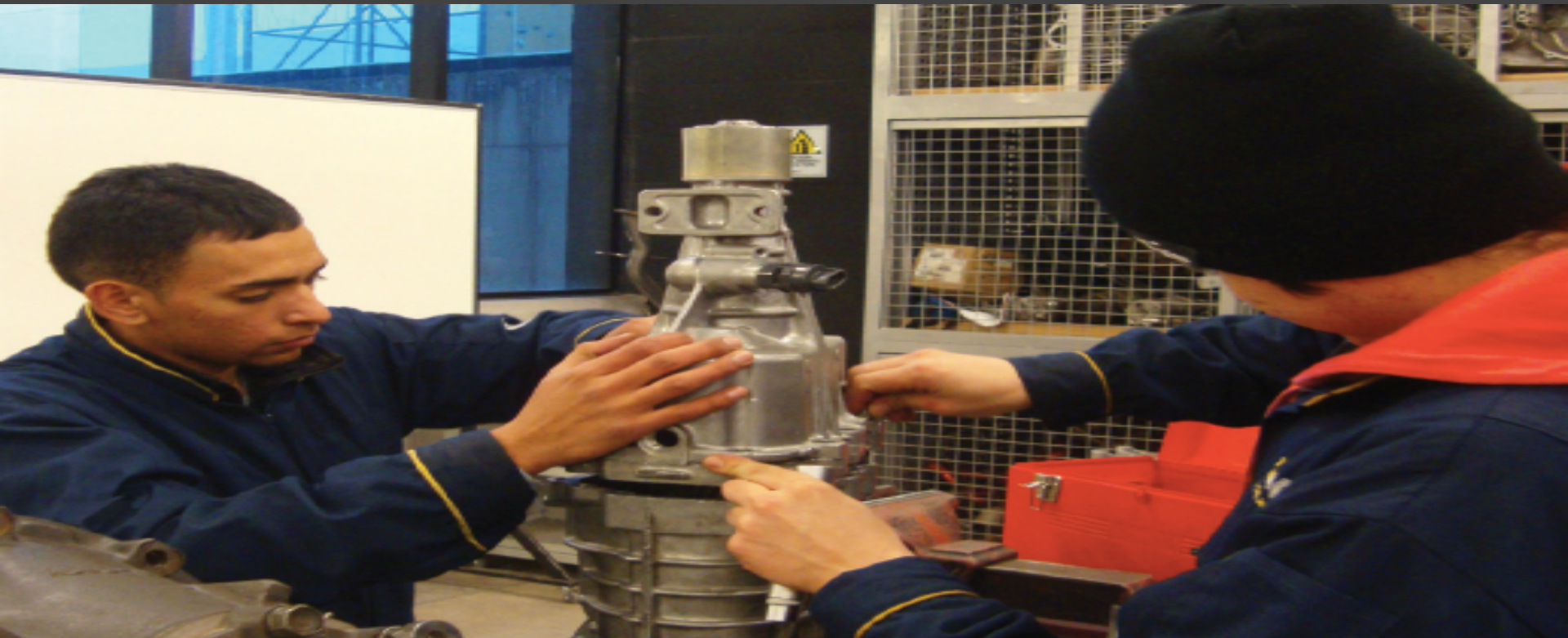


Skills Development and Workforce Outcomes

Adriana Kugler
Georgetown University & NBER

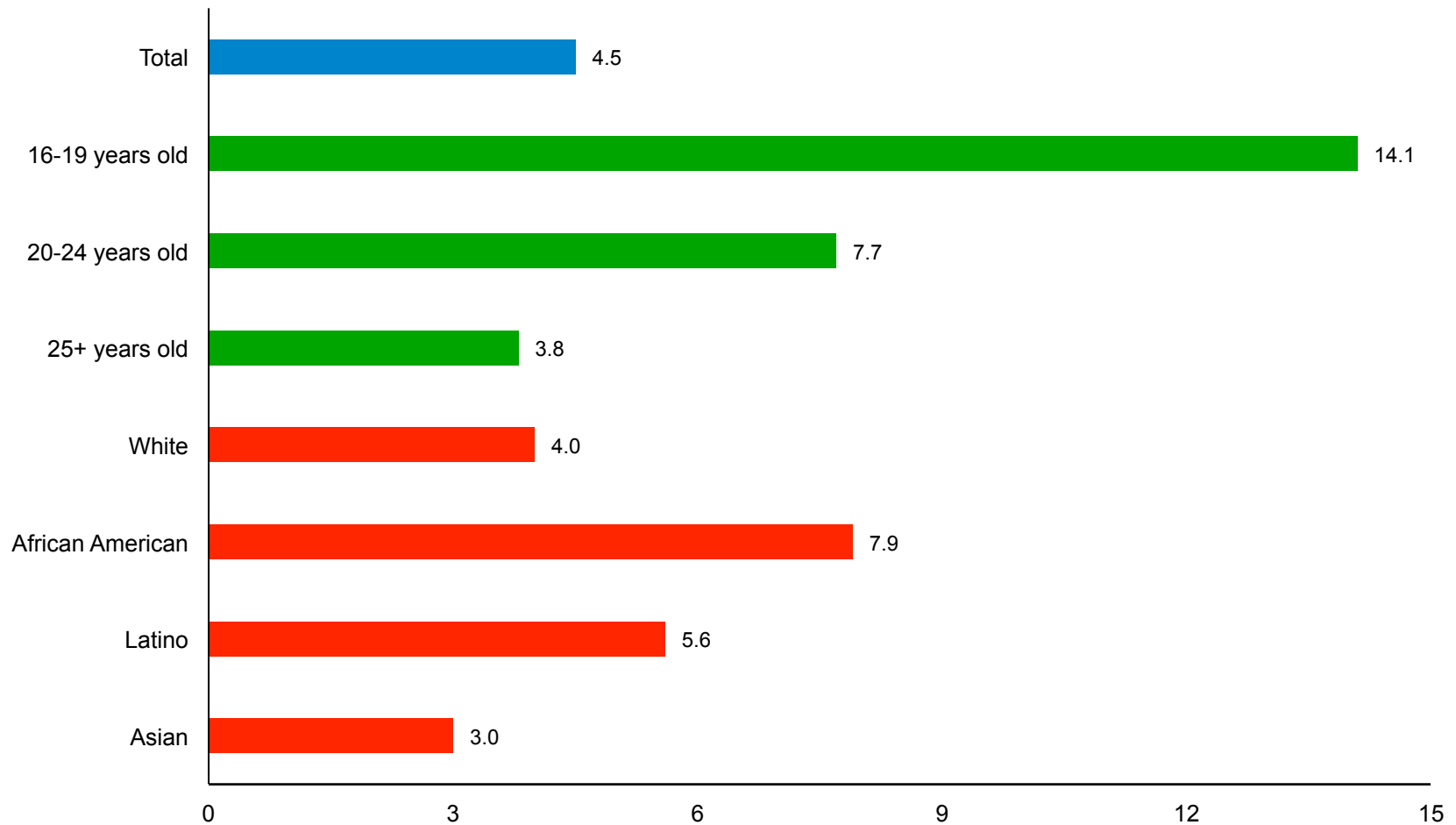


Unemployment High for Many

- Overall unemployment rate has declined since Great Recession.
- However, unemployment remains very high among