

## SPECIAL ANALYSIS K

### FEDERAL MANPOWER PROGRAMS

#### COVERAGE AND SCOPE OF THIS ANALYSIS

Almost all public and private sector activities have some effect on the work force. A limited grouping of programs, described in this new special analysis, influence directly the supply, quality, or demand for manpower, by increasing the skills and employment opportunities of persons who are in the work force, or who desire to be in the work force but are unprepared. Programs serving this objective provide either skill training, direct employment, or job placement assistance.

The programs included in this analysis generally: (1) are delivered outside the normal educational institutions and process; (2) provide services for periods of less than 1 year; (3) provide skill training and job opportunities in nonprofessional jobs; and (4) are targeted to the disadvantaged sector of our population. The analysis includes all programs classified as Manpower training in the functional code. In addition it includes programs from other functional classifications such as Health, National Defense, and Veterans. It excludes programs which are part of the normal educational process, and which are covered by the special analysis on education.

#### 1970 PROGRAM OVERVIEW

The Federal budget provides \$3.5 billion in 1970 for manpower programs, as compared to \$3.0 billion in 1969 and \$735 million in 1964. This almost five-fold rise reflects the increasing emphasis on manpower programs as a method for increasing the employability of the disadvantaged—"poor persons who do not have suitable employment and who are either (1) school dropouts, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special obstacles to employment."<sup>1</sup>

The following table summarizes the programs to which Federal funds have been allocated, 1964 and 1968-70:

<sup>1</sup> Categories of people given preference for participation in manpower programs administered by the Department of Labor.

Table K-1. FEDERAL OUTLAYS AND INDIVIDUALS SERVED BY PROGRAM  
(dollars in millions, individuals in thousands)

Program	Outlays				Individuals served <sup>1</sup>			
	1964 actual	1968 actual	1969 est.	1970 est.	1964 actual	1968 actual	1969 est.	1970 est.
Job Opportunities in the Business Sector (JOBS)-----		4	121	239		16	80	160
Concentrated Employment Program (CEP)-----		71	163	193		54	105	115
Work Incentive Program (WIN)-----			90	163			130	175
Vocational Rehabilitation-----	84	281	369	509	179	335	415	505
MDTA Institutional and OJT training-----	98	321	338	330	78	272	290	290
Job Corps-----		318	277	283		65	70	70
Neighborhood Youth Corps (NYC) <sup>2</sup> -----		336	321	321		538	490	490
U.S. Employment Service (ES)-----	181	312	341	378	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Other programs-----	40	395	421	448	21	242	220	230
Subtotal-----	403	2,038	2,441	2,864	278	1,522	1,800	2,035
Civilian skill training—Defense-----	332	570	595	630	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Grand total-----	735	2,608	3,036	3,494	278	1,522	1,800	2,035

<sup>1</sup> Individuals served for each program are estimated new participants during a fiscal year and are greater than the number of "slots" or "job opportunities" because several individuals may receive training through a single federally funded position. Persons served by several programs are counted only once. Agency data for individuals served by program are not always comparable, and several of the above entries are derived figures.

<sup>2</sup> Amounts for summer programs reported in this analysis are on a calendar year basis.

<sup>3</sup> Data for this program are not comparable to other programs.

Of the \$458 million increase in 1970 over 1969, 25% is for the Job Opportunities in the Business Sector (JOBS) program, and 53% is for comprehensive programs—the Concentrated Employment Program (CEP), the Work Incentive Program (WIN), and the Vocational Rehabilitation program.

The budget for 1970 provides increases of:

- \$118 million for the JOBS program to fund a total of 140,000 on-the-job training slots, a 100% increase over the 1969 level;
- \$30 million in CEP in order to serve a total of 115,000 individuals;
- \$73 million for WIN. Work and training opportunities will be provided for 175,000 welfare recipients and day care for 146,000 children.
- \$140 million for Vocational Rehabilitation for disabled persons.
- \$37 million for the U.S. Employment Service to provide for State salary increases, to strengthen its services in rural areas, and to initiate an experimental Job Bank program in 25 cities.

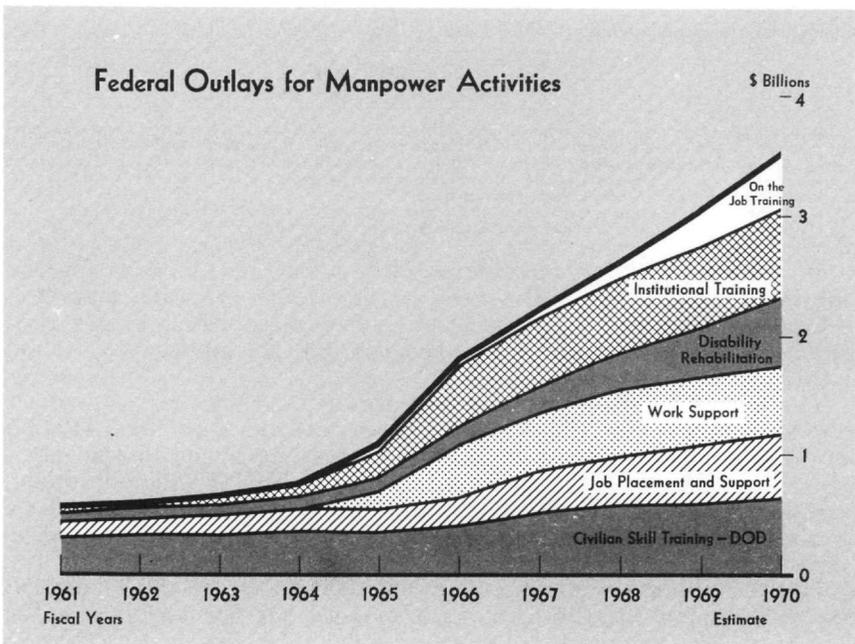
Of the 235,000 increase in individuals served in 1970, 80,000 or about one-third is due to JOBS; and WIN and Vocational Rehabilitation, together, account for 135,000 or 57%.

#### MAJOR PROGRAM APPROACHES

For purposes of this section of the analysis, each program has been classified as part of one of seven major program approaches. Some programs could be classified under only one approach; others, having multiple techniques, are split among several of the approach classifications.

In the early 1960's, the national concern was over unemployment resulting from technological change. Thus, major outlays for institutional training rose from 2% in 1962 to 28% of the total in 1966. In the middle 1960's, as the economy improved and aggregate levels of unemployment declined, it became apparent that the socially and culturally disadvantaged were not profiting from the overall prosperity; manpower programs then were increasingly shifted to serve the disadvantaged. Work support programs were developed, especially for youth and welfare recipients, rising from zero in 1964 to 22% of the total in 1968. Increasing emphasis was given to training conducted on-the-job or through comprehensive programs—OJT will rise from 2% of total outlays in 1966 to 13% in 1970. Rehabilitation will rise from 9% of the total in 1966 to 16% in 1970. Job placement and civilian skill training in the Department of Defense, although growing absolutely, have declined from 82% of the total in 1961 to 31% in 1970.

**[GRAPH K1 HISTORICAL GRAPH ON OUTLAYS 1961-1970 BY APPROACH]**



***Institutional vocational training.***—Institutional training provides prevocational or vocational skill instruction in a classroom setting and some programs offer supportive services such as remedial education, health, child care, and counseling.

Outlays for institutional training will rise from \$626 million in 1968 to \$756 million in 1970, but will drop from 24% to 21% as a proportion of total manpower outlays, reflecting the growth of other programs.

Table K-2. **INSTITUTIONAL TRAINING PROGRAM LEVELS**  
(dollar amounts in millions, individuals in thousands)

Program	Outlays			Budget authority 1970 est.	Individuals served		
	1968 actual	1969 est.	1970 est.		1968 est.	1969 est.	1970 est.
MDTA Institutional Training.....	254	268	260	239	147	160	160
Job Corps.....	318	277	283	280	65	70	70
WIN and CEP.....	30	112	171	199	19	80	90
Other.....	24	24	42	51	27	35	45
<b>Total.....</b>	<b>626</b>	<b>681</b>	<b>756</b>	<b>769</b>	<b>258</b>	<b>345</b>	<b>365</b>

In terms of people served, the largest of these programs is the *Institutional Training Program* conducted under authority of the Manpower Development and Training Act. This program offers full-time classroom training, supportive services, and training allowances. A major recent development in this program has been initiation of MDTA skill centers. Fifty-five skill centers, to better serve the needs of the disadvantaged, offer a wide range of services, in addition to training, such as intensive counseling, testing, and remedial education.

The *Job Corps* was begun in 1965. In 1970, 113 residential centers will provide training and supportive services to help school dropouts become employable. These youths are provided intensive services such as work experience, basic education, and vocational training, and also special supervision and counseling, health care, special placement efforts, and provision of food, clothing, and living quarters. In 1970, the Job Corps has assigned priority for the continued development of five new inner-city centers which offer a combined residential and nonresidential program in conjunction with the local school system and responsive to the local job market.

Other major institutional programs include portions of the CEP and WIN programs, and training programs for Indians and prisoners operated by the Departments of Interior and Justice, respectively.

**On-the-job training (OJT).**—OJT programs reimburse employers for the cost incurred in hiring and training unskilled workers. This reimbursement may cover job training costs, and also the cost of remedial education, other necessary services, and an allowance for the employee's lower initial productivity.

These programs represent a growing proportion of the total Federal manpower effort. OJT programs have risen from \$44 million in 1966 to \$452 million in 1970, or from 2% to 13% of total manpower outlays.

Table K-3. ON THE JOB TRAINING PROGRAM LEVELS  
(dollar amounts in millions, enrollees thousands)

Program	Outlays			Budget authority 1970 est.	Individuals served		
	1968 actual	1969 est.	1970 est.		1968 actual	1969 est.	1970 est.
JOBS.....	4	121	239	420	16	80	160
MDTA Regular OJT.....	67	70	70	66	125	130	130
New Careers <sup>1</sup> .....	24	35	38	47	12	15	20
Industry Incentive.....	6	12	14	20	3	5	10
Other.....	12	63	91	97	26	55	50
<b>Total.....</b>	<b>113</b>	<b>301</b>	<b>452</b>	<b>650</b>	<b>182</b>	<b>285</b>	<b>370</b>

<sup>1</sup> Includes estimated portion of CEP funding for New Careers.

The largest and the fastest growing OJT program is *Job Opportunities in the Business Sector* (JOBS), a joint Federal-private enterprise effort initiated in fiscal year 1968 to employ and train the hard-core disadvantaged in the 50 largest cities. The National Alliance of Businessmen (NAB) solicits job pledges from private employers. The Department of Labor, through both the Concentrated Employment Program (CEP) and the U.S. Employment Service, recruits disadvantaged workers for job openings. Under authority of both MDTA and the Economic Opportunity Act, the Federal Government underwrites the extra cost of employment and training. In 1970, 140,000 jobs under reimbursement contract are planned at an estimated cost of \$3,000 each, for a total of 252,000 jobs under contract since the program was initiated. In addition, because of NAB encouragement, many employers will hire the disadvantaged at no cost to the Government.

Another OJT program is conducted under authority of the MDTA. This program is less costly since it reimburses employers only for extra training costs, but reaches on the average somewhat less disadvantaged persons than JOBS. Reflecting the emphasis on serving the more disadvantaged, through JOBS, this program will be continued at the 1969 level.

The *New Careers* program provides training opportunities for the poor in sub-professional public sector jobs with "career ladders." The program also seeks to restructure job standards.

A new experimental program to foster industry training of unskilled workers is the *Industry Incentive* (Special Impact) program administered by the Department of Labor. In 1970, this program, with outlays of \$14 million, will provide monetary incentives for the location of plants in ghettos and reimburse employers who hire and train the disadvantaged for employment in such plants.

**Disability rehabilitation.**—The disability rehabilitation programs seek to restore to a productive life people who become disabled. These programs provide a comprehensive range of training and services, with heavy emphasis on medical care, counseling, and guidance. These are supplementary to income and services received by the disabled from family income, workmen's compensation, and disability and medical insurance. As a result, average costs are low as compared to other manpower programs—about \$1,300 per person in 1970.

Outlays for rehabilitation programs rise from \$304 million in 1968 to \$547 million in 1970, or from 12% to 16% of the total manpower effort.

Table K-4. REHABILITATION PROGRAM LEVELS  
(dollar amounts in millions, enrollees in thousands)

Program	Outlays			Budget authority 1970 est.	Individuals served		
	1968 actual	1969 est.	1970 est.		1968 est.	1969 est.	1970 est.
Vocational rehabilitation.....	281	369	509	564	335	415	505
Veterans vocational rehabilitation.....	23	31	38	38	9	15	15
Total.....	304	400	547	602	344	430	520

Rehabilitation services are provided almost entirely through a single program—the *Federal-State Vocational Rehabilitation Program*. In 1970, Federal outlays will total \$509 million. The funds go primarily to State rehabilitation agencies which determine client needs and purchase services on a case-by-case basis. In 1970, enrollment does not increase as rapidly as outlays, because part of the outlay increase covers a rise in the Federal share of Vocational Rehabilitation costs from 75% in 1969 to 80% in 1970, and because average costs will increase, in part reflecting efforts directed to the more difficult cases. It is estimated that as a result of this program 265,000 persons will be restored to productive lives in 1970.

**Work support.**—Work support programs create temporary jobs, usually in the public sector, for which wage payments are financed by the Federal Government. The jobs terminate when the wage subsidies end. These programs are designed to serve two objectives: (a) to provide the unemployed and underemployed with useful work skills and work habits; and (b) to offer enrollees an opportunity to earn a livelihood through socially useful employment.

The average cost per person served by these programs is \$650. Of this, 73% is in the form of wages paid to participants, resulting directly in useful, productive work by persons who normally would be unemployed and hence nonproductive.

Outlays for work support programs rose from zero in 1964 to \$576 million in 1968, but will decline to \$552 million in 1970. The recent decline is primarily due to decreasing outlays for the *Work Experience Program*, which will be completely phased out in 1970 and replaced by WIN.

Table K-5. WORK SUPPORT PROGRAM LEVELS  
(dollar amounts in millions, enrollees in thousands)

Program	Outlays			Budget authority 1970 est.	Individuals served		
	1968 actual	1969 est.	1970 est.		1968 est.	1969 est.	1970 est.
NYC school and summer <sup>1</sup> .....	193	185	185	188	413	375	375
NYC out of school.....	143	136	136	134	125	115	115
Operation Mainstream.....	31	38	38	42	13	15	15
WIN and CEP.....	25	97	118	134	22	125	170
Other.....	184	121	75	76	165	110	105
<b>Total.....</b>	<b>576</b>	<b>577</b>	<b>552</b>	<b>574</b>	<b>738</b>	<b>740</b>	<b>780</b>

<sup>1</sup> Persons served by both school and summer programs are counted only once.

The major work support programs are the *Neighborhood Youth Corps in-school and summer programs*. In 1970, outlays for these programs will total \$185 million, for 375 thousand enrollees. These and related programs offer part-time work during the school year and full-time work during the summer to needy high school-age students. Unlike other programs which focus on remedial services for those who have left school, these programs are preventative—to keep youth in school to obtain a high school education.

The *Neighborhood Youth Corps out-of-school program* offers work experience and related services primarily to poor unemployed youths. This, the largest manpower program offering full-time employment, will enroll 115 thousand youths and young adults in 1970 at a total cost of \$136 million, providing opportunities to earn a wage and acquire work habits and knowledge.

*Operation Mainstream*, operated by the Department of Labor under delegation from OEO, focuses on older workers primarily in rural areas where employment opportunities are scarce. The emphasis is on provision of employment, rather than remedial services.

Both *WIN* and *CEP* provide significant amounts of work support as part of their comprehensive array of program services.

**Job placement assistance.**—There are a number of programs to promote a smoothly operating labor market by overcoming barriers created by workers' lack of knowledge, inability of employers to find qualified workers, and discrimination. The primary tools of these programs are developing and disseminating information concerning employer and employee needs, and counseling and testing of jobseekers. This often requires "outreach" to find unemployed people, as well as job development and job restructuring efforts with employers. Federal outlays for this approach will rise from \$361 million in 1968 to \$465 million in 1970.

Table K-6. **JOB PLACEMENT ASSISTANCE PROGRAM LEVELS**  
(dollar amounts in millions)

Program	Outlays			Budget authority 1970 estimate
	1968 actual	1969 est.	1970 est.	
U.S. Employment Service.....	312	341	378	378
Equal Employment Opportunity Commission.....	6	9	15	16
Project Transition.....	8	16	18	18
Project 100,000.....	15	23	27	27
Other.....	20	20	27	28
Total.....	361	409	465	467

The *United States Employment Service*, operated by the States in cooperation with the Department of Labor, accounts for 81% of 1970 outlays in this category. The USES, with 2,000 local offices and 40,000 employees, provides not only placement services for the general work force, but also special efforts for placing the disadvantaged. Up to 12 million persons are expected to receive ES services in 1970. In 1970, the ES will strengthen its services for rural residents, improve its data systems for internal management, and experiment with job banks and other computerized placement techniques.

In 1970, outlays by the *Equal Employment Opportunity Commission* will increase by \$6 million over 1969 to \$15 million. The Commission attempts to reduce barriers to employment for minority groups and others by investigating and conciliating complaints. Legislation is being recommended to strengthen the Commission's efforts by granting it cease and desist authority.

*Project Transition*, operated by the Department of Defense, provides counseling, testing, limited skill training, and job placement assistance to servicemen prior to discharge. The Defense Department will spend about \$18 million on this program in 1970 for about 170,000 servicemen. Another Department of Defense program, *Project 100,000*, will reduce military entrance standards for about 92,000 disadvantaged youth in 1970, about the same number as in 1969. After enlistment, these youth will receive necessary remedial health, education, and training services to bring them to military standards at an added cost of about \$27 million.

In 1970, 71 *Veteran's Assistance Centers* will assist about two hundred thousand returning servicemen, especially the educationally disadvantaged, to obtain both their veteran's benefits and manpower training and employment. Also in 1970, the *Bureau of Indian Affairs* will directly assist about 10,000 Indians to move to cities and towns to obtain employment.

**Program direction, support, and research.**—The effectiveness of individual programs depends on overall administration, research and demonstration, and effective delivery of services at the local level.

Outlays for these purposes were \$58 million in 1968 and are estimated to be \$73 million in 1969 and \$92 million in 1970.

Several programs conduct experimental and demonstration projects to examine manpower problems and solutions. The largest is the *MDTA Experimental and Demonstration Program* at \$19 million in 1970. Among experiments continued in 1970 is a labor mobility program which helps workers to move from areas with job shortages to areas with job vacancies.

**Civilian Skill Training—Defense.**—Skill training by the Department of Defense for the armed services is included in this analysis because of its importance as a major training vehicle for many men and women who later enter the civilian labor force. It is one of the major post-school sources of training in the United States providing skills applicable to civilian work for such occupations as repairmen, mechanics, and technicians.

In 1970, outlays for this purpose will rise to \$630 million, as compared to \$332 million in 1964. This expansion reflects increased force levels due to Vietnam. About 900,000 servicemen will complete courses in civilian-related subjects in 1970. The skills and work experience gained are a derivative benefit obtained from costs incurred for national security purposes.

#### COORDINATION AND DELIVERY SYSTEMS

To improve the delivery of the programs discussed above, several recent steps have been taken:

- In 1967 the *Cooperative Area Manpower Planning System* (CAMPS) was initiated to engage Federal, State, and local government agencies, and private enterprise, in the coordination and planning of manpower programs.
- Local program operation and coordination can be improved by training and other technical assistance to the staff of the community agencies operating manpower programs. Starting in 1970, amendments to the MDT Act will provide budget authority of \$14 million for *technical assistance*.
- *Labor market information*, including national occupational trends, local labor market studies, and specific data on local job opportunities, is of great assistance in manpower planning and execution. MDTA budget authority for such data services will rise from \$2 million in 1969 to \$14 million in 1970.
- Beginning in 1969, most Department of Labor administered manpower services will be funded through *single sponsors* as required by the *Comprehensive Work and Training Program* provision of the Economic Opportunity Act. In most cases sponsors will be Community Action Agencies (CAA's), which will coordinate the delivery of all services.

Another method of improving delivery is through *Comprehensive Target Programs* which offer a wide range of coordinated services targeted either to particular groups or to specific areas. The *Vocational Rehabilitation* program has been discussed. Two other delivery systems have been instituted recently—the *Concentrated Employment Program* (CEP) in 1967 and the *Work Incentive Program* (WIN) in 1968. In

total, outlays for these three programs will account for \$865 million in 1970, or 25% of the manpower effort, up from \$352 million and 13% in 1968 (see table K-1).

