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# After Training, Still Scrambling for Employment

By PETER S. GOODMAN

In what was beginning to feel like a previous life, Israel Valle had earned \$18 an hour as an executive assistant to a designer at a prominent fashion label. Now, he was jobless and struggling to find work. He decided to invest in upgrading his skills.

It was February 2009, and the city work force center in Downtown Brooklyn was jammed with hundreds of people hungry for paychecks. His caseworker urged him to take advantage of classes financed by the federal government, which had increased money for job training. Upgrade your skills, she counseled. Then she could arrange job interviews.

For six weeks, Mr. Valle, 49, absorbed instruction in spreadsheets and word processing. He tinkered with his résumé. But the interviews his caseworker eventually arranged were for low-wage jobs, and they were mobbed by desperate applicants. More than a year later, Mr. Valle remains among the record 6.8 million Americans who have been officially jobless for six months or longer. He recently applied for welfare benefits.

“Training was fruitless,” he said. “I’m not seeing the benefits. Training for what? No one’s hiring.”

Hundreds of thousands of Americans have enrolled in federally financed training programs in recent

years, only to remain out of work. That has intensified skepticism about training as a cure for unemployment.

Even before the **recession** created the bleakest job market in more than a quarter-century, job training was already producing disappointing results. A study conducted for the Labor Department tracking the experience of 160,000 laid-off workers in 12 states from mid-2003 to mid-2005 — a time of economic expansion — found that those who went through training wound up earning little more than those who did not, even three and four years later. “Over all, it appears possible that ultimate gains from participation are small or nonexistent,” **the study concluded.**

In the last 18 months, the Obama administration has embraced more promising approaches to training focused on faster-growing areas like renewable energy and health care. But most money has been directed at the same sorts of programs that in past years have largely failed to steer laid-off workers toward new careers, say experts, and now the number of job openings is vastly outnumbered by people out of work.

“It’s such an ugly situation that job training can’t solve it,” said Ross Eisenbrey, a job training expert at the **Economic Policy Institute**, a labor-oriented research institution in Washington, and a former commissioner of the federal Occupational Safety and Health Review Commission. “When you have five people unemployed for every vacancy, you can train all the people you want and unfortunately only one-fifth of the people will get hired. Training doesn’t create jobs.”

Labor economists and work force development experts say the frustration that frequently results from job training reflects the dubious quality of many programs. Most last only a few months, providing general skills without conferring useful credentials in specialized fields. Programs rarely involve potential employers and are typically too modest to enable cast-off workers to begin new careers.

Most job training is financed through the federal Workforce Investment Act, which was written in 1998 — a time when hiring was extraordinarily robust. Then, simply teaching jobless people how to use computers and write résumés put them on a path to paychecks. Today, even highly skilled people with

job experience of two decades or more languish among the unemployed. Whole industries are being scaled down by automation, the shifting of work overseas and the recession.

“A lot of the training programs that we have in this country were designed for a kind of quick turnaround economy, as opposed to the entrenched structural challenges of today,” said Carl E. Van Horn, a labor economist and director of the John J. Heldrich Center for Workforce Development at [Rutgers University](#). “It’s like attacking a mountain with a toothpick. You take a policy that was designed for the best economy that we had since World War II and you lay it up against the economy that is the worst since World War II. It can’t work.”

### **Claiming Successes**

The Obama administration argues that expanded job training has already delivered success. As part of the nearly \$800 billion [stimulus package](#) begun last year, the administration increased grants sent to states for training programs devoted to laid-off workers by \$1.4 billion for 2009 and 2010. Those funds came on top of \$2.9 billion allocated through normal budget channels for grants in those two years.

Last year, the number of laid-off workers in job training reached 241,000, up from about 124,000 the year before, according to the Labor Department.

“These programs are really working,” said the assistant secretary of labor, Jane Oates. “These are folks who clearly want to go back to work and we’re able to help them get back to work. The investment in job training is one that’s not only going to pay off in the short term, it’s going to help us be more competitive in the long term.”

According to the Labor Department, 85 percent of laid-off workers who received training in 2007 and 2008 gained jobs within a year of completion. But the department does not track what percentage of them gained jobs in their fields of study and so far lacks any data for 2009, the first year of the Obama administration’s expansion.

Experts harbor doubts about the reliability of Labor Department numbers, which are derived from reports by state agencies that collect data from [community colleges](#) and employment offices whose training funds are dependent upon reaching benchmarks. Twice the Labor Department had to correct the data it supplied for this article.