the very young. Double digits for 16-19 year olds.
- Unemployment twice as high for African-Americans and also high for Latinos.
- Unemployment higher and lower earnings for those who lack formal education and skills.

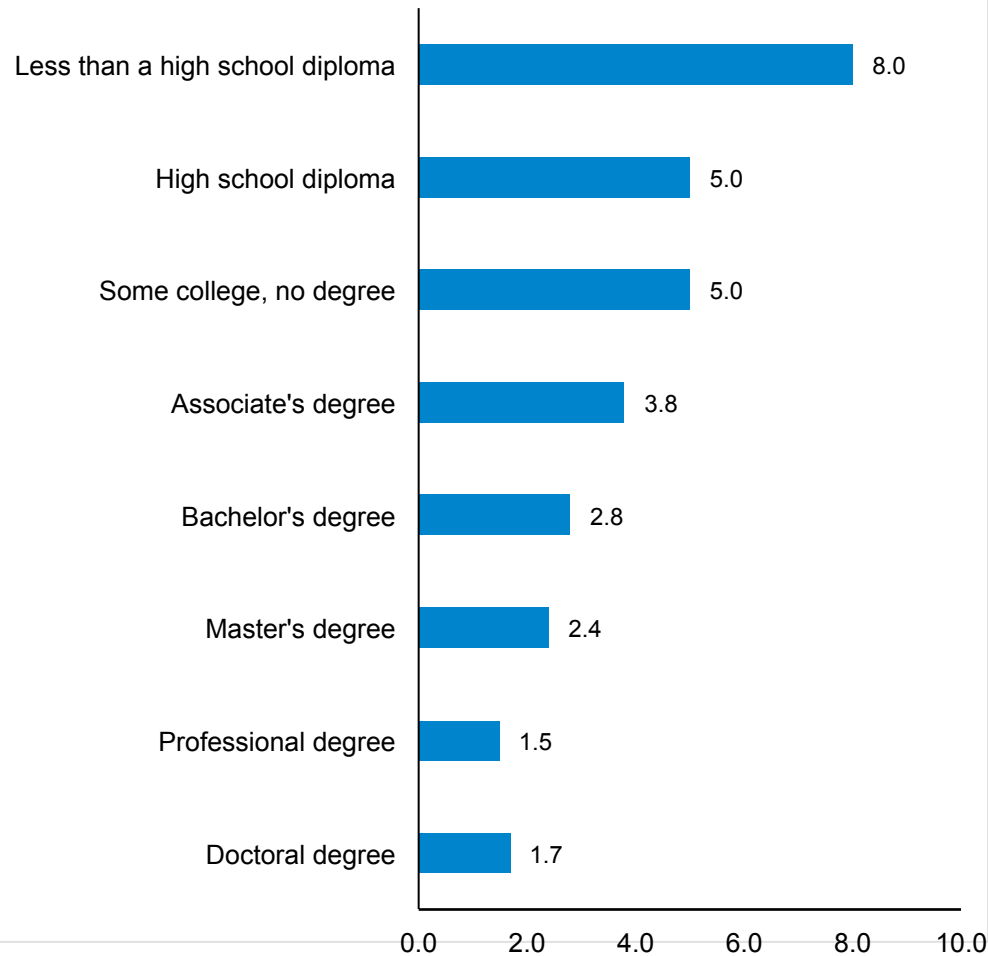
Unemployment Rates in 2016

Unemployment rate (4Q 2016)