WIN provides work, training, child-care and related services to public assistance recipients. Employable welfare recipients will be referred directly to jobs. Those who are not job-ready will be offered training, basic education, and work experience, to prepare them for employment. For the most severely disadvantaged, special protected work projects will be provided. In 1970, an estimated 175,000 public assistance recipients will be enrolled. Other manpower programs will enroll an estimated additional 400,000 welfare recipients.

The Concentrated Employment Program coordinates the delivery of individual manpower services such as counseling, training, and remedial education, for maximum impact in limited geographic areas of severe unemployment. In 1970, CEP will provide manpower services in 82 urban and rural neighborhoods. In addition to the 115,000 people enrolled directly by CEP, about 50,000 will be referred to JOBS and other programs.

By 1970, it is expected that the *Model Cities* program, another major effort to achieve maximum impact through targeted and coordinated services, will be operational in 150 cities. This program is expected to make major contributions to manpower objectives by integrating the total delivery of social services in the demonstration areas. No estimates are now available of the amount of manpower services which may be funded by the Model Cities program.

#### INDICATORS OF THE LEVEL OF EFFORT

Table K-7. INDIVIDUALS AND MAN-YEARS BY MAJOR APPROACH  
(in thousands)

Approach	Individuals served		1970 Average duration (months) est.	Man-years	
	1968 est.	1970 est.		1968 est.	1970 est.
On-the-Job Training.....	182	370	6.3	53	205
Institutional training.....	258	365	5.3	114	170
Disability rehabilitation.....	344	520	12.9	389	560
Work Support:					
School.....	531	475	3.4	241	180
Post-school.....	207	305	5.1	127	140
Total.....	1,522	2,035	-----	924	1,255

In 1970, the largest number of individuals served will be in work support programs—780,000 or 38% of new participants. Institutional and OJT training programs will serve the next largest number—735,000 or 36%, and rehabilitation will serve 520,000 or 25% of new participants.

The number of man-years of services provided is a common measure of the level of effort for all programs because average duration of

enrollment in manpower programs varies. It is usually less than one year (with the exception of rehabilitation programs) and thus the number of new participants exceeds man-years of effort. This is especially notable in work support programs, due to the short length of stay in summer programs. Compared to new enrollees the relative effort of the programs in 1970 as measured in man-years is quite different—rehabilitation serving 45%; institutional and OJT training, 30%; and work support, 25%.

TABLE K-8. 1970 PARTICIPANT AND MAN-YEAR UNIT COST<sup>1</sup>

Approach	Man-year cost est.	Partici- pant cost est.	Estimated distribution of participant cost by percent		
			Allow- ances	Educa- tion and training	Other
On-the-job training.....	\$2,500	\$1,300	14	10	76
Institutional training.....	4,750	2,100	34	31	35
Disability rehabilitation.....	1,200	1,300		32	68
Work support:					
In-school.....	1,550	450	85	2	13
Post-school.....	2,300	1,000	51	16	33

<sup>1</sup> Includes State and local cost sharing.

Unit costs are greatest for institutional training, both on participant and man-year bases. However, a higher proportion (31%) of these costs are allotted to skill training than in any other approach. The man-year cost is affected by Job Corps and CEP which provide intensive supportive services.

The OJT approach has a low unit cost because employers bear a part of the costs of training and pay the enrollee's wage. These unit costs are growing, however, as the JOBS program shares with employers the relatively higher costs incurred in hiring and training the more disadvantaged.

Man-year costs for disability rehabilitation are low because the large proportion of nonpoor enrollees reduces the need for allowances and because a substantial part of the time individuals are enrolled occurs during periods of evaluation and followup when few supportive services are provided. Moreover, all rehabilitation costs are not reflected in Federal and State outlays since insurance and workmen's compensation cover some of the subsistence and medical costs. Unlike other approaches, rehabilitation participant costs are higher than man-year costs because the average duration exceeds 1 year.

Man-year costs for work support programs are relatively high because the allowances provided are wage payments, and 73% of costs are for enrollee allowances. The costs would be higher still were it not for the fact that the NYC Summer and School programs provide for only part-year and part-time work. Per participant costs, however, are the lowest of all programs because of the participants' short length of stay.

## PEOPLE SERVED

According to recent estimates <sup>1</sup> there were in 1968 about 11 million chronically poor teenagers and adults for whom manpower programs might provide an escape from poverty. Of these,

- Approximately 4.5 million, or about two-fifths of the total, were nonwhite, Mexican-Americans, or Puerto Ricans;
- More than one-half were women;
- About 4 million were youth under 21;
- Some 3 million lived in urban slums; and
- Several million others lived in depressed rural regions.

The actual universe could be much larger since many millions earn little more than the "poverty" standard and are vulnerable to skill obsolescence and unemployment, and since many move into and out of poverty each year.

The role of manpower programs in serving the disadvantaged is illustrated in the table below which compares the estimated characteristics of manpower program participants, the general labor force, and the adult poverty population.

Table K-9. ESTIMATED CHARACTERISTICS OF GENERAL LABOR FORCE, ADULT POVERTY POPULATION, AND MANPOWER PROGRAM PARTICIPANTS—(in percent)

Characteristics	Total U.S. work force 1967 (age 16-64), civilian, non-institutional	Poverty population 1966 (age 16-64), civilian, non-institutional	Manpower programs, individuals served 1968 (age 14 and above) <sup>1</sup>
Aged 21 or less.....	14	22	64
Aged 55 or more.....	14	20	4
Male.....	63	39	57
Less than high school education.....	<sup>3</sup> 39	( <sup>2</sup> )	80
8th grade education or less.....	<sup>3</sup> 19	( <sup>2</sup> )	11
Poor.....	11	100	86
Welfare recipients.....	1	15	23
Nonwhite.....	11	35	44

<sup>1</sup> Agency data are not always comparable and all of the entries are estimates.

<sup>2</sup> Not available.

<sup>3</sup> For work force age 18-64.

About 11% of the general labor force was poor, as compared to 86% of manpower program participants; about 39% of the general labor force did not have a high school diploma, compared to 80% of manpower program participants; and while about 1% of the general labor force was on welfare, 23% of the manpower program enrollees were welfare recipients.

Manpower programs focus heavily on nonwhites (44%) who often have special employment problems; on youth (64%) for whom employment is a more appropriate solution for poverty than income maintenance; on welfare recipients (23%) for whom special employ-

<sup>1</sup> Interagency Manpower Planning Task Force, chaired by the Department of Labor.

ment efforts are deemed appropriate; and on the educationally disadvantaged (80%). In contrast, manpower programs reach older Americans, for whom employment is often less appropriate than income security, much less than their proportion in the poverty universe.

As indicated in table K-10 below, the characteristics of participants vary among major program approaches.

**Table K-10. ESTIMATED CHARACTERISTICS OF ENROLLEES BY APPROACH IN 1968—(in percent)**

Approach	Poor	Less than high school	Non-white	21 or younger	Male	Welfare recipient
OJT.....	53	50	41	30	68	8
Institutional.....	80	68	63	57	62	19
Rehabilitation.....	68	58	23	22	56	12
Work support:						
In-school.....	98	98	50	100	56	28
Post school.....	99	80	52	55	50	45
Total.....	86	80	44	64	57	23

The work support programs focus on the most disadvantaged groups and provide a source of income for those who have no immediate prospects for regular jobs. On the other hand, rehabilitation clients are the least disadvantaged socially, because the criterion for entry relates primarily to physical and mental handicaps. In 1968, OJT enrollees were similar to rehabilitation clients because the OJT programs reached those most job ready. In 1970, this distribution is expected to change largely because of the growth of the JOBS program and its effort to reach the "hard core" disadvantaged.

#### FEDERAL FUNDS FOR MANPOWER BY AGENCY

As shown in table K-11 below, six Departments and Agencies administer significant amounts of funds for manpower activities in 1970. Four agencies—Labor, Defense, HEW, and OEO—account for almost 95% of all manpower funds. In recent years, the Department of Labor, through the Manpower Administration, has had primary responsibility for coordinating and administering manpower programs. Although only 29% of the funds for manpower programs are appropriated directly to the Labor Department in 1970, \$740 million will be transferred to Labor under a delegation order from the Office of Economic Opportunity. This delegation permits such programs as New Careers and Mainstream to be administered in conjunction with those of the Labor Department. New programs such as JOBS and CEP have relied on the authority and funding of both agencies. In addition, the new WIN program will transfer \$102 million for training from HEW to Labor. In 1970 Labor administers about 50% of the total effort.

## K-11. FEDERAL FUNDS FOR MANPOWER, BY AGENCY

[In millions of dollars]

Agency	Outlays								Budget authority 1970 estimate
	1961 actual	1964 actual	1965 actual	1966 actual	1967 actual	1968 actual	1969 estimate	1970 estimate	
Office of Economic Opportunity.....			176	571	800	885	971	992	1,046
Defense.....	298	332	314	396	507	593	634	675	675
Health, Education, and Welfare.....	54	84	99	173	219	292	459	681	739
Interior.....	6	9	13	13	17	21	23	41	45
Labor.....	130	296	436	575	603	714	809	935	1,112
Veterans Administration.....	31	13	14	17	19	29	65	79	79
Other <sup>1</sup> .....	1	1	1	25	53	74	75	91	95
Total.....	520	735	1,053	1,770	2,218	2,608	3,036	3,494	3,791

<sup>1</sup> Includes Departments of Agriculture, HUD and Justice, Equal Employment Opportunity Commission, and all Federal agencies hiring under the Youth Opportunity Campaign and the Stay-in-School Program.

## SPECIAL ANALYSIS J

### FEDERAL MANPOWER PROGRAMS

#### COVERAGE AND SCOPE OF THIS ANALYSIS

Almost all public and private economic activities affect the size, composition, and quality of the work force. A limited grouping of Federal programs, described in this special analysis, are intended to influence directly the quality and composition of the work force by increasing the skills and employment opportunities of individuals in the work force, or those who desire to be in it but who are vocationally unprepared or face other barriers to employment. The programs provide skill training, rehabilitation, job placement, temporary employment, and related social services such as day care.

One method of differentiating these training programs is by their operating characteristics. Generally the programs: (1) operate outside the normal educational processes; (2) provide services for periods of less than 1 year; (3) provide skill training and job opportunities for nonprofessional jobs; and (4) are targeted to the disadvantaged sector of the population. The analysis covers all programs classified as Manpower Training in the functional code of the budget, and some programs from other functional classifications such as Health and Welfare, National Defense,<sup>1</sup> and Veterans. It excludes all professional training and programs which are part of the normal educational process, such as vocational education. These are included in Special Analysis I, Federal Education Programs.

#### 1971 BUDGET OVERVIEW

The 1971 budget provides \$3.2 billion for manpower programs, an increase of 20% over 1970 and 55% over 1968. The increase reflects the importance of manpower programs in helping the disadvantaged to become self-sufficient through regular employment.

Within the \$535 million increase in 1971 over 1970, the following programs will receive special emphasis:

- \$154 million for the Job Opportunities in the Business Sector (JOBS) program, which has been revised and expanded from the 131 largest cities to a nationwide basis.
- \$61 million for the Work Incentive (WIN) program, which will provide job training for 180,000 welfare recipients and day care for 233,000 children.
- \$52 million for the Vocational Rehabilitation program to rehabilitate 288,000 handicapped individuals.
- \$30 million for increased costs of the Employment Service including Job Banks in 25 additional cities.

<sup>1</sup> This year the coverage of this special analysis has been changed to exclude the skill training programs for military personnel conducted by the Department of Defense. This effort, while increasing civilian skills, is conducted primarily for national defense purposes. Project 100,000 and Project Transition continue to be included.

- \$26 million for the Public Service Careers program, a major new on-the-job training effort in the public sector.
- \$25 million for the additional first-year costs of the proposed Manpower Training Act.

The number of new enrollees will reach 2.1 million in 1971, an increase of 173,000 over 1970. The distribution of this increase highlights the priorities in the 1971 budget:

- 47,000 or 27% in the Work Incentive program;
- 46,000 or 27% in JOBS/OJT;
- 22,000 or 13% in the Neighborhood Youth Corps out-of-school program;
- 20,000 or 12% in the Vocational Rehabilitation program;
- 15,000 or 9% in On-the-job training for veterans; and
- 23,000 or 13% in all other programs.

The following table summarizes the distribution of Federal funds and individuals enrolled during the period 1968-71.

Table J-1. FEDERAL OUTLAYS AND INDIVIDUALS SERVED BY PROGRAM

(Outlays in millions of dollars, individuals in thousands)

Program	Outlays				New enrollees <sup>1</sup>			
	1968 actual	1969 actual	1970 est.	1971 est.	1968 actual	1969 actual	1970 est.	1971 est.
Vocational Rehabilitation.....	281	351	478	530	330	368	432	452
Employment Service.....	312	317	350	380	(2)	(2)	(2)	(2)
Job Opportunities in the Business Sector/On-the-job training.....	68	104	192	346	107	136	156	202
Manpower Development and Training Institutional training.....	203	197	205	212	140	135	148	152
Neighborhood Youth Corps in-school and summer.....	198	182	212	215	374	429	445	427
Concentrated Employment Program.....	68	140	189	212	54	127	152	155
Work Incentive Program.....	0	33	138	199	0	81	133	180
Job Corps.....	318	258	180	192	65	53	47	49
Neighborhood Youth Corps out-of-school.....	143	106	100	121	94	74	37	59
On-the-job training for veterans.....	5	49	92	115	19	49	65	80
Other programs <sup>3</sup> .....	490	488	566	714	331	309	338	370
Total.....	2,086	2,225	2,702	3,236	1,514	1,761	1,953	2,126

<sup>1</sup> Estimated new enrollees during a fiscal year, less overlap due to persons served more than once.

<sup>2</sup> Enrollment not applicable.

<sup>3</sup> For some programs enrollment data are not applicable.

### 1971 LEGISLATIVE PROPOSALS

The budget anticipates enactment by 1971 of three legislative proposals which will make major changes in the shape and effectiveness of manpower programs.

The Manpower Training Act is directed at improving the effectiveness of many of the present manpower programs by proposing basic changes in the system for delivering services:

- Manpower programs administered by the Department of Labor and funded under the Manpower Development and Training Act and the Economic Opportunity Act will be consolidated under one funding authority to eliminate overlap and duplication.
- Categorical programs will be eliminated, and flexible funding provided, to give States and local governments more freedom in designing and operating programs tailored to the needs of each participant and responsive to local labor markets.
- Responsibility for administration of manpower programs will be decentralized to the States and metropolitan areas in three stages. Each State will administer 25% of its allotment under the Act when the Governor has designated a "lead agency" and a comprehensive State manpower plan has been developed; 66 $\frac{2}{3}$ % when a comprehensive manpower agency has been organized, and when local prime sponsors have been named in major metropolitan areas by the Governor and local heads of government; and 100% when standards of effective performance are met.
- Additional resources—10% of the amount appropriated under the Act—will be "triggered" if the national unemployment rate reaches 4.5% for 3 consecutive months. This is designed to ease the impact of adjustments in the national economy on the labor force.

The training programs incorporated in the Manpower Training Act will have 1971 outlays of \$1.6 billion. In addition, the Federal-State employment service system, with outlays of \$380 million, will be an integral part of the planning and coordinating processes of the Act. Thus 61% of the total 1971 Federal manpower funds will be programed under the Act. Upon enactment of the Family Assistance Program, additional resources for manpower will also be administered through the delivery system proposed by the Act.

The Family Assistance Program, in addition to reforming the welfare system, emphasizes incentives to work. All recipients who are able to work, except mothers of preschool children, will be required to accept suitable employment or training. In order to meet this workload a substantial expansion of training and day care opportunities is planned.

The incentives to encourage work and training are:

- Recipients will be required to register with State employment services which will provide individually tailored plans and services to help them become self-supporting;
- Recipients referred to training will receive an extra \$30 per month while in training, and reimbursement for travel and other necessary expenses;
- A substantial part of earnings will be disregarded in computing cash benefits for recipients already employed or employed after training.

In summary, the Family Assistance Program will concentrate manpower services on those who are now dependent on income maintenance but who are able to become self-supporting if appropriate training and services are provided.

Legislation has been proposed to strengthen the process for eliminating barriers to equal employment for minority groups. The Equal

Employment Opportunity Commission will be authorized to file civil suits in the District Courts when it is unable to obtain voluntary compliance with the Civil Rights Act of 1964.

#### SOCIAL AND ECONOMIC OBJECTIVES OF MANPOWER PROGRAMS

Manpower programs are designed to increase employment opportunities for those who are unable to obtain or maintain suitable employment and to improve the performance of the economy by increasing productivity and facilitating the movement of workers to jobs.

*Social objective.*—Most manpower programs were initiated to serve disadvantaged persons who would otherwise be unable to obtain suitable employment. The programs fill a gap between education programs which prepare people for their careers, and income security programs which provide income for persons who are unable to work because of age, incapacity, or economic conditions.

The expanding ability of manpower programs to reach the disadvantaged, and the new findings of research, experimental, and evaluation efforts make manpower programs a more important tool in attacking the Nation's social problems. While some data showing personal income and other gains from individual programs exist, the programs can not be compared on the basis of their results because similar data are not available for each program. Further data on program effectiveness are necessary in order to establish the degree to which the current mix of manpower programs is successful.

*Economic objective.*—The use of manpower programs to complement national economic policy is inherent in the program designs. The effective operation of job placement and training programs requires that persons be placed or trained to meet skill shortages. Under tight labor market conditions, such activities reduce inflationary pressures by increasing the productivity of marginal workers and by enabling employers to obtain skilled workers who would otherwise be unavailable.

During periods of high unemployment, work and training programs increase the skills of the work force and can serve as a source of income support for unemployed workers. Manpower programs can be targeted to specific geographic areas to alleviate problems resulting from national economic changes.

#### MAJOR PROGRAM APPROACHES

In this section of the analysis, programs are classified into six manpower service approaches. Some are classified entirely under one approach; others, such as the Work Incentive program (WIN) and the Concentrated Employment Program (CEP) which use multiple techniques, are split among several approaches.<sup>1</sup> WIN provides a com-

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<sup>1</sup> Due to differences in appropriation patterns many outlay adjustments are made. For example, in table J-2 MDTA Institutional is increased to reflect costs budgeted under MDTA Program Services. Job Corps is reduced because program direction costs are included in its budget unlike most other manpower programs.



**Table J-2. INSTITUTIONAL TRAINING PROGRAM LEVELS**  
(Outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
	1969 actual	1970 est.	1971 est.	Man-years			New enrollees		
				1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.
MDTA Institutional.....	230	233	241	53	52	54	135	148	152
Job Corps.....	236	163	175	31	21	23	53	47	49
CEP.....	52	91	103	15	28	29	63	91	93
Work Incentive.....	28	118	146	19	62	90	72	123	168
Other.....	58	98	161	62	85	107	85	120	137
<b>Total.....</b>	<b>604</b>	<b>703</b>	<b>826</b>	<b>180</b>	<b>248</b>	<b>303</b>	<b>408</b>	<b>529</b>	<b>599</b>

The largest of these programs, serving 152,000 people, is the *Institutional Training Program* conducted under authority of the Manpower Development and Training Act. In 1971, additional training opportunities are provided in skill centers and special emphasis is given to training returning veterans and persons in rural areas.

In 1969 the *Job Corps* was reorganized and a lower program level was set. Fifty-nine less efficient centers were closed. Thirty new centers, established to serve local youths and target training to the local labor market, will be opened in 1970. Training outlays will fall to \$175 million in 1971, \$124 million less than in 1968. The redirected Job Corps will serve 49,000 enrollees, many of them in the 30 new community residential centers.

The largest component of the *Work Incentive Program* and the *Concentrated Employment Program* is institutional training. Outlays will rise from \$80 million in 1969 to \$249 million in 1971, and the numbers of individuals served rise from 135,000 to 261,000. Generally, WIN and CEP purchase training services from existing community-based sources, and in this way help to strengthen the capability of communities to undertake the expanded program envisioned by the Manpower Training Act and Family Assistance Program.

Other major institutional programs include manpower components of the Model Cities program, and training programs for Indians and prisoners operated by the Departments of Interior and Justice, respectively.

**On-the-job training (OJT).**—These programs provide training for existing job vacancies, usually by reimbursing employers for the added costs of hiring and training unskilled workers. This reimbursement may cover job training costs, the cost of remedial education and other services, and a payment to the employer for the employee's lower initial productivity.