“The states play all sorts of games,” said Mr. Eisenbrey, from the Economic Policy Institute.

## **Signs of Progress**

But those who oversee job training say results have improved significantly in recent years.

“We’ve come a long way,” said Robert W. Walsh, commissioner of the New York City Department of Small Business Services, which oversees the [Workforce1 career centers](#), including the Brooklyn office where Mr. Valle enrolled. “We’re now focused on where the jobs are and the track records of the providers.”

Those factors are crucial, say advocates for expanded training, who point out that even with near double-digit unemployment, some jobs lie vacant, awaiting workers with adequate skills.

“There’s plenty of jobs in health care, in technology,” said Fred Dedrick, executive director of the National Fund for Workforce Solutions, which advocates for increased and improved job training.

“Once people move up, that creates opportunities for other workers.”

There is some evidence that this approach works. Two years after completing programs tied directly to the needs of local industries suffering shortages of skilled workers in the South Bronx, Boston and Milwaukee, graduates were earning 29 percent more than similar workers who did not receive training, according to a new survey from Public/Private Ventures, a nonprofit group that advocates for expanded job training.

A widely admired program begun in Michigan in 2007, No Worker Left Behind, provides up to \$10,000 over two years for laid-off and underemployed workers who pursue certificates and degrees in

areas of significant growth. The program has trained technicians to work on major energy storage projects and aircraft mechanics to service engines at commercial operations that have taken over former Air Force bases.

“We need to know that we’re training people in an in-demand growth area today,” said Andrew S. Levin, who oversees the Michigan program.

But forecasting where jobs will be can be tricky. Among those completing training by the end of 2009, 41 percent were still looking for work as of June, according to Michigan data.

Nationally, prospective trainees are often steered into programs by counselors at community colleges and employment centers who lack awareness about which industries are hiring.

In the suburbs of Philadelphia, Eric Nelson left a job at a credit union call center in late 2004 to enroll at a state college. There, the career services department helped him choose a course of study by consulting job growth projections. The result led to geographic information systems — the mapping of data by place.

“It seemed like the thing to do,” Mr. Nelson recalled, adding that he was assured he would easily land an entry-level job paying \$35,000 a year.

But when Mr. Nelson, 42, graduated with his bachelor’s degree in May 2008, facing nearly \$50,000 in **student loan** debt, he was horrified to discover that graduates greatly outnumbered jobs. Only people with six or seven years’ experience were getting hired, he said.

“I’ve had no offers at all,” he said.

He is now living off his wife’s wages as a librarian and contributions from his parents. Even programs with successful track records tend to be focused on people who are easier to employ — those with substantial skills and experience.

In late 2007, in the Minneapolis suburbs, Hennepin Technical College joined with local employers to

help workers laid off from area factories secure new jobs.

## **More Skills, Better Luck**

The Minneapolis-St. Paul area exemplifies how unemployment reflects not only a shortage of jobs but also a mismatch between jobs and skills. A half-century ago, mainframe computers were assembled in the area, before the business shifted to Silicon Valley. But large-scale manufacturing remains, particularly in one fast-growing industry whose jobs seem unlikely to be shifted overseas: medical devices.

“Nobody wants a pacemaker stamped, ‘Made in China,’ ” said Richard P. Kelly, who oversees Hennepin Tech’s manufacturing quality training programs.

The new program, WorkFast, aimed to quickly prepare laid-off workers for new jobs in medical devices and other growing areas of manufacturing, via intense training units lasting eight to 15 weeks. Many focus on so-called Swiss machining, which uses computerized equipment to slice metal into highly precise parts for the aerospace and medical device industries.

Since the program began, some 80 percent of its roughly 250 graduates have secured jobs, according to Hennepin Tech — among them David Gustafson, a wiry man of 49 who started working for his father’s asphalt business as a teenager.

In 1994, he got a job at a plant that made parts for medical device companies, running an early version of Swiss machining. He worked his way up to \$18 an hour. In 2000, he and his wife at the time bought a home on an acre of land for their two boys.

But in the summer of 2008, Mr. Gustafson was laid off. A year later, his search for work had yielded little besides a lesson in the deficiencies of his résumé: He could not program the computers that govern Swiss machines, a deal-breaker for potential employers.

Living on a \$299-a-week unemployment check in place of his \$697 paycheck, he ran up credit card

balances exceeding \$13,000. He sold his great-grandfather's carpentry tools and his grandfather's wedding band. Bickering consumed his marriage, which soon broke.