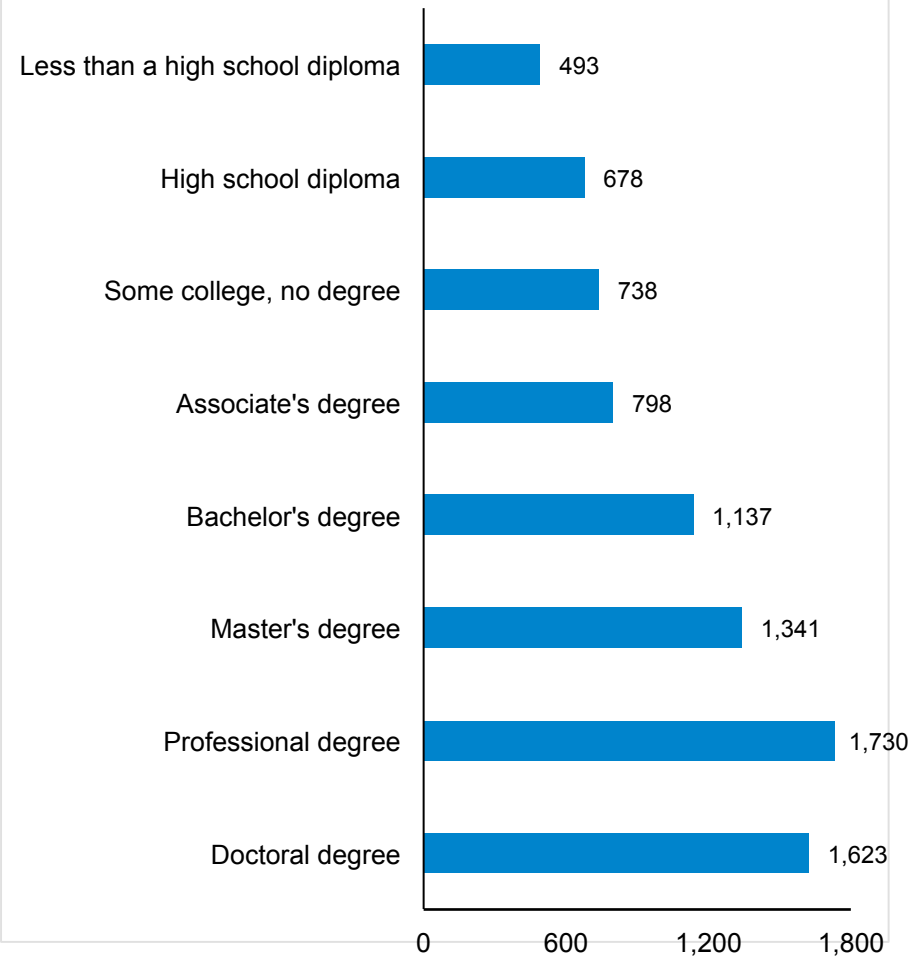


Workforce Outcomes by Education

Unemployment rate of population aged 25 and over, by educational attainment (2015)



Median weekly earnings of population aged 25 and over, by educational attainment (2015)

