Training Program Impacts and the Onset of the Great Recession

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In the context of the Great Recession, we examine how the impacts of training shifted during a period when theory suggests they might have the greatest potential to improve individual and societal well-being. Using particularly rich data from the state of Missouri for participants in the WIA Adult and Dislocated Worker and the Trade Adjustment Assistance programs over the period 2007-2010, we estimate program impacts, comparing outcomes for participants receiving training in one of these programs with a comparison group of individuals receiving sought job search services through job offices, or those receiving Unemployment Insurance payments. Individuals who have the same demographic characteristics, prior employment and earnings histories, and local labor markets are matched to maximize the likelihood that the estimates reflect causal training impacts. Making comparisons of impacts before and after the onset of the recession allows us to test the claim that the net benefits of training increase during recessionary periods.