Table J-3. ON-THE-JOB TRAINING PROGRAM LEVELS  
(Outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
				Man-years			New enrollees		
	1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.
JOBS/OJT.....	125	214	373	53	81	130	136	156	202
Veterans OJT.....	49	92	115	35	69	84	49	65	80
Public Service Careers.....	17	25	51	3	7	19	4	18	32
Project 100,000.....	10	7	7	8	6	6	87	62	60
Other.....	35	44	49	9	13	14	27	25	26
Total.....	236	382	595	108	176	253	303	326	400

Outlays for these programs will increase sharply, from 11% of the Federal manpower total in 1969 to 18% in 1971, mainly as a result of contracts funded in prior years in the largest OJT program, *Job Opportunities in the Business Sector (JOBS)*. This program, operated in conjunction with the National Alliance of Businessmen, was expanded from the 131 largest cities to a nationwide program in 1970. It was also redesigned to increase its effectiveness and to provide opportunities for upgrading the skills of persons already employed. In addition to private industry's efforts to employ and train the disadvantaged through Federal contracts, many employers will hire the disadvantaged at no cost to the Government. In 1971, as JOBS expands to become nationwide, the smaller *MDTA-OJT* program, which reimburses employers only for training costs, will be merged with JOBS. "National" MDTA-OJT contracts will be continued because of their unique advantages for involving unions and trade associations.

*Veterans OJT* is provided by the Veterans Administration to former servicemen whose education or training was interrupted by military service. Participants receive a stipend when pursuing an approved course of full-time apprenticeship or other on-the-job training. The program is growing rapidly because of the rising numbers of returning Vietnam veterans.

The experience of JOBS with private employers prompted a new initiative in 1970, the *Public Service Careers (PSC)* program. PSC will increase the hiring and training of disadvantaged persons for regular positions in Federal, State, and local governments by providing reimbursement for training and related costs. Outlays of \$51 million in 1971, the first full year of PSC, will permit 32,000 individuals to participate.

*Project 100,000*, operated by the Armed Services, will in 1971 lower entrance standards for about 60,000 recruits, and provide them with special supportive services so that they can meet military standards.

**Rehabilitation.**—Rehabilitation programs assist physically or mentally disabled persons to be restored to productive lives. They provide diagnosis, counseling, medical restoration, and vocational training,

which are supplementary to income and services received by the disabled from family income, workmen's compensation and disability and medical insurance.

Table J-4. REHABILITATION PROGRAM LEVELS

(Outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
				Man-years			New enrollees		
	1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.
Vocational Rehabilitation.....	367	499	553	463	501	561	368	432	452
Veterans Vocational Rehabilitation.....	40	52	55	9	12	12	14	17	17
Total.....	407	551	608	472	513	573	382	449	469

Under the *Federal-State Vocational Rehabilitation program*, the largest single manpower program, clients are prepared for competitive employment, homemaking, or sheltered employment. State rehabilitation agencies determine client needs and purchase services on a case-by-case basis. Outlays increased by \$132 million in 1970 partially as a result of increasing the Federal matching rate from 75% to 80%. It is estimated that 288,000 individuals will be rehabilitated under this program in 1971. A heavy emphasis will be given in 1971 to assisting the culturally and socially disadvantaged, especially public assistance recipients and criminal offenders.

The 1968 amendments to the Vocational Rehabilitation Act provided greater flexibility in serving disabled persons. Important changes include authority for extended evaluation of persons whose severity of disability previously precluded consideration; provision of services to members of the family to achieve the rehabilitation of a disabled person; and provision of other facilities and services which may be expected to contribute substantially to the rehabilitation of a group of handicapped individuals.

The *Veterans Vocational Rehabilitation program* provides similar services to persons who suffered a service-connected disability. The services are funded and administered by the Veterans Administration. In addition to counseling and training, the veteran receives a subsistence allowance, disability compensation, tuition, books, and fees.

**Work support.**—Work support programs create temporary jobs, usually in the public sector, which terminate when the Federal subsidy ends. The programs provide the unemployed with work skills and work habits, offer enrollees an opportunity to stay in school, or provide enrollees with wages for useful work. Seventy percent of program costs is in the form of enrollee wages for work by persons who otherwise would be unemployed.

Table J-5. WORK SUPPORT PROGRAM LEVELS

(Outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
				Man-years			New enrollees		
	1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.	1969 actual	1970 est.	1971 est.
NYC in-school and summer.....	182	212	215	150	157	160	429	445	427
Other.....	65	71	68	34	32	32	93	102	102
Subtotal, in-school...	247	284	283	184	189	192	522	547	529
NYC out-of-school.....	106	100	121	44	34	34	74	37	59
CEP.....	56	59	67	10	18	18	44	42	43
Mainstream.....	37	41	41	10	12	13	11	11	9
Other.....	35	18	26	21	7	16	17	13	18
Total.....	481	502	538	269	260	273	669	650	658

The largest work support effort is the *Neighborhood Youth Corps in-school and summer programs* which offer work to needy high school students. Unlike other manpower programs, which provide remedial services for those who have left school, these programs are primarily preventative—to keep youth in school, and to aid the transition from school to work. Funds have been reprogrammed in 1970 to permit about the same number of youths to participate in the summer of 1970 as in the summer of 1969.

The *Neighborhood Youth Corps out-of-school program* offers work experience and related services to poor out-of-school youths. This, the largest manpower program offering year-round employment, has been redesigned in 1970 to stress counseling, basic education, and other services needed to enable 59,000 enrollees to return to school, to enter other training programs, or to obtain regular employment.

*Operation Mainstream* provides employment opportunities to older workers in rural areas where employment opportunities are limited. An estimated 9,000 individuals will be served in 1971.

In addition, *CEP* provides significant amounts of work support as part of its array of services.

**Job placement assistance.**—These programs promote a smoothly operating labor market by assisting employers to find qualified workers, and by overcoming barriers created by job discrimination and workers' lack of knowledge. They develop and disseminate information on employer and employee needs, and counsel and test job seekers. Other services include "outreach" to find unemployed people, and job development and job restructuring efforts with employers.

Table J-6. JOB PLACEMENT ASSISTANCE PROGRAM LEVELS  
(Outlays in millions of dollars)

Program	Outlays		
	1969 actual	1970 estimate	1971 estimate
Employment Service.....	298	332	366
Project Transition.....	14	15	14
Equal Employment Opportunity Commission.....	9	13	18
Other.....	33	50	91
Total.....	354	410	489

The *Federal-State Employment Service* (ES), operated by the States, accounts for 75% of 1971 outlays in this category. The ES, with 2,100 local offices and 41,000 employees, provides not only placement services for the general work force, but also makes special efforts to place the disadvantaged, including those served by other manpower programs. Up to 11 million persons are expected to receive such services in 1971. A new development assisting job placement efforts is computerized Job Banks, which will be installed in 81 cities by 1971. More automated job matching systems are being tested in 14 States.

*Project Transition* provides counseling, testing, limited skill training, and job placement assistance to servicemen prior to discharge. The Defense Department will spend about \$14 million on this program in 1971 for about one-third of a million servicemen.

In 1971, outlays by the *Equal Employment Opportunity Commission* will increase by \$9 million over 1969, a 100% increase. The Commission attempts to reduce barriers to employment of minority groups and others by investigating and conciliating complaints of discrimination.

The *Office of Federal Contract Compliance*, working in conjunction with the 15 major Federal contracting agencies, will increase its surveillance of the employment practices of Federal contractors. In order to increase minority group employment in the construction trades, it has devised the "Philadelphia Plan" which sets employment goals for Federal construction projects.

**Manpower research and development.**—As part of the effort to improve program performance, more emphasis will be given to research and development (R. & D.) related to manpower programs. Outlays will rise 30% between 1970 and 1971.

Table J-7 summarizes the Federal resources for manpower R. & D., largely from the Department of Labor and the Office of Economic Opportunity. In addition, other agencies carry out R. & D. activities affecting manpower, especially the Department of Defense, and the Social and Rehabilitation Service and the National Institutes of Health of the Department of Health, Education, and Welfare.

Table J-7. PROGRAM DIRECTION, RESEARCH AND SUPPORT PROGRAM LEVELS <sup>1</sup> (in millions of dollars)

Program	Outlays		
	1969 actual	1970 estimate	1971 estimate
Experimental and Demonstration.....	21	25	34
Research.....	5	6	7
Evaluation.....	4	5	7
Subtotal, Research and Development.....	31	36	47
Program Direction.....	73	75	78
Labor Market Information.....	30	32	36
Technical Assistance.....	10	11	19
Subtotal, Program Direction and Support.....	113	117	133
Total.....	143	153	180

<sup>1</sup> These programs do not include enrollments, except relatively small numbers in E. & D. projects.

*Experimental and demonstration* programs develop or demonstrate new service techniques in an operational setting. Substantial increases are proposed in these activities for 1971. The Office of Economic Opportunity, as the principal innovative arm for the Government's social programs, will receive the bulk of this increase. One new approach being tested will provide vouchers to unemployed job seekers in certain States and communities to enable them to purchase the training or work experience of their choice.

*Research* activities are designed to develop or discover new knowledge in a nonoperational setting. The research program administered by the Department of Labor includes support of Ph. D. dissertations, grants to established researchers, and support of five university-based, interdisciplinary research centers. In 1970 and 1971 increases are provided for behavioral research focusing on such topics as the attitudes of the disadvantaged to the world of work.

*Evaluation* activities seek to determine what works, to what extent, and under what conditions. Most evaluation efforts have been on-site reviews to identify critical operating problems. This reflected the rapid buildup of manpower programs during the past decade with consequent implementation problems. Recently, the evaluation effort has shifted to include fundamental and broad assessment of program effectiveness. A major study initiated in 1969 is a longitudinal assessment of the graduates of six programs serving disadvantaged youths. Results of this study will begin to be available within the next year. Similar studies have been launched, or will be shortly, on the Work Incentive and Public Service Careers programs, and MDTA skill centers.

**Program direction.**—The effectiveness of individual programs depends both on national program administration and on the delivery of services at the local level. To improve national program administration, several recent steps have been taken:

- The Manpower Administration was reorganized to centralize responsibility for manpower programs in a new organization—the U.S. Training and Employment Service.
- The Job Corps was delegated from OEO to the Department of Labor so it could be better integrated with other manpower programs.
- Nearly every major manpower program was reexamined and new operating procedures instituted to improve operating effectiveness.
- In accord with the overall government effort, greater authority and responsibility was delegated to the Regional Manpower Administrators.

The 1971 program anticipates increased resources for technical assistance to State and local governments in the operation of manpower programs. In addition, increases are provided for the collection of more labor market information, including data on local job opportunities, to assist in community manpower planning and execution. In 1971, outlays for these purposes will be \$133 million.

### PEOPLE SERVED

Man-years of training and new enrollments are the program impact measures used in this analysis. Man-years is the average enrollment during the year and is the best measure to compare program levels among programs. New enrollments is the number of different people served during each fiscal year. In a few programs, e.g., NYC in-school and summer, a significant number of people enroll in more than one program within a single year, or in the same program several years in succession. In these cases this analysis uses a net figure which deducts the overlap. In some programs man-year data include periods where no significant amount of services are provided, e.g., persons awaiting services in the Concentrated Employment Program, and the analysis uses a man-years of service estimate to account for this.

Table J-8. AGGREGATE ENROLLMENT LEVELS IN MANPOWER PROGRAMS<sup>1</sup> (in thousands)

Measure	1968 actual	1969 actual	1970 estimate	1971 estimate
Enrollment beginning of year.....	950	1,050	1,350	1,600
New enrollments during the year.....	1,650	1,900	2,100	2,300
Enrollees terminating during the year.....	1,550	1,600	1,850	2,100
Enrollment end of year.....	1,050	1,350	1,600	1,800
Man-years (average enrollment).....	1,000	1,150	1,350	1,550
New enrollment (less overlap).....	1,500	1,750	1,950	2,150
Man-years of service.....	950	1,050	1,200	1,400

<sup>1</sup> Excludes Job Placement Assistance programs for which the concept of enrollment does not apply. All enrollment numbers rounded to nearest 50,000.

In 1971, average enrollment will increase by 14% over 1970. JOBS, WIN, and Vocational Rehabilitation account for 78% of this increase.

*Characteristics.*—The 10.9 million adults who were poor in 1968, of whom about half were working but earning less than a poverty wage, is a rough representation of the universe of need for manpower programs. The universe actually may be considerably larger, since many earn little more than the poverty standard and are vulnerable to skill obsolescence and unemployment. However, many poor adults are not candidates for manpower services because of health, age, and conflicting family responsibilities.

The focus of most Federal manpower programs on the poverty universe reflects the judgment that persons with severe employment handicaps are least likely to be able to improve their employment experience without assistance. For example, all of the manpower programs administered by the Department of Labor emphasize services to poor persons who are not suitably employed and who are either (1) school dropouts, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special employment obstacles. This focus avoids displacement of private efforts which are generally targeted at different groups.

The number of individuals served by manpower programs is a growing proportion of the poverty population. In 1968 manpower programs served about 7% of the 10.9 million poor. By 1971 it is estimated that a larger percentage of the poor will be served as average enrollment rises over 50% from 1968. The role of manpower programs in serving the disadvantaged is illustrated in the table below:

Table J-9. ESTIMATED CHARACTERISTICS OF CIVILIAN LABOR FORCE, ADULT POVERTY POPULATION, AND MANPOWER PROGRAM PARTICIPANTS

Characteristics	Total U.S. work force 1968 (age 16-64), civilian, non-institutional	Poverty population 1968 (age 16-64), civilian, non-institutional	Manpower programs participants 1969 estimate (age 14 and above) <sup>1</sup>
Average number (millions).....	75.6	10.9	1.2
Percent:			
Aged 21 or less.....	14	19	40
Aged 55 or more.....	14	19	7
Male.....	63	39	60
Less than high school education.....	39	69	62
8th grade education or less.....	20	50	17
Poor.....	7	100	73
Welfare recipients.....	1	22	21
Disabled.....	(2)	(2)	38
Minority races.....	11	30	42

<sup>1</sup> All entries are estimates. Excludes Job Placement Assistance and In-School programs.

<sup>2</sup> Not available.

Table J-9 indicates that manpower programs are meeting their intended targets: the poor, the less educated, members of minorities, youth, and welfare recipients. Older persons are a small part of the population served since employment is often less appropriate than income support.

As indicated in table J-10 below, the characteristics of enrollees served by different approaches vary considerably.

Table J-10. ESTIMATED CHARACTERISTICS OF ENROLLEES BY APPROACH  
IN 1969 (in percent)

Approach	Poor	Less than high school education	Minority races	Aged 21 or less	Male	Welfare recipient	Disabled
OJT.....	51	53	45	47	79	9	3
Institutional training.....	81	67	57	43	55	34	7
Rehabilitation.....	70	56	22	24	56	11	100
Post-school work support.....	95	85	53	65	51	38	2
Subtotal post-school.....	73	62	42	40	60	21	38
In-school work support.....	100	97	58	100	54	31	0
Total.....	83	75	48	63	58	25	24

In 1969, OJT enrollees were among the least disadvantaged because the OJT programs enrolled those most job-ready. In 1971, this distribution is expected to change because of the growth of the JOBS program which reaches the "hard core" disadvantaged. Institutional programs serve high proportions of welfare clients and educationally disadvantaged and will reach even more disadvantaged clients in 1971 with the growth of the WIN program. Most disabled persons are served by rehabilitation programs specifically targeted to their needs. The work support programs focus on the most disadvantaged groups and provide a source of income for those who have no immediate prospects for regular jobs.

### SERVICES PROVIDED

Each major program approach provides a substantially different mix of services, as shown in Table J-11.

Table J-11. ESTIMATED DISTRIBUTION OF COSTS BY APPROACH IN 1969  
(in percent)

Service	Approach <sup>1</sup>				
	OJT	Institutional	Work support	Rehabilitation	Job placement assistance
Remedial education.....	2	9	1	0	1
Skill training.....	22	25	*	5	1
Work supervision.....	1	*	11	0	1
Child care.....	*	2	*	0	2
Health.....	1	2	*	19	*
Recruitment, counseling, and placement.....	11	9	4	28	70
Program administration.....	9	15	11	7	22
Other supportive services <sup>2</sup> .....	20	4	2	27	3
Allowances.....	34	35	70	15	*
Total.....	100	100	100	100	100

\*Less than 0.5%.

<sup>1</sup> Excludes Federal Program Direction, Research, and Experimentation. Includes State and local shares.

<sup>2</sup> Includes payments to employers to compensate for lower productivity of trainees and amounts which could not be allocated to other services.

Most OJT programs reimburse employers (who provide training and other supportive services), although a few programs provide allowances and other services directly to enrollees. The institutional programs focus on remedial education and skill training. Work support programs emphasize payment of allowances for work performed, and work supervision. The job placement assistance programs provide counseling, placement, and such services as child care to allow parents to work. Overall, allowances are the largest part of manpower costs, reflecting the need of enrollees for income support while participating in training.

Although a comprehensive array of services is provided in total, the actual services available to each enrollee are often limited to those of the particular program in which he participates. For example, in 1971 over 77% of the child care is provided for WIN enrollees, even though WIN accounts for only 18% of all post-school women enrolled. Consolidation and coordination of programs under the Manpower Training Act will better enable enrollees to receive the services which are most appropriate to their needs.

In addition to the great variance in services provided by program and approach, there are significant differences in overall unit costs.

Table J-12. ESTIMATED MAN-YEAR AND PARTICIPANT UNIT COSTS BY APPROACH<sup>1</sup>

Approach	1969 man-year unit cost estimate	1971		
		Man-year unit cost estimate	Average duration of en- rollment (years)	Partici- pant unit cost estimate
OJT.....	\$2, 200	\$2, 400	.56	\$1, 350
Institutional training.....	3, 500	3, 150	.57	1, 800
Rehabilitation.....	1, 150	1, 300	1.16	1, 500
Post-school work support.....	3, 150	3, 550	.52	1, 850
Subtotal post-school.....	1, 900	2, 150	.74	1, 600
In-school work support.....	1, 550	1, 700	.25	450
Total.....	1, 900	2, 100	.59	1, 200

<sup>1</sup> Based on man-years of service. Includes State and local share, if any. All dollar amounts rounded to nearest 50.

In 1969 unit costs are highest for institutional training programs, reflecting the intensive services provided to participants. By 1971, the Job Corps decrease and redirection, and the growth of other less costly programs, will considerably reduce unit costs. Both man-year and participant costs are lowest for in-school programs, because they are part time or of short duration. OJT costs are also low because the employers' payment of salary avoids the need for allowances in most cases. However, OJT costs are rising due to the more intensive level of services provided by the JOBS program. Unit costs for post-school work support will rise substantially because of the new NYC out-of-school program with its enriched educational services. In all cases

except Rehabilitation, the participant unit cost is lower than the man-year cost because the duration of enrollment is less than one year.

In all approaches, unit costs vary widely among individual programs reflecting the intensity of services. For example, Job Corps and Vocational Rehabilitation provide a wider range of services than most other programs. However, a larger part of the variance is due to other factors. The Work Incentive program, for example, pays lower allowances than most programs because enrollees are already receiving welfare payments. Project 100,000 has a low-unit cost because only incremental training costs over normal military training are attributed to the program.

### MANPOWER FUNDS BY AGENCY

The following table shows manpower obligations and outlays by agency, appropriation, and functional code. Three agencies—Labor, OEO, and HEW—account for 89% of all manpower outlays in 1970. With the proposed transfer of OEO manpower programs to the Department of Labor under the Manpower Training Act, Labor and HEW alone will account for 81% in 1971.

Table J-13. MANPOWER FUNDS BY AGENCY, APPROPRIATION AND FUNCTION (in millions of dollars)

Agency and appropriation	Functional code	Outlays			Obligations		
		1969	1970	1971	1969	1970	1971
<b>Office of Economic Opportunity:</b>							
Economic Opportunity Act.....	604	780	811	881	882	778	802
Economic Opportunity Act.....	551	32	37	48	36	50	66
Manpower Training Act transfer.....	604			-689			-622
Subtotal, OEO.....		812	848	240	918	828	246
<b>Department of Defense:</b>							
<b>Military Personnel:</b>							
Army, Navy, Marine Corps, and Air Force..	051	8	8	8	8	8	8
<b>Operation and Maintenance:</b>							
Army, Navy, Marine Corps, and Air Force..	051	16	14	13	16	14	13
Research, Development, Test, and Evaluation, Army.....	051	*	*	*	*	*	*
Subtotal, Defense.....		24	22	20	24	22	20
<b>Department of Health, Education, and Welfare:</b>							
Vocational Education.....	603	4	10	16		14	24
Rehabilitation Services and Facilities.....	703	351	478	530	371	499	539
Work Incentives.....	604	33	138	199	115	130	170
Grants to States for Public Assistance.....	703	38	55	75	40	58	78
Programs for the Aging.....	703		6	9		9	10
Federal Disability Insurance Trust Fund.....	701	16	20	22	17	20	22
Federal Old-Age and Survivors Insurance Trust Fund.....	701	1	2	2	1	2	2
Subtotal, HEW.....		443	708	852	542	731	844

See footnote at end of table.