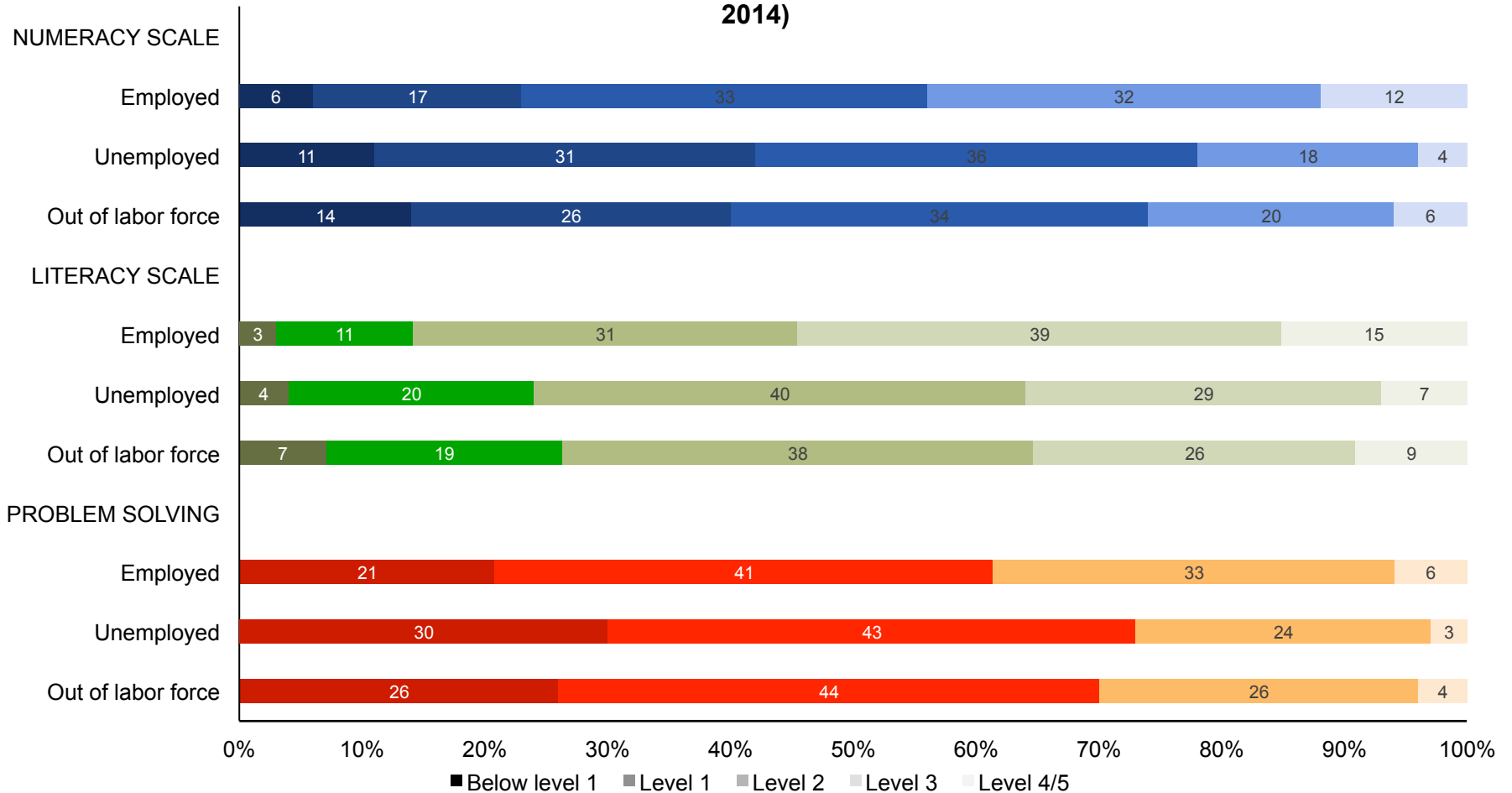


Inadequate Skills

- Workers require different skills and may have inadequate skills along these different dimensions:
 - **Cognitive Skills:**
 - Numeracy, literacy, and memory.
 - **Non-cognitive Skills:**
 - **Technical Skills:**
 - Involving manual dexterity (use of instruments, materials, etc.).
 - Related to specific occupations and trades.
 - **Soft or Socio-emotional Skills:**
 - Personality traits and behavioral skills.
 - Emotional stability, agreeableness, extroversion, adaptability, conscientiousness.

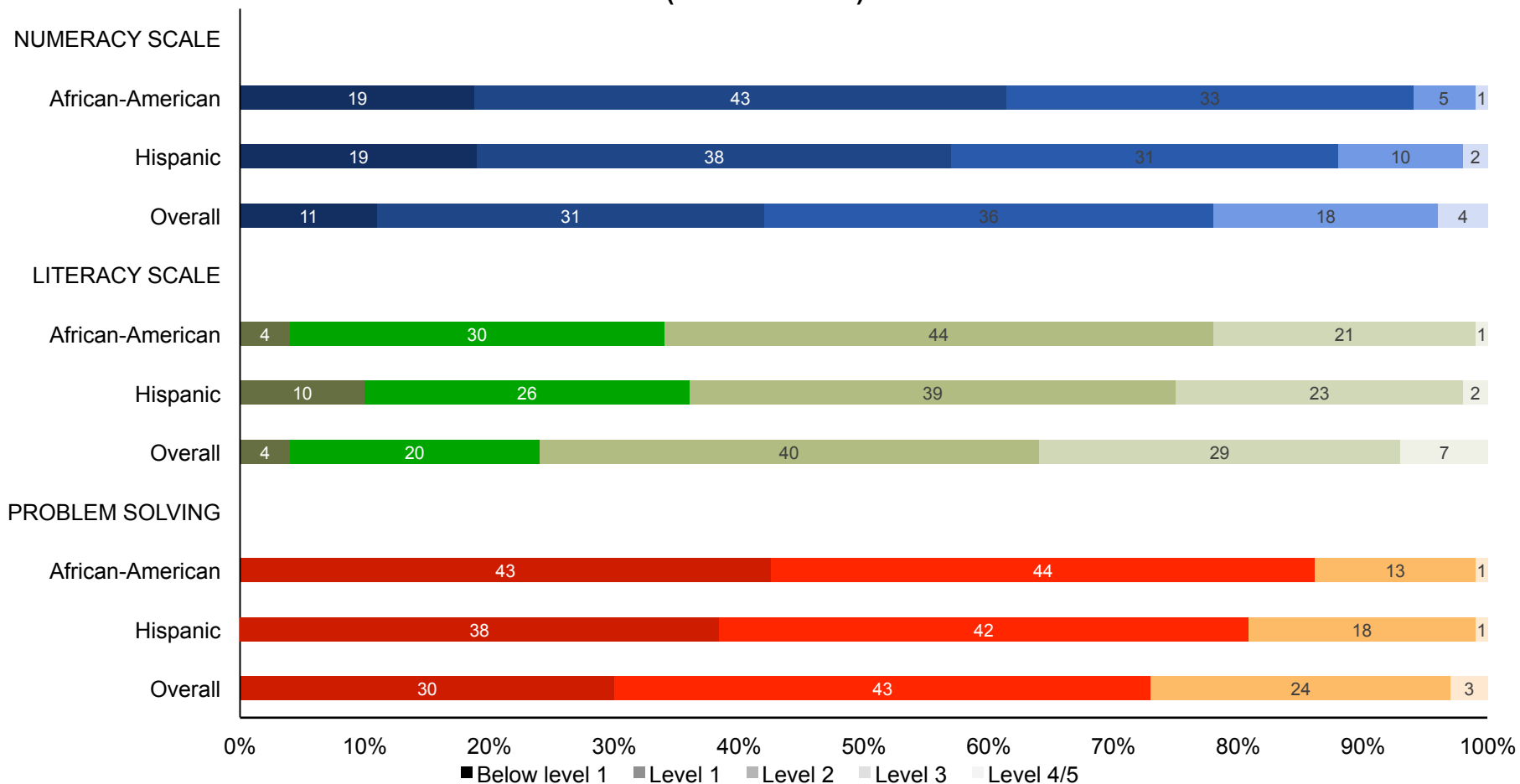
Inadequate Numeracy, Literacy and Problem Solving by LM Status

