

December 6, 2011

The Honorable Tom Harkin
Chairman, Labor, Health and Human
Services, Education and Related
Agencies Subcommittee
Committee on Appropriations
United States Senate
Washington, DC 20510

The Honorable Richard C. Shelby
Ranking Member, Labor, Health and
Human Services, Education and Related
Agencies Subcommittee
Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Chairman Harkin and Senator Shelby:

We are economists and researchers who are recognized as national experts on workforce development programs. As Congress makes important decisions about the funding and direction of these programs, we urge you to take into account the evidence showing the value of workforce development services, particularly in a difficult job environment.

Research shows the benefits of workforce services, particularly occupational training, in boosting individuals' employment and earnings. A recent non-experimental evaluation in 12 states estimated that the average increase in earnings for women who participated in Workforce Investment Act (WIA) Adult training is nearly \$2,400 per year, or 26 percent of average earnings. The impact for men who participated in WIA Adult training is \$1,700 per year, or about 15 percent of average earnings. (Heinrich et al, 2008) These services benefit individuals who are loosely attached if not already disconnected from the workforce and who have been most dramatically affected by the recent recession. An earlier non-experimental evaluation of WIA in seven large states estimated similar impacts. (Hollenbeck et al, 2005) Another recent evaluation found that sector-based training programs that target growing fields and that involve employers directly in the design and delivery of training generate higher earnings for participants. (Maguire et al, 2010)

In addition, the impact of training investments is likely to be significant at a time when many communities are experiencing high unemployment. The opportunity costs— notably the value of foregone earnings during training—are likely to be lower when jobs are scarce and when the good employment opportunities that exist require skill enhancements.

In summary, the weight of the evidence shows that workforce services, especially occupational training, are a solid investment over the long run. These services play an important role in building skills for disadvantaged individuals as the nation's economy recovers.

Thank you for your attention to this important issue.

Sincerely,

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