Table J-13. MANPOWER FUNDS BY AGENCY, APPROPRIATION AND FUNCTION (in millions of dollars)—Continued

Agency and appropriation	Functional code	Outlays			Obligations		
		1969	1970	1971	1969	1970	1971
<b>Department of Housing and Urban Development:</b>							
Model Cities programs.....	551		18	38	14	38	40
Community Development Training.....	554	*	1	2	*	1	1
Subtotal, HUD.....		*	19	40	14	40	42
<b>Department of the Interior:</b>							
Education and Welfare Services.....	601	24	38	41	24	38	41
<b>Department of Justice:</b>							
Federal Prison Industries Fund.....	908	2	3	4	2	3	4
<b>Department of Labor:</b>							
Manpower Development and Training Activities.....	604	374	412	608	401	672	748
Manpower Administration, S. & E.....	609	32	40	62	30	40	61
Bureau of Apprenticeship and Training, S. & E.....	604	9	8	7	9	7	7
Bureau of Employment Security, S. & E.....	609	18	18		19	16	
Grants to States for Employment Security.....	609	318	350	380	317	350	380
Wage and Labor Standards, S. & E.....	609			1			2
Bureau of Labor Statistics, S. & E.....	609	8	8	9	9	9	10
Federal Contract Compliance and Civil Rights.....	609	*	1	*	1	1	
Manpower Training Act.....	604			714			667
Subtotal, Labor.....		760	838	1,781	786	1,096	1,873
<b>Veterans Administration:</b>							
Compensation and Pensions.....	801	20	27	29	20	27	29
Readjustment Benefits.....	802	56	103	127	60	104	126
General Operating Expenses.....	809	13	15	16	13	15	16
Subtotal, VA.....		90	145	172	94	146	171
<b>Equal Employment Opportunity Commission:</b>							
Equal Employment Opportunity Commission, S. & E.....	609	9	13	18	9	13	19
<b>All Federal agencies—Disadvantaged Youth Programs.....</b>		61	68	68	61	68	68
Total.....		2,225	2,701	3,236	2,474	2,984	3,329

\*Less than \$500 thousand.

## SPECIAL ANALYSIS J

### FEDERAL MANPOWER PROGRAMS

#### SCOPE OF THE ANALYSIS

A wide variety of public and private economic and social activities have some effect on the work force. This analysis covers only a limited group of Federal programs intended to influence directly the quality and composition of the work force by increasing the skills and employment opportunities of individuals in the work force, or those who desire to be in it but who are vocationally unprepared or face other barriers to employment. Programs serving this objective provide skill training, work experience, job placement assistance, and related social and health services.

The programs in this analysis generally: (1) operate outside the normal educational processes; (2) give services for periods of less than 1 year; (3) provide skill training and job opportunities for nonprofessional jobs; and (4) target on the disadvantaged sector of the population. The analysis covers all programs classified as Manpower Training and Employment Services in the functional classification of the budget, and programs which are directed toward similar objectives but are included under other functional classifications such as Income Security, National Defense, Community Development and Housing, and Veterans Benefits and Services.<sup>1</sup> It excludes all professional training and programs which are part of the normal educational process, such as vocational education. These programs are included in Special Analysis I, "Federal Education Programs."

#### 1972 BUDGET OVERVIEW

The major emphasis of the 1972 budget for manpower programs is the consolidation of many narrow categorical programs administered by the Department of Labor into a broad special revenue sharing grant to States and local communities for manpower training. Total outlays for manpower programs will exceed \$3.7 billion, an increase of 13% over 1971 and 62% over 1969. This increase reflects continued commitment to manpower programs as a means of helping unemployed and underemployed individuals become self-sufficient through regular employment.

The \$444 million increase in 1972 over 1971 is concentrated in two major areas:

- \$197 million for programs covered by the new manpower reform legislation. A total of \$2.0 billion in budget authority will be provided during the first full year under this special revenue sharing measure.
- \$78 million for the Work Incentive Program (WIN) to lay the foundation for expanded training efforts under the welfare reform proposal. This increased effort will enroll 187,000 welfare recipients in training and provide day care for 200,000 children.

<sup>1</sup> See part 5 of the *Budget of the United States, 1972*.

Table J-1. 1972 BUDGET HIGHLIGHTS <sup>1</sup> (in millions of dollars)

Program	Outlays			
	1969 actual	1970 actual	1971 estimate	1972 estimate
Special revenue sharing for manpower training:				
Existing authorities.....	1,073	1,056	1,331	<sup>2</sup> 1,375
Additional amounts.....				153
Work incentive program.....	27	75	123	201
Veterans programs.....	89	140	235	279
Vocational rehabilitation.....	363	441	533	543
Other work and training programs.....	180	232	319	347
Employment service.....	293	325	344	363
Other placement and support programs.....	290	295	428	497
<b>Total.....</b>	<b>2,313</b>	<b>2,563</b>	<b>3,314</b>	<b>3,758</b>

<sup>1</sup> Due to differences in appropriation patterns, many outlay adjustments have been made to show programs in a corresponding manner. For example, WIN totals are reduced because Federal administrative costs and research funds are included in its budget unlike most manpower programs. Vocational rehabilitation is increased to reflect funds received from social security trust funds.

<sup>2</sup> An additional \$68 million is included elsewhere for Program Direction, Research, and Support and Computerized Job Matching. See table J-2.

### 1972 LEGISLATIVE PROGRAM

Major reforms of the grant-in-aid system are an important part of the overall revenue sharing package proposed to take effect on January 1, 1972. The purpose of these reforms is to overcome:

- The "fiscal crunch" that is preventing effective action by States and local communities in meeting pressing domestic needs; and
- Administrative rigidities caused by the proliferation of special purpose, narrowly based grant programs.

In the past, various Federal manpower programs focused on small target groups within the overall disadvantaged population or on a particular technique for providing services. Little attention was given to either measuring or meeting *overall* community needs. In addition, manpower programs generally operated on a direct contract basis, often with many individual sponsors in a single community. These administrative arrangements hindered the development of an overall community approach to meeting manpower needs.

The new manpower reform proposal addresses these deficiencies. It is based on the original administration proposal submitted to the Congress in August 1969. The legislation will consolidate various statutory authorities into a single comprehensive program in the Department of Labor. Under the new authority:

- State and local governments will have prime responsibility for planning and administering manpower training efforts. This decentralization will enable local citizens to develop comprehensive strategies for meeting manpower needs in their own areas.
- All categorical programs administered by the Department of Labor, except the Federal-State Employment Service, will be included. Broad flexible authority will permit the tailoring of manpower services to meet the needs of individual participants and local labor market conditions.

- A major portion of the funds will be allocated to States by a formula based on size of labor force and the incidence of unemployment and poverty. Within States, law will require a large part of these funds to be allocated on a similar basis to local communities.
- Remaining funds will be used by the Secretary of Labor to supplement State and local programs which provide exemplary services, support research and development projects, and provide training and technical assistance to State and local program operators.
- To qualify for these funds, State and local governments must provide a comprehensive framework for planning and delivering manpower services. This comprehensive framework would involve the active participation of public employment offices, local educational institutions, vocational rehabilitation, and welfare programs.

Additional special revenue sharing funds as shown in table J-2 below will be requested upon enactment of this legislation.

Table J-2. **FEDERAL FUNDS FOR MANPOWER REFORM LEGISLATION**  
(in millions of dollars)

Description	Budget authority	Outlays
<b>Items included in budget details for 1972:</b>		
Department of Labor:		
Manpower training services.....	1,565	1,443
Subtotal.....	1,565	1,443
<b>Additional amounts from general revenues:</b>		
Full-year basis.....	435	307
Fiscal year 1972 (50%).....	(217)	(153)
<b>Total, full-year basis.....</b>	<b>2,000</b>	<b>1,750</b>
<b>Total, fiscal year 1972.....</b>	<b>1,782</b>	<b>1,596</b>

Closely related to manpower reform legislation is the proposed reform of the Nation's welfare system. Strong work requirements will be built into the new program. All recipients who are able to work, except mothers of preschool children, must register with their local Employment Service office. Training efforts will be greatly expanded to provide the means to self-support for those recipients who cannot be placed directly into employment. Major incentives for work and training will be provided by:

- Insuring that individuals will always gain financially by going to work.
- Establishing quality child care services for mothers who are at work or in training.
- Increasing monetary allowances to offset fully the costs of travel and other training-related expenses incurred by enrollees.

This large-scale effort to train and place welfare recipients in productive employment will build upon the experience of the Work Incentive Program. It will be administered in conjunction with the manpower reform legislation and the vocational rehabilitation program.

Legislation will be resubmitted to strengthen the process for eliminating barriers to equal employment for minority groups. Under this legislation the Equal Employment Opportunity Commission could file civil suits in the district courts when it is unable to obtain voluntary compliance with title VII of the Civil Rights Act of 1964.

#### SOCIAL AND ECONOMIC OBJECTIVES OF MANPOWER PROGRAMS

Most manpower programs were initiated to serve persons who would otherwise be unable to obtain self-sustaining employment. The programs fill a gap between the educational system which initially prepares persons for their careers, and income security programs which provide income for persons who are unable to work because of age, incapacity, or economic conditions. The expanding capability of manpower programs to reach and serve the disadvantaged make them an important tool in attacking the Nation's social problems.

Manpower programs also complement national economic policy. Effective job placement and training programs train and place enrollees in skill shortage occupations. In a tight labor market, such activities reduce inflationary pressures by increasing the productivity of marginal workers and by enabling employers to obtain skilled workers who would otherwise be unavailable. During periods of high unemployment, work and training programs can be used to increase the skills of the work force and serve as a source of income support for unemployed workers.

#### MAJOR MANPOWER PROGRAMS

This section of the analysis summarizes the different manpower programs by type of program—either work and training, job placement assistance, or program direction, research, and support.

**Work and training programs.**—Besides providing skill training, work and training programs generally offer remedial education, counseling, and other supportive services. However, most of the current programs are limited to a single major service approach.

- On-the-job training programs target on existing job vacancies, usually by reimbursing employers for the added costs of hiring and training unskilled workers. This reimbursement may include a payment for the employee's lower initial productivity.
- Institutional training programs provide vocational skill instruction in a classroom setting away from the jobsite. Enrollees receive monetary allowances while in training.
- Work support programs create federally subsidized jobs in the public sector. Unemployed persons learn work skills and habits to prepare them for regular employment, and receive wages for their work.
- Rehabilitation programs focus on the training of physically or mentally disabled persons. They are separately classified since health services account for 18% of total costs in these programs, significantly higher than in other manpower programs.

Use of these different approaches to training often reflects employer preferences or traditional methods of entry into a particular occupa-

tion or industry. For example, production line workers such as assemblers in the automobile industry are generally trained on the job. On the other hand, most secretaries learn their basic job skills in the classroom.

Individual trainee needs are also an important factor in the selection of the service approach. In on-the-job training programs the trainee is hired for a specific job, and then trained. This guarantee of employment may be an essential start to successful training of many of the hard-core unemployed. However, institutional training can provide a broader training base not limited to one particular job, giving the trainee more job mobility and security.

In contrast to on-the-job and institutional training, work support programs provide transitional employment opportunities and necessary remedial services for individuals who are temporarily unable to find regular employment due to: (1) youthful inexperience, (2) economic dislocation, (3) minor personality disorders, or (4) age discrimination.

In recent years, two comprehensive programs—the Work Incentive Program (WIN) and the Concentrated Employment Program (CEP)—have been initiated to provide a complete range of work and training services. WIN serves recipients of public assistance, and CEP serves disadvantaged persons in limited geographical areas of high unemployment. Both provide on-the-job and institutional training, work support, and supportive services, and are valuable models for the operation of a comprehensive community manpower program.

Table J-3. WORK AND TRAINING PROGRAMS  
(outlays in millions of dollars, individuals in thousands)

Program	Outlays				New enrollees <sup>1</sup>			
	1969 actual	1970 actual	1971 est.	1972 est.	1969 actual	1970 actual	1971 est.	1972 est.
Special revenue sharing for manpower training:								
Existing authorities:								
Job opportunities in the business sector.....	107	136	219		136	177	226	
Public service careers.....	17	18	97		4	4	39	
Manpower development and training institutional training.....	248	260	292		135	130	130	
Job Corps.....	236	144	158		53	43	45	
Neighborhood Youth Corps in-school and summer.....	182	194	236	1,375	430	436	411	1,085
Neighborhood Youth Corps out-of-school.....	106	98	109		74	48	64	
Operation Mainstream.....	37	42	50		11	13	12	
Concentrated employment program.....	140	164	170		127	112	113	
Additional amounts.....				153				120
Work incentive program.....	27	75	123	201	81	92	125	187
On-the-job training for veterans.....	49	87	164	203	49	70	99	104
Veterans vocational rehabilitation.....	40	53	71	77	10	13	16	16
Vocational rehabilitation.....	363	441	533	543	368	411	442	385
Social services training.....	44	107	143	175	55	69	86	108
Other programs.....	136	125	176	172	212	202	218	189
<b>Total.....</b>	<b>1,731</b>	<b>1,943</b>	<b>2,541</b>	<b>2,898</b>	<b>1,745</b>	<b>1,819</b>	<b>2,027</b>	<b>2,194</b>

<sup>1</sup> Estimated new enrollees during a year, less overlap due to persons served more than once.

Under the manpower reform proposal, States and local communities will be given the opportunity to determine the mix of on-the-job training, institutional training, and work support best suited to local labor market conditions and the needs of unemployed and underemployed persons in their areas.

Table J-3 presents the outlays and numbers of individuals served by various Federal work and training programs. In 1972, the proposed manpower reform will pull together the large number of separate programs administered by the Department of Labor. The remainder of this section includes a brief description of these programs as they currently exist. However, under the new legislation it is expected that States and localities will develop new programs and adapt old ones to meet their specific needs.

*On-the-job training.*—The primary on-the-job training programs are Job Opportunities in the Business Sector (JOBS), Public Service Careers (PSC), Veterans OJT, and Project 100,000.

The JOBS program, operated in conjunction with the National Alliance of Businessmen, provides employment and training opportunities in private industry for disadvantaged persons. PSC is a similar program in the public sector. Components which seek to upgrade workers from low-level jobs have recently been initiated in these programs.

A special JOBS Optional component (formerly the MDTA-OJT program) is utilized by smaller employers who cannot provide a wide range of supportive services. JOBS, JOBS Optional, and PSC will all be incorporated in the new State and local manpower delivery system.

Veterans OJT is provided by the Veterans Administration to former servicemen pursuing an approved course of full-time apprenticeship or other on-the-job training. The program is growing rapidly to serve the rising number of eligible veterans.

Project 100,000, operated by the armed services, will enlist 55,000 recruits during 1972 who do not meet entrance requirements, and provide special remedial services to enable them to perform military duties.

*Institutional training.*—MDTA institutional training and the Job Corps are the major institutional training programs. Both of these programs will be covered by the manpower reform proposal.

The institutional training program, conducted under the authority of the Manpower Development and Training Act (MDTA), provides training through skill centers, special training courses, and individual referral to regular public and private training. Seventy MDTA skill centers have been established, each of which provides training in a variety of occupations, as well as necessary remedial education and other supportive services at a single location.

The Job Corps has been redirected to emphasize smaller centers in major cities. This change will permit more individual attention for enrollees, training that is targeted on local labor market needs, and integration of centers into comprehensive State and local manpower programs. Job Corps centers are already training Neighborhood Youth Corps and WIN enrollees on a nonresidential basis, and Job Corps enrollees are receiving vocational training in MDTA skill centers.

During 1971, more trainees will enter the institutional component of the Work Incentive Program (WIN) than any other institutional program. The rapid growth of the WIN program since its inception in 1969, reflects the continued commitment to manpower programs as a vehicle for reducing welfare dependency. Expansion of WIN will provide the foundation for the increased training efforts contemplated under the welfare reform program.

Institutional training is also a major component of the Concentrated Employment Program (CEP). Other major institutional programs include training programs for Indians, offenders, and welfare recipients operated by the Departments of the Interior, Justice, and Health, Education, and Welfare, respectively.

*Work support.*—The principal work support programs are the Neighborhood Youth Corps (NYC) and Operation Mainstream. In addition, CEP provides a substantial amount of work support. All of these activities will become a part of the comprehensive State and local manpower effort covered by the new legislation.

The Neighborhood Youth Corps, through its in-school and summer projects, provides part time or summer employment for needy high school students to enable them to stay in school. Out-of-school projects provide remedial services and jobs for school dropouts to enable them to return to school or obtain a marketable skill.

Operation Mainstream provides employment opportunities to chronically unemployed workers, principally in rural areas where jobs are severely limited.

*Rehabilitation.*—Two programs focus on the rehabilitation of physically or mentally handicapped persons: the Federal-State vocational rehabilitation program administered by the Department of Health, Education, and Welfare, and the vocational rehabilitation program for disabled veterans administered by the Veterans Administration. These programs are not included in the manpower reform legislation and will remain essentially unchanged in 1972.

Under the Federal-State vocational rehabilitation program, currently the largest single manpower program, clients are prepared for competitive employment, homemaking, or sheltered employment. State rehabilitation agencies determine client needs and purchase services on a case-by-case basis. It is estimated that 288,000 individuals will be rehabilitated under this program in 1972. A heavy emphasis will be given to assisting the culturally and socially disadvantaged, especially public assistance recipients and criminal offenders.

The veterans vocational rehabilitation program provides similar services to persons with a service-connected disability. In addition to counseling and training, veterans receive subsistence allowances, disability compensation, tuition, books, and fees.

*Job placement assistance.*—These programs promote a smoothly operating labor market by matching job vacancies with qualified workers, and by overcoming barriers created by job discrimination. They develop and disseminate information on employer and employee needs, and counsel and test job seekers. Other services include "out-reach" to unemployed people, and job development and job restructuring efforts with employers.

Table J-4. JOB PLACEMENT ASSISTANCE PROGRAMS (in millions of dollars)

Program	Outlays			
	1969 actual	1970 actual	1971 estimate	1972 estimate
Employment service.....	293	325	344	363
Computerized job placement.....	5	6	26	28
Project transition.....	14	14	14	13
Other.....	27	27	29	29
Subtotal, placement services.....	339	372	414	434
Equal employment opportunity activities.....	9	13	21	29
Child care for employed mothers.....	88	93	162	222
<b>Total</b> .....	<b>437</b>	<b>478</b>	<b>597</b>	<b>685</b>

The Federal-State Employment Service (ES), operated by the States, accounts for 53% of 1972 outlays in this category. The ES, with 2,100 local offices and 31,000 employees, provides not only placement services for the general work force, but also makes special efforts to place the disadvantaged, including graduates of manpower training programs. Up to 11 million persons are expected to receive services in 1972.

Computerized job banks will be installed in all major labor markets by 1972 to assist in job placement efforts. The job bank provides comprehensive listings, updated daily, of available jobs in a metropolitan area. More automated job matching systems will also be tested in 14 States. Job matching is a much more complex task than a job bank, requiring the computer to compare a large number of differing characteristics of both applicants and jobs.

Project Transition provides counseling, testing, limited skill training, and job placement assistance to servicemen prior to discharge. The Defense Department will spend \$13 million on this program in 1972.

In 1972, outlays for the Equal Employment Opportunity Commission will increase by \$7 million, a 40% increase over 1971. The Commission attempts to reduce barriers to employment of minority groups and others by identifying and eliminating discriminatory practices.

The Office of Federal Contract Compliance, in conjunction with the 15 major Federal contracting agencies, will insure that affirmative action plans are undertaken by Federal contractors to provide equal employment opportunities. To increase minority employment participation in the construction trades, it has devised the "Philadelphia Plan" and voluntary "hometown" programs which set employment goals for Federal construction contractors.

**Manpower research, development, and evaluation.**—Under the proposed manpower legislation, Federal efforts will be strengthened to provide information and technical assistance to States and local communities on methods to improve program performance. One important device for obtaining such information is through research and development (R. & D.) and evaluation activities.

Table J-5 summarizes Federal resources for manpower R. & D. and evaluation efforts, primarily funded by the Department of Labor and the Office of Economic Opportunity. In addition, other agencies carry

Table J-5. PROGRAM DIRECTION, RESEARCH, AND SUPPORT  
(in millions of dollars)

Program	Outlays			
	1969 actual	1970 actual	1971 estimate	1972 estimate
Research and development.....	29	26	28	25
Evaluation.....	4	2	6	5
Subtotal.....	33	28	34	30
Program direction.....	73	72	82	82
Labor market information.....	30	32	38	41
Planning and technical assistance.....	10	11	22	23
Subtotal.....	113	115	142	146
<b>Total.....</b>	<b>146</b>	<b>143</b>	<b>176</b>	<b>176</b>

out R. & D. activities affecting manpower, especially the Departments of Defense, and Health, Education, and Welfare, and the Veterans Administration.