Percentage of adults age 16 to 65 at each level of proficiency, by employment status (2012 and 2014)



Inadequate Numeracy, Literacy and Problem Solving by Race/Ethnicity

Percentage of unemployed adults age 16 to 65 at each level of proficiency, by race/ethnicity (2012 and 2014)



Groups Most in Need of Adequate Skills

1. At-risk In-school Youth
2. Drop-out/Out-of-school Youth
3. Adults Without Jobs

At-risk In-school Youth

- ▣ These programs focus on kids who are still in school but at risk of dropping out or engaged in other problematic behaviors.
- ▣ The aim of these programs are mainly:
 - Improve school performance and reduce HS dropout rates.
 - Increase post-secondary attendance.
 - Increase post-school employment and earnings.

At-risk In-school Youth

▣ Programs evaluated rigorously:

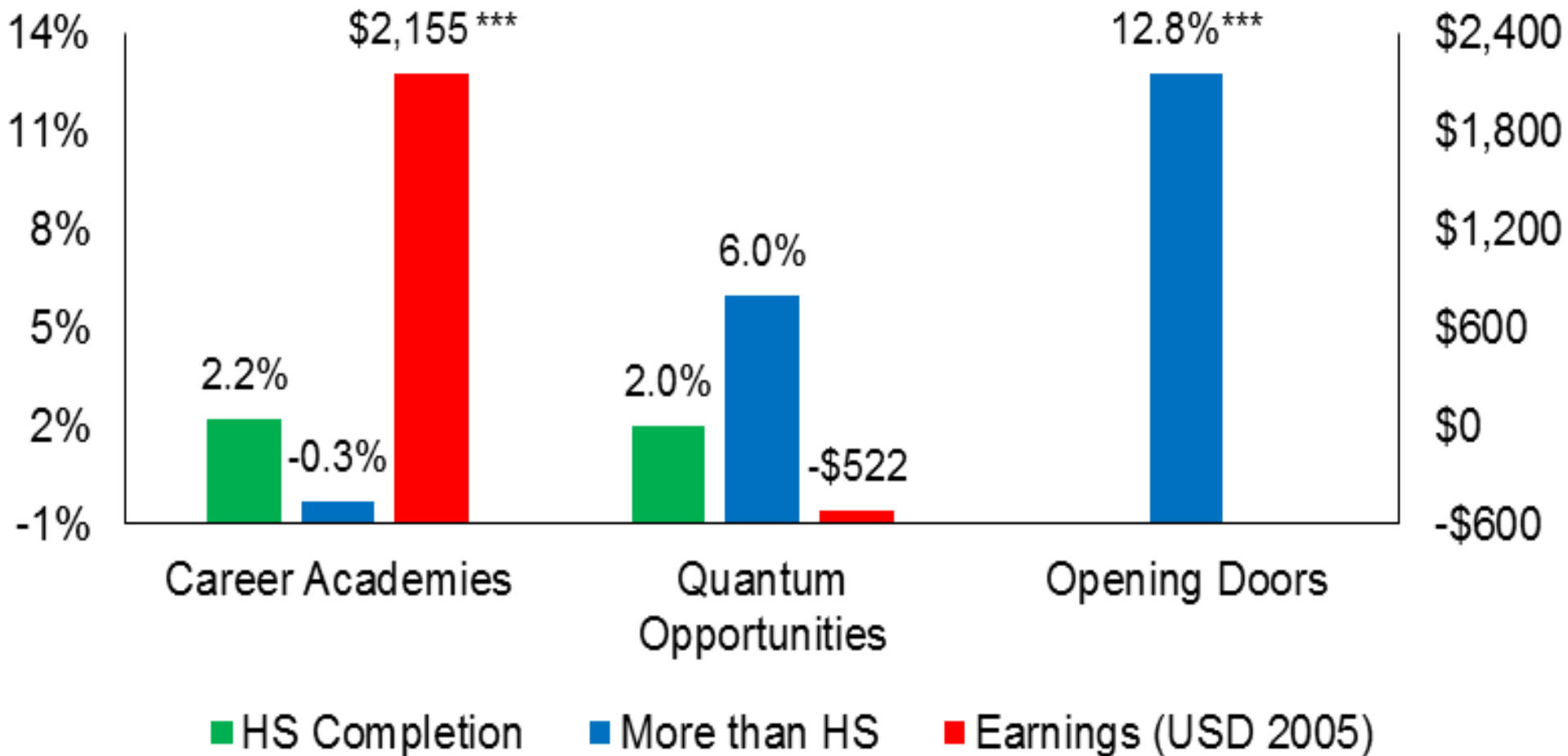
- Career Academies
- Quantum Opportunities
- Opening Doors

