older job seekers will improve under the Workforce Innovation and Opportunity Act is likely to depend as much on federal regulations, state and local implementation, economic conditions, funding levels, and other policy considerations as on the specific reforms embodied in the law. This report suggests a number of improvements to the public workforce system that target older workers and extend beyond the new federal law.

¹ This In Brief is based on: *Selected Public Workforce Development Programs in the United States: Lessons Learned for Older Workers* by Stephen A. Wandner, David E. Balducchi, and Christopher J. O'Leary, March 30, 2015. Accessed at: <http://www.aarp.org/ppi/future-of-work/reports/>.

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