*Research and development* programs seek to understand and affect the operation of labor market mechanisms. Research is conducted in a nonoperating environment while developmental activities (often termed experiments or demonstrations) seek to develop or demonstrate new service techniques in an operational setting.

The Office of Economic Opportunity will continue its efforts to reform State and local civil service systems to permit the hiring of qualified persons who may lack formal academic credentials. In conjunction with the National Civil Service League, a demonstration effort called Project Pacemaker is attempting to document unnecessary barriers to employment of the disadvantaged and provide technical assistance to States and cities in remedying the problems.

The Department of Labor has initiated an important study of the dynamics of labor market behavior. A 5-year longitudinal survey of youth under 25, women 30 to 44 years of age, and men aged 45-59 is being used to gain insight on the high youth unemployment rates, movement of women in and out of the labor force, and changes in employment patterns of men approaching retirement age.

*Evaluation* activities seek to determine what works, to what extent, and under what conditions. Evaluation efforts generally focus on recently initiated programs or major program changes. A major longitudinal evaluation of four manpower programs is nearing completion. It examines the effects of the Job Corps, JOBS, MDTA institutional and NYC out-of-school on employment and earnings of participants and compares them with similar groups of nonparticipants. A similar study is being conducted on the WIN program. The impact of job banks on ES operations and their effect on service to clients will be examined during 1972.

**Program direction and support.**—Major efforts are underway to improve the effectiveness of manpower programs through administrative reforms and improved information. In the last few years a number of administrative actions have been taken to decentralize decisionmaking. At the same time, efforts have been made to improve

the capacity of States and local communities to assume greater responsibilities in manpower planning and programing.

At the Federal level:

- Greater authority was delegated to the Regional Manpower Administrators, and uniform regional boundaries with OEO, HEW, and HUD were adopted to improve interdepartmental coordination of manpower and other social programs.
- Regional manpower offices were reorganized from a categorical program basis to a geographic area basis to provide closer contacts with individual States and communities.

At the State and local level:

- The interagency Cooperative Area Manpower Planning System (CAMPS) has been strongly emphasized. CAMPS has provided a vehicle for coordination of planning efforts by various State and local manpower agencies.
- During 1969 and 1970, grants were made to 49 Governors and 106 mayors to develop their own manpower planning capability for their role as chairmen of CAMPS committees.
- Administration of the JOBS optional component was delegated to the States in 1971 as a transitional step in the development of State capability.

#### PERSONS SERVED

*Enrollment and training levels.*—Man-years of training and new enrollments are the output measures used in this analysis. Man-years is the average enrollment during the year and new enrollments are the number of different people served during each fiscal year. In a few programs, e.g., NYC in-school and summer, a significant number of people enroll in more than one program within a single year, or in the same program several years in succession. In these cases, this analysis uses a net figure which deducts the overlap. In some programs there are periods where no significant amounts of services are provided, e.g., persons awaiting services in the Concentrated Employment Program. The analysis uses a man-years of service estimate to exclude such periods. Table J-6 shows the various measures by service approach.

Table J-6. TOTAL ENROLLMENT AND TRAINING LEVELS IN 1970<sup>1</sup>  
(in thousands)

Approach	Man-years	Man-years of service	Enrollees	New enrollees
On-the-job training.....	170	167	342	332
Institutional training.....	275	254	467	433
Rehabilitation.....	511	511	428	424
Postschool work support.....	75	69	114	107
Subtotal, postschool.....	1,031	1,000	1,351	1,295
In-school work support.....	200	200	764	524
<b>Total.....</b>	<b>1,231</b>	<b>1,200</b>	<b>2,115</b>	<b>1,819</b>

<sup>1</sup> Excludes Job Placement Assistance programs in which the enrollment concept does not apply.

*Characteristics.*—The 10.4 million adults who were poor in 1969, of whom about half were in the labor force but earning less than a poverty wage, is a rough representation of the universe of need for manpower programs. The universe actually may be considerably larger, since many persons earn slightly more than the poverty standard and are vulnerable to skill obsolescence and unemployment. However, many poor adults are not good candidates for manpower services because of ill health, old age, or conflicting family responsibilities. For these individuals income maintenance programs are more appropriate.

The focus of most Federal manpower programs on the poverty universe reflects the judgment that persons with severe employment handicaps are least likely to be able to improve their employment experience without assistance. For example, the manpower programs administered by the Department of Labor emphasize services to poor persons who are not suitably employed, and are either (1) school dropouts, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special employment obstacles such as racial discrimination. This focus on the disadvantaged avoids displacement of private training efforts which are generally targeted on different groups.

Table J-7. CHARACTERISTICS OF CIVILIAN LABOR FORCE, ADULT POVERTY POPULATION, AND MANPOWER PROGRAM PARTICIPANTS

Characteristics	Total U.S. work force 1969 (age 16-64) civilian, non-institutional	Poverty population 1969 (age 16-64) civilian, non-institutional	Manpower program participants 1970 estimate (age 14 and above) <sup>1</sup>
Average number (millions) .....	77.5	10.4	1.3
Percent:			
Aged 21 or less .....	14	23	36
Aged 55 or more .....	14	19	6
Male .....	62	39	58
Less than high school education .....	37	66	56
8th grade education or less .....	17	38	13
Poor .....	7	100	73
Public assistance recipients .....	1	26	23
Disabled .....	( <sup>2</sup> )	( <sup>2</sup> )	35
Minority races .....	11	21	40

<sup>1</sup> All entries are estimates. Excludes Job Placement Assistance and In-school programs.

<sup>2</sup> Not available.

Table J-7 indicates that manpower programs are meeting their intended targets: the poor, the less educated, members of minorities, youth, and welfare recipients. Older persons are a small part of the population served since employment is often less appropriate than income support.

The number of individuals served by manpower programs is a growing proportion of the poverty population. In 1970 manpower programs served about 12% of the 10.4 million poor adults. By 1972 it is estimated that a larger percentage of the poor will be served as adult enrollments rise over 33% from 1970.

Table J-8. CHARACTERISTICS OF ENROLLEES BY APPROACH  
IN 1970 (in percent)

Approach	Poor	Less than high school education	Minority races	Aged 21 or less	Male	Public assistance recipients	Disabled
On-the-job training.....	58	48	42	43	82	9	3
Institutional training.....	83	57	52	37	43	45	5
Rehabilitation.....	68	55	22	22	57	11	100
Postschool work support.....	96	82	57	61	53	26	2
Subtotal, postschool..	73	56	40	36	58	23	35
In-school work support.....	99	98	57	100	44	30	0
Total.....	80	68	45	54	57	26	25

As indicated in table J-8 above, the characteristics of enrollees served by different approaches vary considerably. In 1970, OJT enrollees were still among the least disadvantaged because on-the-job training programs tend to enroll those most job-ready. Institutional programs now serve high proportions of welfare clients and educationally disadvantaged primarily due to the growth of the WIN program. Most disabled persons are served by rehabilitation programs targeted to their special needs. The postschool work support programs focus on the most disadvantaged groups and provide a source of short-term employment and income for individuals who have no immediate prospects for regular jobs.

### SERVICES PROVIDED

Each major program approach provides a substantially different mix of services, as shown in table J-9.

Table J-9. DISTRIBUTION OF COSTS BY APPROACH IN 1970  
(in percent)

Service	Approach <sup>1</sup>				
	OJT	Institutional	Work support	Rehabilitation	Job placement assistance
Remedial education.....	1	12	1	1	*
Skill training.....	17	22	*	6	*
Work supervision.....	*	*	11	0	1
Child care.....	*	11	*	0	27
Health.....	*	1	*	18	*
Recruitment, counseling, and placement.....	5	10	5	29	60
Other supportive services <sup>2</sup> .....	33	2	2	25	2
Program administration.....	5	13	11	7	9
Allowances.....	38	29	70	15	*
Total.....	100	100	100	100	100

\*Less than 0.5%.

<sup>1</sup> Excludes Program Direction, Research, and Support. Includes State and local shares.

<sup>2</sup> Includes payments to employers to compensate for lower productivity of trainees and amounts which could not be allocated to other services.

Most OJT programs reimburse employers for the cost of training and other supportive services, although a few programs provide allowances and other services directly to enrollees. The institutional programs focus on remedial education and skill training. Work support programs emphasize payment of wages for work performed, and work supervision. Job placement assistance programs provide counseling, placement, and such services as child care to allow parents to work. Overall, allowances are the largest part of manpower costs, reflecting the need of enrollees for income support while participating in training. This need will be somewhat reduced with the enactment of welfare reform legislation providing basic income support to all needy families with children although incentive allowances will still be provided.

Although a comprehensive array of services is provided by manpower programs in total, the actual services available to each enrollee are often limited to those of the particular program in which he participates. For example, in 1971 over 24% of the child care is provided for WIN enrollees, even though WIN accounts for only 12% of all postschool women enrolled. Consolidation and coordination of programs under manpower reform legislation will better enable enrollees to receive the services which are most appropriate to their needs.

In addition to the great variance in services provided by program and approach, there are significant differences in overall unit costs.

Table J-10. UNIT COSTS BY APPROACH IN 1970<sup>1</sup>

Approach	Man-year unit cost estimate	Average duration of enrollment (years)	Participant unit cost estimate
On-the-job-training.....	\$1,900	0.55	\$1,050
Institutional training.....	2,800	.54	1,500
Rehabilitation.....	1,150	1.17	1,350
Postschool work support.....	3,800	.51	1,950
Subtotal postschool.....	1,850	.78	1,400
In-school work support.....	1,600	.28	450
<b>Total.....</b>	<b>1,800</b>	<b>.58</b>	<b>1,050</b>

<sup>1</sup> Based on man-years of service. Includes State and local share, if any. Excludes child care components. All dollar amounts rounded to nearest 50.

In 1970, unit costs were highest for institutional training programs, reflecting the high cost of skill training combined with maintenance payments. Both man-year and participant costs are lowest for in-school programs, because they are part-time or of short duration. OJT costs are also low because the employers' payment of salary costs obviates the need for allowances in most cases. In all approaches except rehabilitation, the participant unit cost is lower than the man-year cost because the duration of enrollment is less than 1 year.

Within all approaches, unit costs vary widely among individual programs reflecting the intensity of services and the clientele group served. For example, the Work Incentive Program pays lower allowances than most programs because enrollees are already receiving welfare payments. Job Corps has a high unit cost because housing and meals are provided in addition to an intensive training program.

### MANPOWER FUNDS BY AGENCY

The following table shows manpower obligations and outlays by administering agency and program. Two agencies—the Departments of Labor, and Health, Education, and Welfare will account for 86% of all manpower outlays in 1972, about the same as in 1971.

Table J-11. **FEDERAL FUNDS FOR MANPOWER PROGRAMS BY ADMINISTERING AGENCY** (in millions of dollars)

Agency and program	Obligations				Outlays			
	1969 actual	1970 actual	1971 est.	1972 est.	1969 actual	1970 actual	1971 est.	1972 est.
Office of Economic Opportunity:								
OEO Manpower.....	36	32	36	34	34	30	32	33
Job Corps.....	278	-----	-----	-----	259	-----	-----	-----
Subtotal, OEO.....	315	32	36	34	293	30	32	33
Department of Defense:								
Project 100,000.....	10	7	5	5	10	7	5	5
Project Transition.....	14	14	14	13	14	14	14	13
Subtotal, Defense.....	24	21	19	19	24	21	19	19
Department of Health, Education, and Welfare:								
Social services training and child care.....	132	195	269	377	130	193	288	373
Work incentive child care.....	9	15	38	78	3	15	43	69
Vocational rehabilitation.....	386	483	561	599	363	441	533	543
Foster Grandparents.....	9	9	10	8	8	8	9	9
Expired programs.....	6	4	6	-----	30	2	4	4
Subtotal, HEW.....	542	705	884	1,062	534	659	877	999
Department of Housing and Urban Development:								
Community development.....	19	24	29	6	*	6	29	36
Department of the Interior:								
On-the-job training for Indians..	3	3	3	3	2	2	3	3
Institutional training for Indians..	18	29	31	31	18	26	31	31
Indian placement assistance.....	4	6	6	6	4	5	6	6
Subtotal, Interior.....	24	38	39	39	24	33	39	39

\*Less than \$500 thousand.

Table J-11. FEDERAL FUNDS FOR MANPOWER PROGRAMS BY ADMINISTERING AGENCY (in millions of dollars)—Continued

Agency and Program	Obligations				Outlays			
	1969 actual	1970 actual	1971 est.	1972 est.	1969 actual	1970 actual	1971 est.	1972 est.
Department of Justice:								
Training for offenders.....	2	3	4	6	2	3	4	6
Department of Labor:								
Special revenue sharing for man- power training:								
Existing authorities.....	965	1,344	1,496	1,484	837	1,056	1,331	1,375
Additional amounts.....				217				153
Work incentive training.....	100	81	52	189	26	67	97	155
Employment service.....	293	325	344	363	293	325	344	363
Computerized job placement.....	5	12	30	30	5	6	26	28
ES labor market information.....	19	21	23	24	19	21	23	24
BLS labor market information....	9	9	10	11	9	9	10	11
OFCC and age discrimination....	1	1	3	4	1	1	3	4
Program administration and other.....	88	119	148	145	87	108	151	134
Subtotal, Labor.....	1,480	1,911	2,106	2,468	1,276	1,592	1,985	2,247
Veterans Administration:								
On-the-job training for veterans..	53	87	164	198	49	87	164	203
Veterans vocational rehabilitation..	40	53	71	77	40	53	71	77
Veterans assistance centers.....	1	1	2	2	1	1	2	2
Subtotal, VA.....	94	141	237	276	90	141	237	281
Equal Employment Opportunity Commission:								
Equal employment opportunity...	9	13	16	27	9	12	18	25
All Federal agencies—Disadvantaged youth programs.....	61	67	74	74	61	67	74	74
Total.....	2,569	2,956	3,444	4,010	2,313	2,563	3,314	3,758

**SPECIAL ANALYSIS J**  
**FEDERAL MANPOWER PROGRAMS**  
**OVERVIEW**

Federal manpower programs generally serve persons who would otherwise be unable to obtain self-sustaining employment. The programs fill a gap between the educational system which initially prepares persons for their careers, and income security programs which provide income for persons who are unable to work because of age, incapacity, or economic conditions. The expanding capability of manpower programs to reach and serve the disadvantaged makes them an important tool in attacking the Nation's social problems.

Manpower programs also complement national economic policy. Effective job placement and training programs train and place enrollees in skill-shortage occupations. In a tight labor market, such activities reduce inflationary pressures by increasing the productivity of marginal workers and by enabling employers to obtain skilled workers who would otherwise be unavailable. During periods of high unemployment, work and training programs can be used to increase the skills of the work force and serve as a source of income support for unemployed workers.

The first part of this analysis presents the highlights of the 1973 budget for Federal manpower programs and the major legislative proposals which will affect them. Later sections describe the different types of programs, giving details on the numbers of persons served and the types of services provided. The last portion explains the coverage of the analysis and provides a detailed listing of manpower funds by Federal agency.

**1973 BUDGET HIGHLIGHTS**

The 1973 budget provides outlays of \$5.1 billion for manpower programs, an increase of \$849 million or 20% over 1972. Federal outlays for manpower programs have risen over \$4.8 billion since 1963. Outlays for principal Federal manpower programs are displayed in table J-1.

A major new manpower program provides support for public service jobs as a means to reduce unemployment. Under the Emergency Employment Act, a total of \$2.25 billion in budget authority will be made available to State and local governments during 1972 and 1973 to create transitional public employment opportunities. In 1973, outlays for this program are expected to reach \$1.1 billion, an increase of \$440 million over 1972.

Table J-1. 1973 BUDGET HIGHLIGHTS <sup>1</sup> (in millions of dollars)

Program	Outlays			
	1970 actual	1971 actual	1972 estimate	1973 estimate
Manpower revenue sharing programs.....	1,056	1,342	1,454	1,477
Emergency employment assistance.....			653	1,088
Work incentive training.....	82	123	187	262
Veterans programs.....	141	196	254	320
Vocational rehabilitation.....	441	523	551	620
Employment service.....	325	347	374	405
Other.....	474	615	837	969
<b>Total.....</b>	<b>2,519</b>	<b>3,145</b>	<b>4,310</b>	<b>5,141</b>

<sup>1</sup> Due to differences in appropriation patterns, outlay adjustments have been made to show programs in a corresponding manner. For example, WIN and EEA totals are reduced because Federal administrative costs and research funds are included in its budget unlike most manpower programs. Vocational rehabilitation is increased to reflect funds received from social security trust funds.

Manpower training programs authorized under the Manpower Development and Training Act and the Economic Opportunity Act will remain essentially level in 1973. These programs comprise 29% of total Federal expenditures for manpower services. During 1973, the Department of Labor will give States and local governments a greater role in the allocation of funds between the more than a dozen programs supported under these two acts.

Under its veterans readjustment programs, the Federal Government supports the training of veterans for civilian occupations. In 1973, outlays by the Veterans Administration will increase \$66 million for a total of \$320 million to serve an increasing number of returning servicemen.

Substantial improvements will be made in the work incentive (WIN) program in 1973 to better serve the training and employment needs of welfare recipients. These changes include a mandatory work registration requirement for employable welfare recipients, a public service employment component, and reduced requirements for State matching funds. Outlays by the Departments of Labor and Health, Education, and Welfare for this program will increase by \$75 million from 1972 to \$270 million in 1973.

### 1973 LEGISLATIVE PROGRAM

The administration has proposed two legislative measures which will make major changes in the design and effectiveness of manpower programs.

*Manpower revenue sharing* is an essential element in the overall strategy for reform of the Federal grant-in-aid system. The manpower revenue sharing proposal is aimed at improving the effectiveness of many of the present manpower programs by proposing basic changes in the system for delivering services:

- Categorical programs under the Manpower Development and Training Act and the Economic Opportunity Act will be consolidated to give more flexibility in designing and operating programs tailored to meet the needs of individual participants and local labor market conditions.

- Primary responsibility for planning and administering manpower programs will be decentralized to State and local governments. This decentralization will permit local communities to develop comprehensive strategies for meeting manpower needs.
- Eighty-five percent of the funds will be allocated to States and local areas by a formula based on size of labor force and the numbers of unemployed and disadvantaged. The remaining 15% will be used by the Secretary of Labor for research and development, training and technical assistance, and evaluation activities.

Additional funds will be requested in the first year of manpower revenue sharing to reach a total of \$2 billion in budget authority. The proposed effective date for manpower revenue sharing is July 1, 1973.

Another major manpower proposal is an integral part of the administration's *welfare reform* legislation. The bill would establish an opportunities for families program (OFP), a comprehensive program of income support, training, transitional public employment, child care, and support services in the Department of Labor. This new program will replace the present work incentive (WIN) program and will build upon the recently enacted improvements. A total of \$2.2 billion in new budget authority would be provided in the first full year of OFP, exclusive of income support. Major incentives to foster the goal of self-support under welfare reform will be provided by:

- Including coverage of the "working poor," thus encouraging families to stay together rather than to separate.
- Reducing benefits by \$800 if an adult family member refuses work or training.
- Insuring that individuals will always gain financially by going to work.
- Expanding greatly the supply of quality child care services for mothers who are at work or training.
- Adding a new upgrading program to help lift the "working poor" out of poverty.
- Replacing the joint administration in the present WIN program at the Federal, State, and local level with a single system of accountable program managers.
- Permitting the purchase of child care and supportive services from any qualified deliverer instead of the current mandatory use of State or local welfare agencies regardless of performance.

The administration has also proposed major legislation to strengthen the process for eliminating barriers to equal employment for minority groups. Under this legislation the Equal Employment Opportunity Commission could file civil suits in the U.S. district courts when it is unable to obtain voluntary compliance with title VII of the Civil Rights Act of 1964.

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### MAJOR MANPOWER PROGRAMS

This section of the analysis summarizes the different manpower programs by type of program—either skill training; work support; labor market services; or program direction, research, and support.

***Skill training programs.***—In addition to skill training, these programs generally offer remedial education, counseling, and other supportive services. Most of the current programs concentrate on one of the following approaches to training:

- Institutional training programs provide vocational skill instruction in a classroom setting away from the jobsite. Enrollees receive monetary allowances while in training.
- On-the-job training programs target on existing job vacancies, usually by reimbursing employers for the added costs of hiring and training unskilled workers. This reimbursement may include a payment for the employee's lower initial productivity.
- Rehabilitation programs focus on the training of physically or mentally disabled persons. They are separately classified since health services account for 18% of total costs in these programs, significantly higher than in other manpower programs.