▣ Key components:

- Create learning communities that provide personalized learning.
- Supplement classroom education with summer and year-round employment.
- Curriculum is tightly linked with work/skills training or careers in partnerships with employers.

Impacts of Programs for At-risk In-school Youth

Impacts on education and employment variables



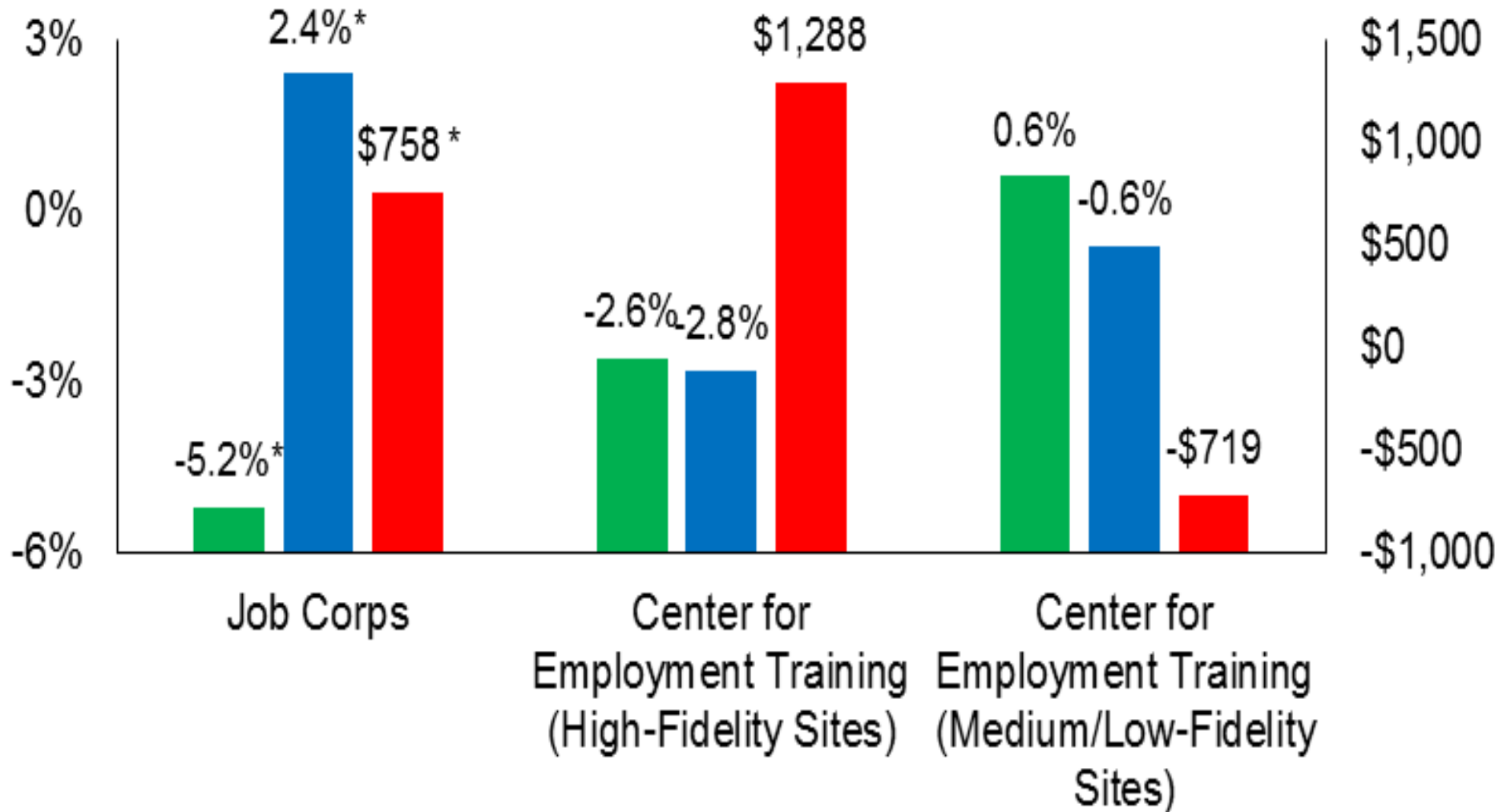
Out-of-school Youth

- Second chances for those who already dropped out and are currently not enrolled in formal education system and not working.
- Focused on:
 - Remedial training as many may have deficiencies in cognitive and non-cognitive skills.
 - Vocational and on-the job training and more work-oriented.

