U.S. Means-Tested Employment and Training Programs

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This paper considers means-tested employment and training programs in the United States. The paper first describes the history of such programs, beginning with the establishment of the public employment service and work relief programs in the Great Depression, and a series of employment and training programs beginning in the 1960s through the present. Funding for these programs peaked in the 1970s, and as a proportion of GDP have diminished significantly since the 1980s. The system is highly fragmented, with 14 Department of Labor programs funded at $30M or more, and four programs funded by other agencies larger than many DOL programs.

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The paper discusses the value and limitations of randomized controlled trials, and discusses the most common quasi-experimental approaches used in evaluating E&T programs, including regression analyses controlling on a rich set of covariates, propensity score matching, and difference in difference analyses. Findings from recent evaluations of major programs are discussed. Results from three quasi-experimental evaluations of the Workforce Investment Act are assessed, indicating that poor adults generally receive modest increases in earnings, while the evidence for displaced workers is mixed. Results from other evaluations indicate that youth programs, including the intensive Job Corps program, do not have sustained impacts. There is limited but promising evidence that sectoral programs, designed to provide training for workers to enter a specific industry is effective. Recent evaluations suggest that RCTs can be structured to provide stronger findings and that credible quasi-experimental designs can be useful in answering some questions.