Use of these different approaches to training often reflects employer preferences or traditional methods of entry into a particular occupation or industry. For example, production line workers such as assemblers in the automobile industry are generally trained on the job. On the other hand, most secretaries learn their basic job skills in the classroom.

Individual trainee needs are also an important factor in the selection of the service approach. In on-the-job training programs the trainee is hired for a specific job, and then trained. This guarantee of employment may be an essential start to successful training of many of the hard-core unemployed. However, institutional training can provide a broader training base not limited to one particular job, giving the trainee more job mobility and security.

In recent years, two comprehensive programs—the work incentive program (WIN) and the concentrated employment program (CEP)—have been initiated to provide a complete range of training services. WIN serves recipients of public assistance, and CEP serves disadvantaged persons in limited geographical areas of high unemployment. Both provide institutional and on-the-job training as well as work support programs. Thus, they are valuable models for the operation of comprehensive community manpower programs under manpower revenue sharing.

Table J-2. **SKILL TRAINING PROGRAMS**  
(outlays in millions of dollars, individuals in thousands)

	Outlays				New enrollees <sup>1</sup>			
	1970 actual	1971 actual	1972 est.	1973 est.	1970 actual	1971 actual	1972 est.	1973 est.
Job opportunities in the business sector .....	136	177	194	176	177	184	136	131
Public service careers .....	18	39	79	46	4	19	30	25
Manpower development and training institutional training .....	260	338	353	358	130	164	166	166
Job Corps .....	144	174	185	190	43	50	53	55
CEP training .....	94	99	94	88	75	55	49	49
WIN training .....	66	91	126	161	87	84	94	106
On-the-job training for veterans .....	87	117	161	209	70	72	68	68
Veterans vocational rehabilitation .....	53	77	91	108	13	14	15	15
Vocational rehabilitation .....	441	523	551	620	411	468	517	558
Social services training .....	50	42	55	57	147	154	162	170
Other programs .....	38	52	72	94	45	63	78	75
<b>Total .....</b>	<b>1,388</b>	<b>1,730</b>	<b>1,960</b>	<b>2,107</b>	<b>1,202</b>	<b>1,327</b>	<b>1,368</b>	<b>1,418</b>

<sup>1</sup> Estimated new enrollees during a year, less overlap due to persons served more than once.

Table J-2 presents the outlays and numbers of individuals served by various Federal training programs. The remainder of this section includes a brief description of these programs as they currently exist. However, under manpower revenue sharing it is expected that States and localities will develop new programs and adapt old ones to meet their specific needs.

*Institutional training.*—The largest institutional training program, serving 166,000 persons in 1973, is operated jointly by the Departments of Labor and Health, Education, and Welfare under the authority of the Manpower Development and Training Act (MDTA). The MDTA institutional program provides training through skill centers—which provide a range of training and services—special training courses, and individual referral to public and private training.

In 1969, the Job Corps was reorganized and redirected to emphasize smaller centers in major cities. This change will help to personalize the centers and relate their activities to the needs of local labor markets. Eleven of these new centers were opened during 1971. Early retention rates for these first centers appear to be quite favorable. New enrollments in the Job Corps during 1973 will total 55,000 persons, a 28% increase over the 1970 level.

Institutional training is the largest component of the work incentive (WIN) program and the concentrated employment program (CEP). Outlays for these two components will rise from \$160 million in 1970 to \$249 million in 1973. Generally, WIN and CEP purchase training services from other community-based sources and, in this way, help to strengthen the capability of communities to undertake the program envisioned by the manpower revenue sharing proposal.

Other major institutional training programs are included in the model cities and community action programs, which are proposed for consolidation into the broad revenue sharing grant for urban community development. Special training programs for Indians, criminal offenders, and welfare recipients are operated by the Departments of the Interior, Justice, and Health, Education, and Welfare, respectively.

*On-the-job training (OJT).*—Outlays for on-the-job training have grown less rapidly during the past several years, primarily due to the ready availability of skilled workers. The job opportunities in the business sector (JOBS) program is the largest OJT program. This program, operated in conjunction with the National Alliance of Businessmen, provides job opportunities in private industry and supportive services such as minor medical services and remedial education.

A recently redesigned JOBS optional component is utilized in cases where the full-range of supportive services is not required. JOBS optional, administered by State agencies, is proving to be very popular, and outlays will increase to \$60 million in 1973 as additional opportunities are provided.

Veterans OJT is provided by the Veterans Administration to former servicemen pursuing an approved course of full-time apprenticeship or other on-the-job training. The program is growing substantially to serve the rising number of eligible veterans.

Using the "hire first, then train" principle, the public service careers (PSC) program brings disadvantaged persons into regular positions in Federal, State, and local government. PSC training funds can be linked with wages provided under the emergency employment assistance program to provide a total manpower package for State and local governmental agencies.

*Rehabilitation.*—Both the Federal-State vocational rehabilitation program administered by the Department of Health, Education, and Welfare, and the vocational rehabilitation program for disabled veterans administered by the Veterans Administration focus on the rehabilitation of physically or mentally handicapped persons. These programs are not included in the manpower revenue sharing legislation.

Outlays for the Federal-State vocational rehabilitation (VR) program, currently the largest single manpower program, have increased by 40% since 1970. Under the VR program, clients are prepared for competitive employment, homemaking, or sheltered employment. State rehabilitation agencies determine client needs and purchase services on a case-by-case basis. It is estimated that 326,000 individuals will be rehabilitated under this program in 1973. Heavy emphasis will be given to assisting public assistance recipients, criminal offenders, narcotic addicts, and alcoholics. A special 2-year effort will be initiated to serve all trainable public assistance recipients by 1974.

The veterans vocational rehabilitation program provides similar services to persons with a service-connected disability. In addition to counseling and training, veterans receive subsistence allowances, disability compensation, tuition, books, and fees.

*Work support.*—These programs provide transitional employment opportunities and necessary remedial services for individuals who are temporarily unable to find regular employment. In past years, they have focused principally on individuals who were handicapped in obtaining a job by their youth or old age. During 1972 and 1973, with the implementation of the 2-year Emergency Employment Act, Federal outlays for work support programs have significantly expanded. Total outlays for work support programs will rise from 19% of the manpower total in 1970 to 36% in 1973.

Table J-3. WORK SUPPORT PROGRAMS  
(outlays in millions of dollars, individuals in thousands)

Program	Outlays				New enrollees			
	1970 actual	1971 actual	1972 est.	1973 est.	1970 actual	1971 actual	1972 est.	1973 est.
Emergency employment assistance.....	-----	-----	653	1,088	-----	-----	160	92
Neighborhood Youth Corps in-school and summer.....	194	269	272	357	436	562	583	567
Neighborhood Youth Corps out-of- school.....	98	95	112	110	48	53	49	49
Operation mainstream.....	42	69	78	80	12	22	22	22
CEP work support.....	70	59	56	52	37	22	20	20
Other.....	80	124	150	159	96	130	116	125
<b>Total.....</b>	<b>483</b>	<b>616</b>	<b>1,322</b>	<b>1,846</b>	<b>630</b>	<b>790</b>	<b>950</b>	<b>874</b>

The emergency employment assistance program will provide \$2.25 billion in new funds during 1972 and 1973 to State and local governments for the creation of transitional public employment opportunities. The act provides funds for public employment opportunities when the national unemployment rate exceeds 4.5%, or in local areas where the rate exceeds 6.0%. Funds are allocated to States and local governments under a formula that gives equal weight to the number of unemployed and the severity of unemployment.

Under this new program, State and local governments select the highest priority employment needs and hire unemployed persons from all segments of the community with the eventual goal of permanent, unsubsidized employment. In the first months of the program, over 30% of the persons employed were veterans, and about 35% were disadvantaged. A wide variety of job opportunities were made available, with 23% of the initial jobs in public works and transportation, 18% in education, and 12% in law enforcement.

Through its in-school and summer projects, the neighborhood youth corps (NYC) provides part time and summer employment for needy high school students. During the summer of 1971, about 600,000 students participated in the NYC summer program, considerably more than in any previous year. This single program enrolled nearly one-third of the Nation's disadvantaged high school students. Outlays for NYC in-school will also be increased during 1972 and 1973.

NYC out-of-school now includes two different kinds of projects. The first is for youth 16 through 21, and emphasizes work experience and general employability training. The second and newer type, primarily for 16 and 17 year olds, includes education and skill training activities.

Operation mainstream was significantly expanded during 1971, and again in 1972 to provide additional job opportunities for older workers. During 1973, 22,000 chronically unemployed adults and disadvantaged senior citizens will enter this program, a 83% increase over the 1970 level. Special projects for older persons have been doubled to enable more of the aged to engage in useful community work.

Beginning in 1973, the WIN program will include a significant amount of work support when the existing special work projects authority is replaced by a less complicated public employment component. In addition, CEP provides substantial amounts of work support as a part of its comprehensive array of services.

**Labor market services.**—These programs promote a smoothly operating labor market by matching job vacancies with qualified workers, by overcoming barriers created by job discrimination, and by providing needed child care services to permit parents to engage in training or employment. They develop and disseminate information on employer and employee needs, and counsel and test jobseekers. Other services include outreach to unemployed people, and job development and job restructuring efforts with employers.

Table J-4. LABOR MARKET SERVICES PROGRAMS  
(in million of dollars)

Program	Outlays			
	1970 actual	1971 actual	1972 estimate	1973 estimate
Employment service.....	325	347	374	405
Computerized job placement.....	6	23	27	31
Project transition.....	14	15	16	27
Other.....	27	31	47	48
Subtotal, placement services.....	372	416	464	511
Equal employment opportunity activities.....	19	34	49	65
<b>Total.....</b>	<b>391</b>	<b>449</b>	<b>513</b>	<b>576</b>

**Job placement assistance.**—The Federal-State Employment Service (ES), with its network of 2,300 local offices and more than 30,000 employees, will provide services for about 10.4 million persons in 1973. While placement services are provided for the general labor force, special efforts are given to placement of the disadvantaged, including graduates of manpower programs.

Computerized job banks were installed in nearly 100 major labor markets by 1971 to assist in job placement efforts. The job banks provide comprehensive listings, updated daily, of available jobs. During 1971 and 1972 most of the job banks will be expanded into statewide systems. Job banks have also been used to assist unemployed scientists, engineers, and technicians through the technology mobilization and reemployment program and returning veterans enrolled in Project Transition.

As a part of the administration's six-point program to place unemployed veterans in jobs or training, Federal contractors must list their job openings with the Employment Service. In 1973 this requirement is expected to increase the number of employment opportunities listed by 20%.

During 1972 and 1973, Employment Service agencies will expand their services to food stamp recipients through the registration requirement recently enacted by the Congress. Like other job applicants, they will be referred to appropriate job openings or training programs. It is estimated that nearly 1.5 million persons will be registered annually.

Project Transition provides counseling, testing, and job placement assistance to servicemen prior to discharge. Limited skill training is provided by the Department of Labor. The Defense Department will spend about \$27 million on this program in 1973, twice the amount allocated in 1970.

*Equal employment opportunities.*—These programs attempt to reduce barriers to the employment of minorities, women, and older workers. By opening up needed job opportunities, they are critical to the success of other manpower programs.

The Equal Employment Opportunity Commission (EEOC) identifies and eliminates discriminatory employment practices through voluntary conciliation and referral of cases to the Department of Justice when a pattern or practice of discrimination appears to exist. Major expansion of the EEOC has been effected with outlays rising to \$30 million in 1973, a 150% increase over 1970. In 1973, the EEOC expects to increase the size of field office staff and double its payments to State and local equal employment opportunity agencies from \$1.5 million to \$3.0 million.

The Office of Federal Contract Compliance (OFCC) in the Department of Labor, in cooperation with the 15 major Federal contracting agencies, insures that affirmative action plans are undertaken by Federal contractors to provide equal employment opportunities for minorities and women. The Labor Department's Bureau of Apprenticeship and Training promotes affirmative action in apprenticeship programs. Contractors practicing affirmative action have initiated or expanded active recruiting of minority applicants, revised tests to make them more directly job related, provided transportation from areas of minority housing, and started or expanded training programs to prepare unskilled workers for skilled jobs.

To increase minority employment in the construction trades, the OFCC devised the "Philadelphia plan" and voluntary "hometown" programs which set employment goals for Federal construction contractors. Labor Department training funds have been utilized to foster the success of these efforts in 14 out of the 25 "hometown" and imposed citywide construction plans. In the 25 cities, goals have been established which would result in the employment of 28,000 additional minorities in construction trades.

**Table J-5. FEDERAL SUPPORT FOR DAY CARE**  
(outlays in millions of dollars, children supported in thousands)

Program	Outlays			Children supported		
	1971 actual	1972 estimate	1973 estimate	1971 actual	1972 estimate	1973 estimate
<b>Aid to Families with Dependent Children (AFDC):</b>						
WIN program.....	26	47	82	98	138	170
Social services.....	91	184	226	90	191	226
Income disregard.....	68	80	85	342	385	392
Model cities.....	9	14	17	21	26	26
<b>Subtotal, employment related day care.....</b>	<b>194</b>	<b>325</b>	<b>410</b>	<b>551</b>	<b>740</b>	<b>814</b>
Head Start, full day.....	99	105	105	78	81	82
AFDC nonemployment related day care.....	39	79	97	39	82	97
<b>Total.....</b>	<b>332</b>	<b>509</b>	<b>612</b>	<b>668</b>	<b>903</b>	<b>993</b>

*Child care services.*—Expanded day care services are being provided to permit parents to participate in employment or training activities and to assist low income families in caring for their children. Day care expenditures in 1973 will total \$410 million, a 26% increase over 1972. Additional funds to expand and improve day care programs are contained in the welfare reform proposal. In 1973, funds are included for initial resource development activities under welfare reform.

Employment-related day care is provided through three programs—the WIN and social services programs for recipients of aid to families with dependent children (AFDC), and the model cities program. The AFDC social services program, along with Head Start, also provides day care as a support service to low income families and is discussed in Special Analysis I, “Federal Education Programs.”

Additional support for day care will be provided to middle income families beginning in January 1972 as a result of greatly increased tax deduction provisions contained in the Revenue Act of 1971. Preliminary estimates indicate that revenue loss for child care deductions may exceed \$300 million in the first year.

*Manpower research, development, and evaluation.*—Under the proposed manpower legislation, Federal efforts will be strengthened to provide information and technical assistance to States and local communities on methods to improve program performance. One important device for obtaining such information is research and development (R. & D.) and evaluation activities.

Table J-6 summarizes Federal resources for manpower R. & D. and evaluation efforts, primarily funded by the Department of Labor and the Office of Economic Opportunity. In addition, other agencies carry out R. & D. activities affecting manpower, especially the Departments of Defense, and Health, Education, and Welfare, and the Veterans Administration.

Table J-6. PROGRAM DIRECTION, RESEARCH, AND SUPPORT  
(in millions of dollars)

Program	Outlays			
	1970 actual	1971 actual	1972 estimate	1973 estimate
Research and development.....	26	24	30	29
Evaluation.....	2	3	3	3
Subtotal.....	28	27	33	32
Program direction.....	73	84	98	106
Labor market information.....	32	30	34	38
Planning and technical assistance.....	11	14	23	26
Subtotal.....	116	128	155	170
<b>Total.....</b>	<b>143</b>	<b>155</b>	<b>188</b>	<b>202</b>

*Research and development* programs seek to understand and affect the operation of labor market mechanisms. Research is conducted in a nonoperating environment while developmental activities (often termed experiments or demonstrations) seek to develop or demonstrate new service techniques in an operational setting.

The Department of Labor has initiated two major demonstration projects in 25 areas which involve the creation of large numbers of transitional public employment opportunities. In one, public employment will be expanded to absorb at least 10% of the unemployed in order to assess its economic impact. In the other, about 10,000 public jobs will be created for welfare recipients to test the potential of a public employment program for moving welfare clients into jobs and reducing welfare costs.

Experimentation will continue to develop improved methods for service to clients by the Federal-State Employment Service. These efforts include further refinement of the three-track comprehensive manpower service model—self-service, job development and assistance, and intensive services to the disadvantaged—and Operation Hitchhike which “piggybacks” manpower services onto existing rural institutions such as the Agricultural Extension Service.

*Evaluation* activities seek to determine which programs work, to what extent, and under what conditions. Evaluation efforts generally focus on recently initiated programs or major program changes. A major longitudinal evaluation of four manpower programs is nearing completion. It examines the effects of the Job Corps, JOBS, MDTA institutional and NYC out-of-school programs on employment and earnings of participants and compares them with similar groups of nonparticipants. A similar study is being conducted on the WIN program. The impact of job banks on ES operations and their effect on service to clients will be examined during 1972.

***Program direction and support.***—The effectiveness of individual programs depends both on national program administration and on the delivery of services at the local level. As a part of the overall administration effort to decentralize the management of Federal programs, several steps have been taken during recent years. Greater authority was delegated to the regional manpower administrators, uniform regional boundaries were established to improve interdepartmental coordination of social programs, and regional offices were reorganized from a categorical program basis to a geographic area basis to provide closer contacts with individual States and communities.

At the State and local level the interagency cooperative area manpower planning system (CAMPS) has been strongly emphasized as a vehicle for coordination of planning efforts by various manpower agencies. In addition, staffing grants were awarded to mayors and Governors to enable them to develop their own manpower planning capability.

Major steps are now underway to build upon this framework for manpower revenue sharing. CAMPS committees have been restructured as advisory councils, appointed by State and local elected officials and responsible to them. The councils will advise the Governors and mayors on manpower needs and programs and assist in the

development of comprehensive manpower plans for their areas. Every effort will be made to fund manpower projects in each area in accordance with the Governors and mayors recommendations. Outlays for CAMPS councils are being significantly increased in 1973 to support about 1,000 positions, compared to 650 in 1971.

As a prelude to manpower revenue sharing, several pilot comprehensive manpower programs will be undertaken in 1973. In this limited demonstration effort, State and local government prime sponsors will be selected to plan, develop, administer, and evaluate manpower programs in their areas. This program will provide greater experience in decentralized management of a comprehensive manpower program.

#### PERSONS SERVED

*Enrollment and training levels.*—Man-years of training and new enrollments are the output measures used in this analysis. Man-years is the average enrollment during the year and new enrollments are the number of different people served during each fiscal year. In a few programs, e.g., NYC in-school and summer, a significant number of people enroll in more than one program within a single year, or in the same program several years in succession. In these cases, this analysis uses a net figure which deducts the overlap. In some programs there are periods when no significant amounts of services are provided, e.g., persons awaiting services in the concentrated employment program. The analysis uses a man-years of service estimate to exclude such periods. Table J-7 shows the various measures by service approach.

Table J-7. TOTAL ENROLLMENT AND TRAINING LEVELS IN 1971<sup>1</sup>  
(in thousands)

Approach	Man-years	Man-years of service	Enrollees	New enrollees
On-the-job training.....	193	192	308	290
Institutional training.....	310	295	579	555
Rehabilitation.....	590	590	488	482
Postschool work support.....	88	85	154	144
Subtotal, postschool.....	1,181	1,162	1,530	1,470
In-school work support.....	225	225	770	646
<b>Total.....</b>	<b>1,407</b>	<b>1,387</b>	<b>2,300</b>	<b>2,116</b>

<sup>1</sup> Excludes job placement assistance programs in which the enrollment concept does not apply.

*Characteristics.*—The 11.1 million adults who were poor in 1970, of whom about half were in the labor force but earning less than the low-income standard, is a rough representation of the universe of need for manpower programs. The universe actually may be considerably larger, since many persons earn slightly more than the low-income level and are vulnerable to skill obsolescence and unemployment. However, many poor adults are not good candidates for manpower services because of ill health, old age, or conflicting family responsibilities. For these individuals income maintenance programs are more appropriate.

The focus of most Federal manpower programs on the low income universe reflects the judgment that persons with severe employment handicaps are least likely to be able to improve their employment experience without assistance. For example, the manpower programs administered by the Department of Labor emphasize services to poor persons who are not suitably employed, and are either (1) school drop-outs, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special employment obstacles such as racial discrimination. This focus on the disadvantaged avoids displacement of private training efforts which are generally targeted on different groups.

Table J-8 indicates that manpower programs are meeting their intended targets: the poor, the less educated, members of minorities, youth, and welfare recipients. Older persons are a small part of the population served since employment is often less appropriate than income support.