Out-of-school Youth

- Two types of programs:
 - Residential (Job Corps)
 - Non-residential (Center for Employment Training – CET)
- Key components:
 - Individualized.
 - Tackles basic skills.
 - Competency-based.
 - Focused on specific trades/occupations with input from business and labor organizations.

Impacts of Programs for Out-of-school Youth



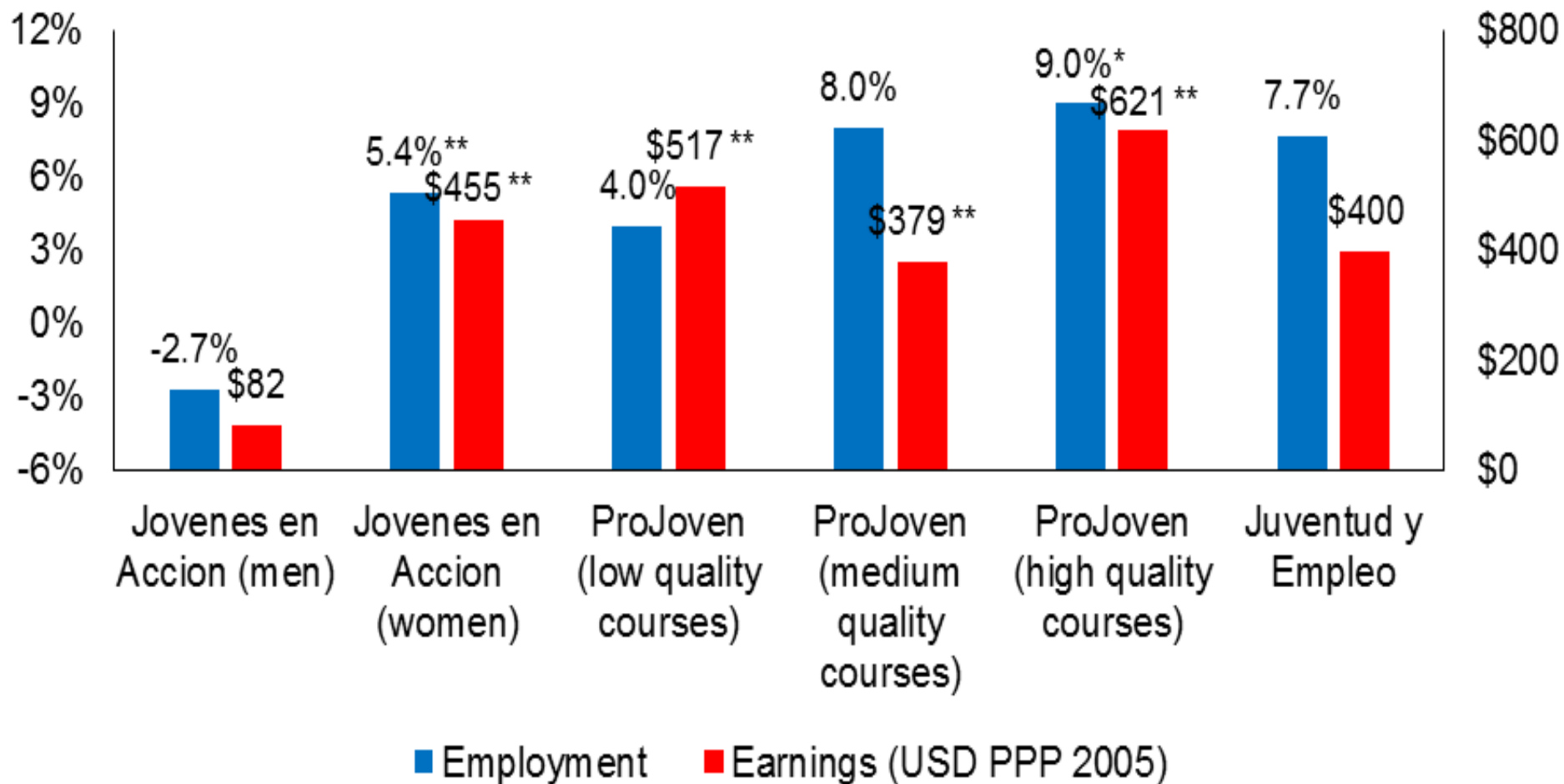
Out-of-school Youth

- **Youth Training Programs in Latin America:** serve similarly disadvantaged youth.
 - Colombia (Jovenes en Accion)
 - Peru (Projovent)
 - Dominican Republic (Juventud y Empleo)

- **Key Elements of these programs (Attanasio, Kugler, and Meghir, 2011; and Kugler et al., 2016):**
 - Classroom and on-the-job component with strong links to employers.
 - Teach life skills.
 - Pay for performance linked to OJT component links training to demand.

