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Study shows value of job training

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Publicly funded job training is a "very good investment," but more resources are needed to keep such programs afloat, according to a report to be released today by a committee of the Baltimore Workforce Investment Board.

The board created the Workforce System Effectiveness Committee to evaluate it and make recommendations for improvement through "Baltimore's Workforce System at Work," the first in a series of reports analyzing Baltimore's work force system.

Chris Thompson, senior research associate at Johns Hopkins Institute for Policy Studies, authored the nearly 190-page report and answered such questions as "How does the performance of the Baltimore system compare with that of other peer cities?" and "What training works best and for whom?"

"The task facing us has gotten more difficult in recent years," Thompson said. "Unemployment is higher than five years ago while federal resources are lower. In terms of how we're doing in combating that situation, I think we're doing a lot of very interesting things, and I think the things we're doing are paying off. The issue is: How do we do it at the scale necessary to really make a dent?"

In April, Baltimore's labor force comprised 288,400 people. Of the total, 266,962 were employed and 21,438 were unemployed, the report found. The city's unemployment rate fluctuated between 7.2 percent and 9 percent in the last three years. The decrease in manufacturing influenced those numbers as the industry provided 20 percent of all jobs in Baltimore in 1970, but only 8 percent more recently.

The report also looked at two samples of those in Baltimore's customized training and Individual Training Account programs. Customized training is arranged with employers looking for specific job requirements; individual training is similar to a voucher the job seeker can use at any approved training provider.

Those in customized training saw a wage gain of $3.55 for every $1 invested in their training when comparing earnings in the four quarters before training to the four quarters after training. Those who had individual training saw a wage gain of $1.49.

“The results are proof that training investment pays for itself in the second year and that customized training pays for itself in the third year,” Thompson wrote in the report.

“Hence job retention and progression support services to help customers stay attached to the labor market, in either their present or their next job, for at least this amount of time after training, are key to making good on the public’s training investment,” he wrote.

Investing in training not only can build people’s skills, but also enable them to attain desirable jobs, said Patrice Cromwell, associate direct of the Open Society Institute-Baltimore and co-chair of the committee.

“What we would like people to see from [the report] is that public investments in work force do pay off and help people move out of poverty over time,” she said. “It’s not just training alone that can help people move out of poverty. We need to do more. We need to think about literacy training. We need to think about what other support services we can provide people as they move into work.”

The report also showed Trenton, N.J., and Cleveland with higher percentages of people in job training.

“I think this invites us to ask questions of other cities,” said Deborah Povich, executive director of the Baltimore-based Job Opportunities Task Force, “to get more public dollars into training, and how do we invite public-private partnership in training?”