Table J-8. CHARACTERISTICS OF CIVILIAN LABOR FORCE, ADULT LOW INCOME POPULATION, AND MANPOWER PROGRAM PARTICIPANTS

Characteristics	Total U.S. work force 1970 (age 16-64) civilian, non-institutional	Low income population 1970 (age 16-64) civilian, non-institutional	Manpower program participants 1971 estimate (age 14 and above) <sup>1</sup>
Average number (millions).....	79.5	11.1	1.8
Percent:			
Aged 21 or less.....	14	23	36
Aged 45 or more.....	28	34	13
Male.....	62	39	54
Less than high school education.....	34	68	57
8th grade education or less.....	15	40	20
Poor.....	7	100	76
Public assistance recipients.....	1	35	30
Disabled.....	(2)	(2)	36
Minority races.....	11	30	39

<sup>1</sup> All entries are estimates. Excludes job placement assistance and in-school programs.

<sup>2</sup> Not available.

The number of individuals served by manpower programs is a growing proportion of the poverty population. In 1971 manpower programs served about 13% of the 11.1 million poor adults compared to 8% in 1969.

As indicated in table J-9 below, the characteristics of enrollees served by different approaches vary considerably. In 1971, OJT enrollees were still among the least disadvantaged because on-the-job training programs tend to enroll those most job-ready. Institutional programs now serve high proportions of welfare clients and educationally disadvantaged primarily due to the growth of the WIN program. Most disabled persons are served by rehabilitation programs targeted to their special needs. The postschool work support programs tended to focus on the most disadvantaged groups and provide a source of short-term employment and income for individuals who have no immediate prospects for regular jobs. With the implementation of the large-scale emergency employment assistance program in 1972, the characteristics of enrollees in work support programs should more closely resemble those in manpower programs generally.

**Table J-9. CHARACTERISTICS OF ENROLLEES BY APPROACH IN 1971**  
(in percent)

Approach	Poor	Less than high school education	Minority races	Aged 21 or less	Male	Public assistance recipients	Disabled
On-the-job training .....	61	46	40	31	76	10	4
Institutional training.....	86	46	51	38	39	53	5
Rehabilitation.....	67	52	21	30	56	13	100
Postschool work support.....	98	78	52	55	59	35	7
Subtotal, postschool.....	76	57	39	36	54	30	36
In-school work support.....	100	98	57	100	53	32	0
<b>Total.....</b>	<b>84</b>	<b>71</b>	<b>45</b>	<b>57</b>	<b>54</b>	<b>31</b>	<b>24</b>

### SERVICES PROVIDED

Each major program approach provides a substantially different mix of services, as shown in table J-10.

**Table J-10. DISTRIBUTION OF COSTS BY APPROACH IN 1971 (in percent)**

Service	Approach <sup>1</sup>				
	OJT	Institutional	Work support	Rehabilitation	Job placement assistance
Remedial education.....	1	14	3	1	*
Skill training.....	15	30	2	6	*
Work supervision.....	*	*	9	0	1
Health .....	*	1	*	18	*
Recruitment, counseling, and placement.....	3	7	5	28	82
Other supportive services <sup>2</sup> .....	38	2	2	25	2
Program administration .....	5	10	11	7	15
Allowances.....	38	36	68	15	*
<b>Total.....</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

\*Less than 0.5%.

<sup>1</sup> Excludes program direction, research, and support. Includes State and local shares.

<sup>2</sup> Includes payments to employers to compensate for lower productivity of trainees and amounts which could not be allocated to other services.

Most OJT programs reimburse employers for the cost of training and other supportive services, although a few programs provide allowances and other services directly to enrollees. The institutional programs focus on remedial education and skill training. Work support programs emphasize payment of wages for work performed, and work supervision. Job placement assistance programs provide counseling, placement, and such services as child care to allow parents to work. Overall, allowances and wages are the largest part of manpower costs, reflecting the need of enrollees for income support while participating in training. This need will be somewhat reduced with the enactment of welfare reform legislation providing basic income support to all needy families with children, although incentive allowances will still be provided.

While a comprehensive array of services is provided by manpower programs in total, the actual services available to each enrollee are often limited to those of the particular program in which he participates. Consolidation and coordination of programs under the manpower revenue sharing proposal will better enable enrollees to receive the services which are most appropriate to their needs.

Table J-11. UNIT COSTS BY APPROACH IN 1971<sup>1</sup>

Approach	Man-year unit cost estimate	Average duration of enrollment (years)	Participant unit cost estimate
On-the-job training.....	\$2,000	0.48	\$1,000
Institutional training.....	2,600	.34	900
Rehabilitation.....	1,150	1.26	1,450
Postschool work support.....	3,600	.49	1,750
Subtotal, postschool.....	1,850	.54	1,000
In-school work support.....	1,600	.26	400
<b>Total.....</b>	<b>1,800</b>	<b>.45</b>	<b>800</b>

<sup>1</sup> Based on man-years of service. Includes State and local share, if any. Excludes child care components. All dollar amounts rounded to nearest 50.

In addition to the great variance in services provided by program and approach, there are significant differences in overall unit costs. Table J-11 shows that in 1971, unit costs were highest for postschool work support programs, reflecting the high cost of wages paid. Both man-year and participant costs are lowest for in-school programs, because they are part-time or of short duration. OJT costs are somewhat reduced because the employers' payment of salary costs obviates the need for allowances in most cases. In all approaches except rehabilitation, the participant unit cost is lower than the man-year cost because the duration of enrollment is less than 1 year.

Within all approaches, unit costs vary widely among individual programs reflecting the intensity of services and the clientele group served. For example, the work incentive program pays lower allowances than most programs because enrollees are already receiving welfare payments. Job Corps has a high unit cost because housing and meals are provided in addition to an intensive training program.

#### COVERAGE OF THIS ANALYSIS

Manpower programs, as that term is used in this analysis, are Federal programs intended to influence directly the quality and composition of the work force by increasing the skills and employment opportunities of individuals in the work force, or those who desire to be in it but who are vocationally unprepared or face other barriers to employment. Programs serving this objective provide skill training, transitional employment experience, job placement assistance, and related child care, social and health services. Manpower programs generally: (1) operate outside the normal educational processes, (2) give services for periods of less than 1 year, (3) provide skill training and job opportunities for nonprofessional jobs, and (4) target on the disadvantaged sector of the population.

The analysis covers all programs classified as Manpower Training and Employment Services in the functional classification of the budget, and programs which are directed toward similar objectives but are included under other functional classifications such as Income Security, National Defense, Community Development and Housing, and Veterans Benefits and Services. (See Part 4 of the Budget of the United States, 1973.) It excludes all professional training, and programs which are part of the normal educational process, such as vocational education. These programs are included in Special Analysis I, "Federal Education Programs."

### MANPOWER FUNDS BY AGENCY

The following table shows manpower obligations and outlays by administering agency and program. Two agencies—the Departments of Labor, and Health, Education, and Welfare will account for 87% of all manpower outlays in 1973, about the same as in past years.

Table J-12. FEDERAL FUNDS FOR MANPOWER PROGRAMS BY ADMINISTERING AGENCY (in millions of dollars)

Agency and program	Obligations				Outlays			
	1970 actual	1971 actual	1972 est.	1973 est.	1970 actual	1971 actual	1972 est.	1973 est.
Office of Economic Opportunity:								
OEO manpower.....	32	35	33	39	30	33	35	37
Department of Defense:								
Project Transition.....	14	15	16	27	14	15	16	27
Department of Health, Education, and Welfare:								
Social services training.....	51	45	57	60	50	42	55	57
WIN and social services day care.....	112	185	338	396	112	185	311	393
Vocational rehabilitation.....	482	558	649	711	441	523	551	620
Upward mobility.....			6	20			6	20
Foster grandparents.....	8	10			8	9		
Vocational work study.....	4	6	6	6	2	4	5	5
Subtotal, HEW.....	657	803	1,056	1,193	613	763	928	1,095
Department of Housing and Urban Development:								
Model cities manpower.....	24	39	45	45	6	24	33	41
Model cities child care.....	9	15	19	19	2	9	14	17
Community development training.....		1	2	2		1	2	2
Subtotal, HUD.....	33	55	65	65	8	34	49	60
Department of the Interior:								
On-the-job training for Indians.....	3	3	3	3	2	1	3	3
Institutional training for Indians.....	29	29	31	32	26	26	31	32
Indian placement assistance.....	5	6	6	6	5	5	6	6
Subtotal, the Interior.....	38	37	40	41	33	33	40	41
Department of Justice:								
Training of offenders.....	3	4	5	5	3	4	5	5

Table J-12. FEDERAL FUNDS FOR MANPOWER PROGRAMS BY ADMINISTERING AGENCY (in millions of dollars)—Continued

Agency and program	Obligations				Outlays			
	1970 actual	1971 actual	1972 est.	1973 est.	1970 actual	1971 actual	1972 est.	1973 est.
<b>Department of Labor:</b>								
Manpower revenue sharing.....	1,344	1,535	1,598	1,538	1,056	1,342	1,454	1,477
Emergency employment assistance.....			991	1,238			653	1,088
Work incentive training.....	80	64	177	112	67	97	140	180
Employment service.....	325	349	374	405	325	347	374	405
Computerized job placement.....	12	23	36	40	6	23	27	31
ES labor market information.....	27	24	28	27	23	20	22	24
BLS labor market information.....	9	10	11	14	9	10	11	14
OFCC and age discrimination.....	1	3	4	4	1	3	4	4
Program administration and other.....	113	132	178	180	105	121	163	172
Subtotal, Labor.....	1,911	2,140	3,397	3,558	1,592	1,963	2,848	3,394
<b>Veterans Administration:</b>								
On-the-job training for veterans..	87	117	161	209	87	117	161	209
Veterans vocational rehabilitation..	53	77	91	108	53	77	91	108
Veterans assistance centers.....	1	1	2	2	1	1	2	2
Subtotal, VA.....	141	196	254	320	141	196	254	320
<b>Action:</b>								
Foster Grandparents.....			22	20			12	23
<b>Equal Employment Opportunity Commission:</b>								
Equal employment opportunity..	13	16	23	31	12	16	22	30
<b>All Federal agencies:</b>								
Disadvantaged youth programs..	67	74	78	78	67	74	78	78
Federal contract compliance.....	7	15	24	32	6	15	23	31
Total.....	2,916	3,390	5,013	5,409	2,519	3,145	4,310	5,141

SPECIAL ANALYSIS I  
**FEDERAL MANPOWER PROGRAMS**  
 COVERAGE OF THIS ANALYSIS

“Manpower programs,” as that term is used in this analysis, are Federal programs intended to influence the quality and composition of the work force by increasing the skills and employment opportunities of individuals in the work force, or those who desire to be in it but who are vocationally unprepared or face other barriers to employment. Programs serving this objective provide skill training, transitional employment experience, job placement assistance, related child care, and social and health services. Manpower programs generally: (1) Operate outside the normal educational processes, (2) give services for periods of less than 1 year, (3) provide skill training and job opportunities for nonprofessional jobs, and (4) target on the disadvantaged sector of the population.

The analysis covers all programs classified as manpower training and employment services in the functional classification of the budget, and programs which are directed toward similar objectives but are included under other functional classifications such as income security, national defense, community development and housing, and veterans benefits and services. (See Part 4 of the Budget of the United States, 1974.) It excludes all professional training, and programs which are part of the normal educational process, such as vocational education. These programs are included in Special Analysis H, Federal education programs.

**1974 BUDGET HIGHLIGHTS**

In 1974, outlays for manpower programs will amount to \$4.8 billion, and account for approximately 1.9% of all Federal Government outlays. The decline of 10% from the 1973 total of \$5.3 billion is mainly due to the phaseout of the Emergency Employment Assistance (EEA) program, which has created transitional employment opportunities in 17,500 State and local governmental agencies. Since the program began, the number of private sector jobs has increased substantially, unemployment has declined, and the financial ability of State and local governments to meet the demand for public services has improved.

The primary emphasis in 1974 will be assisting State and local governments through manpower revenue sharing to influence the specific local labor market conditions existing within their jurisdictions. Federally directed manpower programs will concentrate on a limited set of high priority national objectives including veterans training and reemployment, employment of welfare recipients, and rehabilitation of physically and mentally disabled persons.

Table I-1. 1974 BUDGET HIGHLIGHTS<sup>1</sup> (in millions of dollars)

Program	Outlays				
	1970 actual	1971 actual	1972 actual	1973 est.	1974 est.
Manpower revenue sharing programs.....	1,056	1,356	1,638	1,382	1,164
Emergency employment assistance.....			559	1,088	574
Work incentive training.....	82	94	131	316	404
Veterans' programs.....	141	196	211	282	324
Employment service.....	325	347	338	388	401
Vocational rehabilitation.....	441	524	599	651	707
Social service training.....	50	73	93	113	120
Other training and placement programs...	172	250	301	354	339
Employment-related child care.....	158	186	320	517	582
Federal program direction, research and support.....	143	146	184	205	192
<b>Total.....</b>	<b>2,568</b>	<b>3,173</b>	<b>4,374</b>	<b>5,296</b>	<b>4,807</b>

<sup>1</sup> Due to differences in appropriation patterns, outlay adjustments have been made to show programs consistently. For example, WIN and EEA have been adjusted downward because Federal administrative costs and research funds are included in their budgets, unlike most manpower programs. Vocational rehabilitation is higher to reflect funds received from social security trust funds.

### MAJOR PROGRAM CHANGES

Regarding manpower programs administered by the Department of Labor under the Economic Opportunity Act (EOA) and Manpower Development and Training Act (MDTA), efforts have been made in recent years to decentralize operational control, eliminate categorical program guidelines which prescribe mixes of services, and strengthen the capacity of State and local elected officials to plan comprehensive programs relevant to local labor market needs.

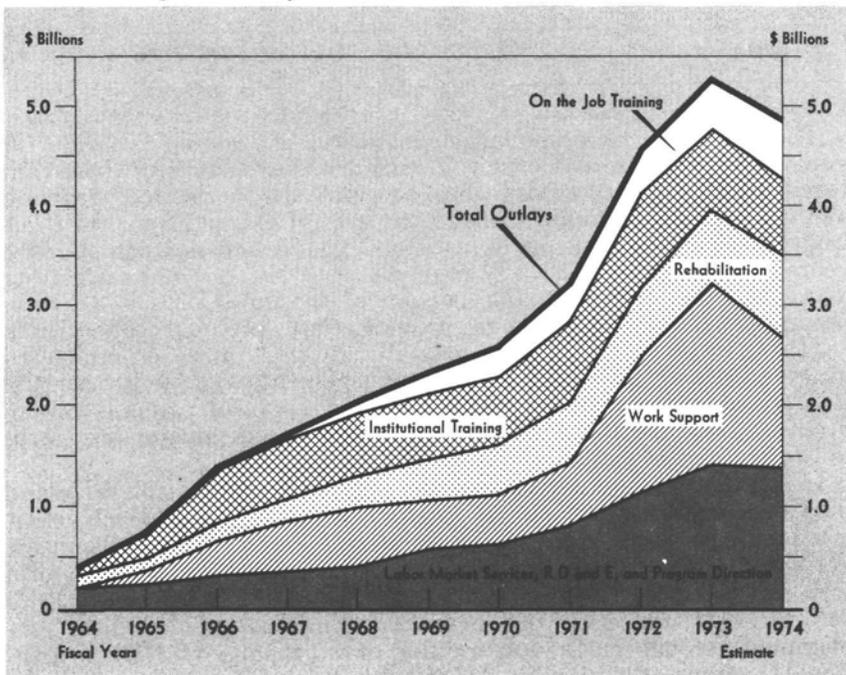
Beginning in 1974 and continuing into 1975, administrative requirements governing most manpower programs administered by the Department of Labor will be replaced by manpower revenue sharing under a renewal of existing law. At present, the Federal Government selects local sponsors to operate categorical manpower programs including MDTA Institutional Training, Operation Mainstream and the Neighborhood Youth Corps (NYC). Manpower revenue sharing will enable States and localities to group program services according to local needs and choose the organizations which will operate local projects. The transition will build on the Cooperative Area Manpower Planning System (CAMPS) committees, discussed in the section on "Program Direction and Support." The CAMPS committees will assist elected officials to identify community needs, determine new mixes of manpower services, and allocate available program resources. In 1974, approximately 75% of the manpower program funds available under the MDTA and EOA will be made available to the States and localities with the remaining 25% retained at the Federal level for programs requiring national supervision, and for research, demonstration, evaluation, labor market information, and technical assistance to support the decentralized program activities. This 25% will also fund the portion of the Job Corps which transcends community lines. Outlays for manpower revenue sharing activities, including the Federal portion, will be \$1.2 billion in 1974.

As mandated by the Social Security Amendments of 1971, all employable welfare recipients have been required to register for the Work Incentive (WIN) program beginning in July 1972. Those prepared for work are referred to jobs while others are enrolled in the WIN training or work support components. The total number of children enrolled in WIN child care services will be expanded 69% from 1972 to 1974 to accommodate the increased volume of participants. In 1973, it is estimated that 150,000 welfare recipients will be placed in jobs while 120,000 will be referred to training or work support. The comparable 1974 figures are 165,000 persons placed in jobs and 132,000 referred to training or work support.

### MAJOR PROGRAM APPROACHES

The following discussion analyzes manpower programs on the basis of the various approaches used to prepare an individual for economic self-support. Under manpower revenue sharing the approaches may be combined in various ways to meet locally defined needs. Since States and localities will plan their own use of a large portion of Department of Labor manpower resources starting in 1974, the estimated distribution of resources among approaches is tentative for that year and the actual use of funds may vary substantially from the estimates. The 1974 estimates shown are based on preliminary indications of mayors' and governors' approach preferences outlined in their 1974 CAMPS recommendations.

### Federal Outlays for Manpower Activities



**Institutional training.**—Institutional training concentrates on vocational skill instruction and remedial education conducted in a classroom setting. The largest of the institutional training programs was initiated by the MDTA in 1962 to alleviate the problem of skill obsolescence caused by automation. Over the past decade, the emphasis in MDTA Institutional has shifted from retraining technologically displaced skilled workers to upgrading the skills of unemployed persons with little work experience. A significant portion of costs, about 54% in 1972, have been for enrollee allowances, based on State unemployment insurance benefit rates.

Table I-2. INSTITUTIONAL TRAINING LEVELS

(outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served						
	1972 actual	1973 est.	1974 est.	Man-years			New enrollees			
				1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.	
Manpower revenue sharing:										
Manpower Development and Training Act institutional training.....	406	341	303	58	59	64	151	140	162	
Concentrated employment program.....	64	52		19	14		43	35		
Job Corps (national program).....	188	177	111	23	19	17	49	49	38	
Work incentive program.....	118	136	164	94	57	57	99	58	61	
Social services training.....	93	113	120	195	225	240	601	691	692	
Other.....	61	70	73	27	24	18	58	53	29	
<b>Total.....</b>	<b>930</b>	<b>889</b>	<b>771</b>	<b>416</b>	<b>398</b>	<b>396</b>	<b>1,000</b>	<b>1,027</b>	<b>981</b>	

The Job Corps is a specialized institutional training program for youth aged 16-21. Job Corps is distinguished by the highly disadvantaged characteristics of its enrollees and the variety of training methods which it employs. In 1972, 38% of the participants came from families receiving public assistance, 11% had not completed 8 years of education, and 75% were minority races. Unlike all other manpower programs, a major portion of the Job Corps is a live-in program which enables it to provide close personal supervision. In 1974, most of the Job Corps will continue to be administered by the Federal Government but management will be further decentralized to the regional offices of the Manpower Administration. Studies examining the possibility of further decentralizing Job Corps to the State and local level will be initiated in 1974.

Institutional training has been the largest component of WIN and the Concentrated Employment Program (CEP), both of which generally purchase training services from other community-based sources. WIN institutional training man-years will decline as a proportion of total WIN training and work support from the 1972 level of 90% to 45% in 1974, reflecting the increasing emphasis on immediate employment through on-the-job training or work support. CEP institutional training, along with MDTA institutional training, will be

included in the overall revenue sharing funds allocated to mayors and governors. The 1974 CAMPS plans suggest that institutional training will continue to constitute about one-fourth of the programs supported by Department of Labor manpower funds.

Social Services institutional training programs are operated by State welfare agencies to promote self-sufficiency among public assistance recipients who live in areas with no WIN program or where the demand for training exceeds WIN resources. Although training may be purchased for participants, the welfare agencies generally arrange for enrollees to receive services from community agencies such as the public vocational schools and the employment service, thereby maintaining a low cost per man-year, \$636 in 1972. Outlays for this program will increase to \$120.3 million in 1974, representing a 29% increase over the 1972 funding level.

Other institutional training, targeted on Indians, criminal offenders, and nonprofessional Federal employees, is supported by the Departments of the Interior, Justice, and Health, Education, and Welfare, respectively.