Impacts of Disadvantaged Youth Programs In Latin America

Impacts of Latin American programs



Adults without Jobs

▣ Sectoral Training Programs in U.S.:

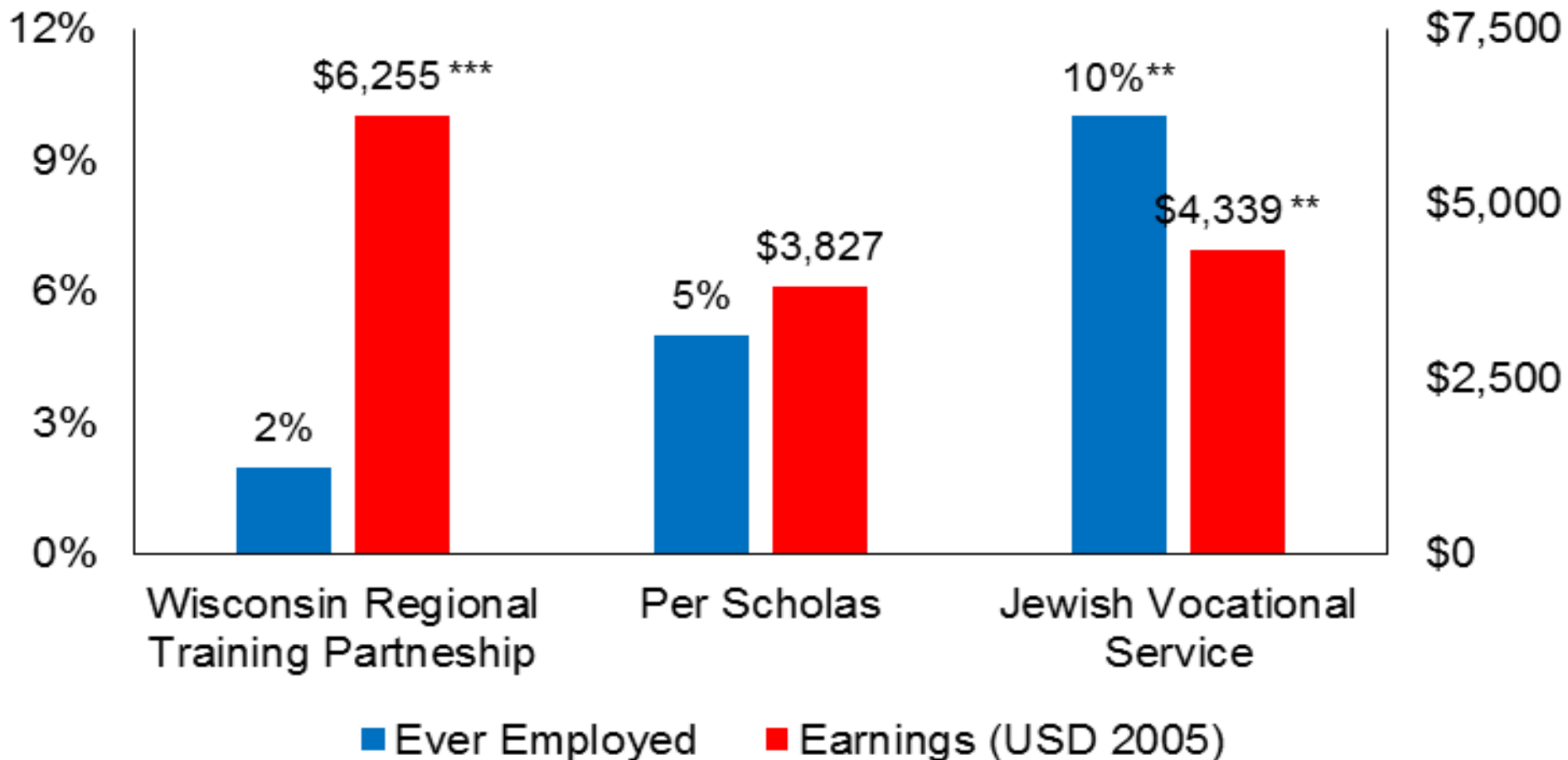
- Wisconsin Regional Training Partnership – construction and manufacturing.
- Per Scholas (NYC and Miami) – IT and computer technicians.
- Jewish Vocational Service (Boston) – health sector and medical billing.

▣ Key elements:

- All partnered with one particular industry and strong links with local employers.
- Individualized services and job readiness skills.
- Provide screening for employers.

Impacts of Sectoral Training Programs

Impacts of sectoral training programs



Conclusion: Skills Development and Work Outcomes

- Formal education and skills crucial to progress in employment and earnings.
- Not just more skills, but what skills matters:
 - Soft skills, in particular, have become more important over time.
 - Need to target skills demanded by employers.

Conclusion: Skills Development and Workforce Outcomes

- Have to tackle skills development before leave school but cannot leave those who have left formal education system without needed skills.
- Skill development that works best includes:
 - Links with employers
 - Soft skills development
 - Wrap-around services

THANK YOU