"I was totally depressed," he said. "I looked at every penny, and my wife was feeling really fed up with it. She'd say, 'Every once in a while, let's just go to the movies and forget about life for a while.' And I'd say, 'No, because the cost of that movie could feed us for three days.' I said no to everything. I'm screaming 'Turn the lights off,' and 'The heat doesn't need to be that high.' "

Mr. Gustafson registered for the WorkFast program and added the mere fact of his enrollment to his résumé. In February, just as he was drawing his final unemployment check, he got a job from a Swiss machine shop for \$19 an hour, with one requirement: He had to complete his training.

Through the spring, he worked at the plant from 5 in the morning until 3:30 in the afternoon. Two nights a week, he attended class at Hennepin Tech.

"Just as soon as I could say, 'Yes, I can program,' I got a job," Mr. Gustafson said. "I feel real secure."

Mr. Gustafson had more than a decade of experience on the same machines he then trained to master. How easily can that success be replicated for lesser-skilled people?

The literature is not encouraging.

A 2006 study prepared for the Labor Department found virtually no benefit for 8,000 randomly selected recipients who entered federally financed training programs in 2001 and 2002.

In the year before their training, these people earned about \$20,000 a year on average, according to the study. During the 15 months after their training, roughly 80 percent of these people were employed at some point, but their earnings in that period averaged about \$16,000.

The 2008 study found that women were far more likely to benefit from training than men — cold comfort given that this recession has hit male-dominated industries like construction particularly hard.

Among those unemployed for six months or longer at the end of May, nearly 60 percent were men, according to the [Bureau of Labor Statistics](#). Nearly 39 percent were in their mid-40s or older — another challenge to training programs whose results have generally been better among younger people. Nearly three of four had no degree beyond high school.

Bernard Pelzer, 56, has been jobless since the summer of 2009, when he was laid off from his position as a maintenance worker at a Manhattan office building. Since then, he has subsisted on a \$260-a-week unemployment check.

### **Chasing Elusive Work**

An African-American man who never completed high school, Mr. Pelzer has suffered a steady erosion of working opportunities. Through the 1970s and 1980s, he earned as much as \$12 an hour as a handyman and security guard, enough to rent spacious apartments.

“You could pay your rent and take care of your family,” he said.

But in recent years, he has earned less than he did a quarter-century ago, even as the cost of living has climbed.

Now, with no paycheck, the bills are beyond him — even in a cramped apartment in East New York. He and his wife recently canceled cable television, their lone source of entertainment.

Last fall, Mr. Pelzer enrolled in a federally financed training course to become a certified building technician, following the guidance of a caseworker at a city-run work force center.

“I thought, ‘This is great,’ ” he recalled. “There are certain things you intend to achieve, but you run into blockages. Now, the blockages were going to be removed.”

But as Mr. Pelzer slogged through the muggy streets of Brooklyn last week in a brown dress shirt, carrying his résumé in a laminated sleeve, his training was beginning to feel irrelevant. Despite

applying for more than a dozen jobs over the last month, he had yet to gain an interview.

“It’s very bad,” he said. “I haven’t gotten any response.”

Among those who have this year completed training arranged by New York City’s Workforce1 centers, half have found employment, according to the city.

But not Mr. Valle. As his 50th birthday approaches, he is living with his parents, unable to pay rent on an unemployment check.

Warm and effusive, Mr. Valle grew up in East Harlem, the son of Puerto Rican parents whose trajectory testifies to the potential of job training: His father sold hot dogs before parlaying classes in air conditioning and electrical repair into a career as a maintenance worker. By the 1980s, he was earning \$45,000 a year.

Mr. Valle’s modern-day training has produced only frustration.

After he completed classes, the first interview his caseworker arranged was at a Family Dollar store in Brooklyn. It paid \$11 an hour. Still, he figured he was in no position to be choosy, so he went, assuming he was the only one being dispatched to the interview. When he got there, nearly 50 people were waiting in a stifling warehouse. Some had been there for more than two hours. Some wore pinstripe suits, relics of short-circuited jobs at banks and insurance offices.

He waited an hour, standing because the crowd vastly exceeded the available chairs; because the applicants vastly exceeded the lone job being offered — an equation not altered by his upgraded proficiency in [Microsoft Word](#).

“It was crazy,” he said. “I got so fed up that I walked out.”



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