**On-the-job training (OJT).**—On-the-job training is provided by private sector and governmental employers who generally recruit and train low-skilled persons to fill regular job vacancies. The employers are reimbursed for the cost of training, remedial education, counseling, and supportive services. In 1974 outlays for on-the-job training will increase 29% over the 1972 levels, primarily as a result of expanded programs for two high priority target groups: welfare recipients and veterans.

Table I-3. ON-THE-JOB TRAINING LEVELS  
(outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
				Man-years			New enrollees		
	1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.
Manpower revenue sharing:									
Job opportunities in the business sector (optional).....	68	76	159	22	21	48	82	62	120
Public service careers.....	69	67		21	21		31	37	
Concentrated employment program.....	35	28		5	4		5	4	
Job opportunities in the business sector (basic).....	127	92	96	65	53	51	152	105	117
Work incentive program.....	4	71	97	5	35	45	6	38	56
On-the-job training for veterans...	124	174	203	94	99	97	68	67	69
Other.....	10	16	11	2	4	3	8	10	9
<b>Total.....</b>	<b>437</b>	<b>524</b>	<b>566</b>	<b>214</b>	<b>237</b>	<b>245</b>	<b>352</b>	<b>323</b>	<b>371</b>

The Department of Labor has funded three major OJT programs. The Job Opportunities in the Business Sector (JOBS) program, operated in conjunction with the National Alliance of Businessmen

(NAB), contracts with individual firms to hire and train disadvantaged workers. A related program, JOBS Optional, works on the same principle of assisting employers to first hire then train workers, but is directed toward a less disadvantaged clientele group which requires less intensive services. The Public Service Careers (PSC) program hires disadvantaged persons into regular positions in Federal, State and local government. Public service careers places considerable emphasis on reforming those civil service hiring practices which tend to discriminate against disadvantaged persons. The State and local components of PSC, along with JOBS optional and CEP OJT, will be included in the funds available for use by State and local governments in 1974 under manpower revenue sharing. The JOBS program, which involves mobilizing employers on a nationwide basis through NAB, will retain its national emphasis. The 1974 mayors' and governors' CAMPS plans indicates that OJT will probably increase slightly as a proportion of total Department of Labor manpower program resources.

On-the-job training will increase from 3% of WIN training outlays in 1972 to 27% in 1974 consistent with the effort to place public assistance recipients in jobs. Veterans OJT is provided by the Veterans Administration to former servicemen pursuing an approved course of full-time apprenticeship or other on-the-job training. Due to the rising number of eligible veterans, outlays for this program have almost doubled in the past 4 years, making it the largest OJT program in 1974.

**Vocational rehabilitation.**—Both the Federal-State Vocational Rehabilitation (VR) program administered by the Department of Health, Education, and Welfare and the vocational rehabilitation program for disabled veterans administered by the Veterans Administration focus on the rehabilitation of physically or mentally handicapped persons. In 1974, these programs will comprise about 17% of all Federal manpower outlays.

Table I-4. VOCATIONAL REHABILITATION LEVELS

(outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
				Man-years			New enrollees		
	1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.
Vocational rehabilitation.....	599	651	707	645	706	757	497	533	560
Veterans vocational rehabilitation.	84	105	117	16	18	20	13	12	13
<b>Total.....</b>	<b>683</b>	<b>756</b>	<b>824</b>	<b>661</b>	<b>724</b>	<b>777</b>	<b>510</b>	<b>546</b>	<b>573</b>

Outlays for the Federal-State VR program, currently the largest single skill training program, will increase by 18% from 1972 to 1974. Under the VR program, clients are prepared for competitive employment, homemaking, or sheltered employment. State rehabilitation agencies determine client needs and purchase services on a case-by-case

basis. Heavy emphasis is given to assisting public assistance recipients, criminal offenders, narcotic addicts, and alcoholics.

The veterans vocational rehabilitation program provides similar services to persons with a service-connected disability. In addition to counseling, training, and subsistence allowances, veterans receive disability compensation, tuition, books, and fees.

**Work support.**—Work support provides public employment opportunities and remedial services for individuals with chronic employment handicaps as well as for persons temporarily unable to find regular employment. Postschool work support programs serve primarily persons with little opportunity for regular employment, and certain groups such as out-of-school youth and female household heads receiving public assistance.

In 1972, the Emergency Employment Assistance Act authorized a special program of public service work support to counter the high national rate of unemployment and the exceptionally high rates existing in certain impacted labor market areas. In 1972, 72% of the EEA enrollees were males, 43% were veterans, 36% were minority races, and 38% were disadvantaged. A wide variety of jobs, many leading to permanent, unsubsidized employment, were provided with about 23% in public works and transportation, 20% in education, and 12% in law enforcement.

In 1971, postschool work support outlays comprised 9% of the manpower total. This percentage increased to 21% in 1972, and is expected to reach 27% in 1973. Though most EEA contracts will expire by the middle of 1974, CAMPS plans for 1974 indicate that mayors and governors are likely to continue to support a substantial number of public employment work opportunities under manpower revenue sharing, where it can be combined with training and other services not possible under the limitations of the categorical emergency employment program.

Table I-5. **WORK SUPPORT** (outlays in millions of dollars, individuals in thousands)

Program	Outlays			Individuals served					
				Man-years			New enrollees		
	1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.	1972 actual	1973 est.	1974 est.
Manpower revenue sharing:									
Neighborhood youth corps in-school and summer.....	376	304		245	159		779	145	
Neighborhood youth corps out-of-school.....	125	103		40	28		65	60	
Operation mainstream.....	75	82	481	22	19	182	31	27	464
Concentrated employment program.....	59	48		10	8		21	19	
Public service careers.....	48	13		9	---		32	---	
Emergency employment assist- ance.....	559	1,088	574	87	155	82	231	97	14
Work incentive program.....	9	70	102	10	20	23	16	24	27
High school work-study.....	6	6	9	21	22	34	12	11	57
Other.....	99	113	119	36	43	44	65	72	71
<b>Total.....</b>	<b>1,356</b>	<b>1,827</b>	<b>1,285</b>	<b>480</b>	<b>454</b>	<b>365</b>	<b>1,252</b>	<b>454</b>	<b>632</b>

Three permanent Department of Labor postschool work support programs will be subsumed under manpower revenue sharing: NYC out-of-school, Operation Mainstream (except for national contracts being phased down), and CEP work support. These programs tend to be long in duration, averaging about 7.0 months, and have a high average participant unit cost of \$2,490 of which 53% is wages.

In 1973, the WIN program began expansion of its work support component in line with the increasing emphasis on employment rather than classroom training. Man-years in WIN work support will increase 106% in 1973 and are expected to increase another 15% in 1974, making work support the largest WIN program component.

Work support for in-school youth is short in duration and concentrates on providing work experience which will ease the adjustment to regular adult employment. A primary objective of in-school work support is to provide income and motivation which will lower the school dropout rate of enrollees. Aside from the NYC in-school and summer programs, which will be included under manpower revenue sharing, other in-school work support programs are administered by the Department of Health, Education, and Welfare and the Civil Service Commission. These programs will continue at about their 1973 operating levels in 1974.

**Labor market services.**—Labor market services programs promote a smoothly operating labor market by matching job vacancies with qualified workers, by overcoming barriers created by job discrimination, and by providing needed child care services to permit parents to engage in training or employment. They develop and disseminate information on employer and employee needs, and counsel and test jobseekers. Other services include outreach to unemployed people, and job development and job restructuring efforts with employers.

Table I-6. LABOR MARKET SERVICES (in millions of dollars)

Program	Outlays				
	1970 actual	1971 actual	1972 actual	1973 est.	1974 est.
Employment service.....	325	347	338	388	401
Computerized job placement.....	6	23	32	36	25
Work incentive program.....	-----	-----	-----	39	41
Food stamp registration requirement.....	-----	-----	8	14	16
Project transition.....	14	15	13	14	15
Other.....	27	27	30	27	12
Subtotal, placement services.....	372	412	421	518	510
Equal employment opportunity activities.....	19	35	43	60	78
<b>Total.....</b>	<b>391</b>	<b>447</b>	<b>464</b>	<b>578</b>	<b>588</b>

**Job placement assistance.**—The Federal-State Employment Service (ES), with its network of 2,300 local offices and more than 30,000 employees, will provide services for about 10.6 million persons in 1974. While placement services are provided for the general labor force, special efforts are given to placement of the disadvantaged, including graduates of manpower programs.

Computerized job banks are currently functioning in nearly 100 major labor markets to assist in job placement efforts. The job banks provide comprehensive listings, updated daily, of available jobs. By 1974, many of the job banks will have been expanded into state-wide systems. Job banks have also been used to assist unemployed scientists, engineers, and technicians through the technology mobilization and reemployment program and returning veterans enrolled in Project Transition.

As a part of the administration's six-point program to place unemployed veterans in jobs or training, Federal contractors must list their job openings with the employment service. In 1973, this requirement is expected to increase the number of employment opportunities listed by 20%. Since mandatory job listings were instituted in January 1972, the unemployment rate among veterans has decreased from 8.4% to 5.5%.

Placement services for food stamp and cash assistance recipients will be expanded in 1973 and 1974 consistent with recently enacted mandatory registration requirements. The WIN program will register an estimated 1.5 million cash assistance recipients in 1973 and place about 75,000 of these directly into jobs. Another 75,000 will be placed in jobs following WIN training.

In the Department of Defense, Project Transition provides counseling, testing, and job placement assistance to servicemen prior to discharge. Some skill training is provided by the Department of Labor.

*Equal employment opportunities.*—These activities attempt to reduce barriers to the employment of minorities, women, and older workers. By opening up needed job opportunities, they are critical to the success of other manpower programs.

The Equal Employment Opportunity Commission's (EEOC) authority to identify and eliminate discriminatory employment practices was expanded in 1972 with the enactment of the Equal Employment Opportunity Act. The most important feature of the broadened powers granted to the Commission is the authority to bring suit in U.S. District Court when efforts to conciliate complaints of employment discrimination are unsuccessful. In addition, the EEOC now has jurisdiction over a wider range of employers. Outlays will double from 1972 to 1974, rising from \$21 million to \$43 million, to fund the expanded activities of the Commission.

The Office of Federal Contract Compliance (OFCC) in the Department of Labor, in cooperation with the 17 major Federal contracting agencies, insures that affirmative action plans are undertaken by Federal contractors to provide equal employment opportunities for minorities and women. To increase minority employment in the construction trades, the OFCC devised the "Philadelphia plan" and voluntary "hometown" programs which set employment goals for federally financed construction contractors and subcontractors. Labor Department training funds have been utilized to foster the success of these efforts in 29 of the 58 city-wide construction plans.

*Child care services.*—Expanded day care services are being provided to permit parents to participate in employment or training activities and to assist low income families in caring for their children. Employment-related day care expenditures in 1974 will total \$582 million, an 82% increase over 1972.

Employment-related day care is provided through three programs—the WIN and social services programs for recipients of Aid to Families with Dependent Children (AFDC), and the Model Cities program. The latter will be replaced by urban community development revenue sharing in 1975. The social services program provides day care services directly and also supports child care through an income disregard to the AFDC payment. In addition, the AFDC social services program, along with Head Start provides nonemployment-related day care as a support service to low-income families.

Table I-7. FEDERAL SUPPORT FOR DAY CARE (outlays in millions of dollars children supported in thousands)

Program	Outlays				Children supported			
	1971 actual	1972 actual	1973 est.	1974 est.	1971 actual	1972 actual	1973 est.	1974 est.
<b>Employment related:</b>								
Work Incentive program .....	27	32	65	117	98	158	167	268
Social Services .....	89	204	358	360	170	367	641	590
Income disregard .....	62	71	80	90	388	433	466	504
Model Cities .....	9	12	14	14	21	25	29	30
Subtotal .....	186	320	517	582	677	983	1,303	1,392
<b>Nonemployment related:</b>								
Head Start (full day) .....	99	105	108	108	81	91	91	91
Aid to Families with Dependent Children .....	38	88	153	154	73	157	275	253
Subtotal .....	137	193	261	262	154	248	366	344
<b>Total .....</b>	<b>324</b>	<b>513</b>	<b>778</b>	<b>844</b>	<b>831</b>	<b>1,231</b>	<b>1,669</b>	<b>1,736</b>

**Manpower research, development, and evaluation.**—Under Manpower Revenue Sharing, Federal efforts will concentrate on providing information and technical assistance to States and local communities on methods to improve program performance. One important device for obtaining such information is research and development (R. & D.) and evaluation activities.

Table I-8 summarizes Federal resources for manpower R. & D. and evaluation efforts, primarily funded by the Department of Labor. In addition, other agencies carry out R. & D. activities affecting manpower, especially the Department of Health, Education, and Welfare and the Veterans Administration.

*Research* focuses primarily on distilling data on past program operations to extract information meaningful to manpower revenue sharing program planners and operators. The role of the Employment Service in the labor market and the relative effectiveness of its activities will also be subject to research studies.

*Developmental activities* will devise and test innovative manpower methods, including new forms of program linkages, to aid manpower revenue sharing sponsors. In addition, experimentation will continue to develop improved methods for service to clients by the Employment Service.

*Evaluation* activities seek to determine which programs work, to what extent, and under what conditions. Evaluation efforts generally focus on recently initiated programs or major program changes. The design and development of comprehensive manpower programming under manpower revenue sharing will include a strong evaluation component so that early feedback is available to guide individual sponsors and the overall implementation effort.

**Program direction and support.**—The effectiveness of individual programs depends on the degree to which they meet the needs of the people they enroll and the employers who hire them. As a part of the overall Administration effort to bring program planning and decision-making responsibility closer to the local level where perception of enrollee and employer need is clearest, several steps have been taken in recent years to decentralize the management of Federal programs. Greater authority was delegated to the regional manpower administrators, uniform regional boundaries were established to improve interdepartmental coordination of related programs, and regional offices were reorganized from a categorical program basis to a geographical area basis to provide a better appreciation of individual State and community manpower problems.

At the State and local level the interagency Cooperative Area Manpower Planning System (CAMPS) has been strongly emphasized as a vehicle for coordination of planning efforts by various manpower agencies. In addition, staffing grants were awarded to mayors and governors to develop their manpower planning and program assessment capability.

Major steps are now underway to build upon this framework so that during 1973 and 1974 a transition to manpower revenue sharing can be achieved as smoothly as possible. CAMPS committees have been restructured as advisory councils, appointed by State and local elected officials and responsible to them. The councils will advise the governors and mayors on manpower needs and programs and assist in the development of comprehensive manpower plans for their areas.

Table I-8. PROGRAM DIRECTION, RESEARCH, AND SUPPORT  
(in millions of dollars)

Program	Outlays				
	1970 actual	1971 actual	1972 actual	1973 est.	1974 est.
Research and development.....	26	24	31	32	20
Evaluation.....	2	4	7	7	6
Labor market information.....	32	29	35	37	36
Planning and technical assistance.....	11	14	27	32	30
Program direction.....	73	75	84	97	101
<b>Total.....</b>	<b>143</b>	<b>146</b>	<b>184</b>	<b>205</b>	<b>192</b>

#### PERSONS SERVED

*Enrollment and training levels.*—Man-years of training and new enrollments are the activity measures used in this analysis. Man-years is the average enrollment during the year and new enrollments are the number of different people served during each fiscal year. In a few programs, e.g., NYC in-school and summer, a significant number

of people enroll in both programs within a single year, or in the same program several years in succession. In these cases, this analysis uses a net figure which deducts the overlap. Table I-9 shows the various measures by service approach.

Table I-9. TOTAL ENROLLMENT AND TRAINING LEVELS  
IN 1972<sup>1</sup>

Approach	Man-years	Man-years of service	Enrollees	New enrollees
On-the-job training.....	216	214	355	352
Institutional training.....	430	416	1,029	1,000
Vocational rehabilitation.....	661	661	518	510
Postschool work support.....	188	185	415	408
Subtotal, postschool programs.....	1,495	1,476	2,317	2,271
In-school work support.....	296	296	1,012	844
<b>Total.....</b>	<b>1,791</b>	<b>1,772</b>	<b>3,328</b>	<b>3,115</b>

<sup>1</sup> Excludes labor market services in which the enrollment concept does not apply.

*Program focus.*—The focus of most Federal manpower programs on the low income universe reflects the judgment that persons with severe employment handicaps are least likely to be able to improve their employment experience without assistance. For example, the manpower programs administered by the Department of Labor have emphasized services to poor persons who are not suitably employed, and are either (1) school dropouts, (2) under 22 years of age, (3) 45 years of age or over, (4) handicapped, or (5) subject to special employment obstacles such as racial discrimination. This focus on the disadvantaged avoids displacement of private training efforts which are generally targeted on different groups.

Table I-10 indicates that manpower programs have been serving their intended targets: the poor, the less educated, members of minorities, youth, and welfare recipients. Older persons are a small part of the population served since employment is often less appropriate than income support.

Table I-10. CHARACTERISTICS OF CIVILIAN LABOR FORCE, ADULT POVERTY POPULATION, AND MANPOWER PROGRAM PARTICIPANTS

Characteristics	Total U.S. work force 1971 (age 16-64) civilian non- institutional	Poverty population 1971 (age 14-64) civilian non- institutional	Manpower program participants 1972 estimate (age 14 and above) <sup>1</sup>
Average number (millions).....	81.0	12.9	2.3
Percent:			
Aged 21 or less.....	14	31	31
Aged 45 or more.....	35	30	13
Male.....	62	40	48
Less than high school education.....	37	66	47
8th grade education or less.....	16	37	13
Poor.....	7	100	75
Public assistance recipients.....	1	26	43
Disabled.....	(2)	(2)	25
Minority races.....	11	30	40

<sup>1</sup> All entries are estimates. Excludes labor market services and inschool programs.

<sup>2</sup> Not available.

As indicated in table I-11 below, the characteristics of enrollees served by different approaches vary considerably. In 1972, OJT enrollees were still among the least disadvantaged because on-the-job training programs tend to enroll those most job-ready. Institutional training now serves high proportions of welfare clients and educationally disadvantaged primarily due to the growth of the WIN and social services programs. Most disabled persons are served by rehabilitation programs targeted to their special needs. In the past, work support tended to focus on the most disadvantaged groups and provide a source of short-term employment and income for individuals with no immediate prospects for regular jobs. Because of the large-scale Emergency Employment Assistance program in 1972, 1973, and 1974, the characteristics of enrollees in work support in those years more closely resembles those in manpower programs generally.

Table I-11. CHARACTERISTICS OF ENROLLEES BY APPROACH IN 1972  
(in percent)

Approach	Poor	Less than high school education	Minority races	Aged 21 or less	Male	Public assistance recipients	Disabled
Institutional training.....	94	49	49	36	28	77	3
On-the-job training.....	72	43	39	31	73	13	5
Vocational rehabilitation....	67	50	21	23	57	15	100
Postschool work support.....	98	48	42	31	66	23	7
Subtotal, postschool.....	75	47	40	31	48	43	25
In-school work support.....	100	98	58	100	54	32	3
Total.....	82	63	45	53	50	40	17

### SERVICES PROVIDED

Each major approach provides a substantially different mix of services, as shown in table I-12.

Table I-12. DISTRIBUTION OF COSTS BY APPROACH IN 1972 (in percent)

Service	Approach <sup>1</sup>					
	Institutional	OJT	In-school work support	Post-school work support	Rehabilitation	Job placement assistance
Remedial education.....	15	1	1	2	1	1
Skill training.....	32	20	0	4	6	1
Work experience.....	*	2	9	3	0	1
Health.....	1	*	*	*	18	*
Outreach, counseling and placement.....	4	4	3	2	22	67
Other supportive services <sup>2</sup> .....	3	34	1	1	31	*
Program administration.....	10	5	10	6	7	30
Allowances.....	35	34	76	82	15	0
Total.....	100	100	100	100	100	100

\*Less than 0.5%.

<sup>1</sup> Excludes program direction, research, and support. Includes State and local shares.

<sup>2</sup> Includes payments to employers to compensate for lower productivity of trainee and amounts which could not be allocated to other services.

Most OJT components reimburse employers for the cost of training and other supportive services, although a few provide allowances and other services directly to enrollees. Institutional training focuses on remedial education and skill training. Work support emphasizes payment of wages for work performed and work supervision. Overall, allowances and wages are the largest part of manpower costs, reflecting the need of enrollees for income support while participating in training.

While a comprehensive array of services is provided by manpower programs in total, the actual services available to each enrollee are often limited to those of the particular program in which he participates. Manpower revenue sharing will enable enrollees to benefit from a wider range of services by eliminating federally prescribed programs.

Table I-13. UNIT COSTS BY APPROACH IN 1972<sup>1</sup>

Approach	Man-year unit cost estimate (dollars)	Average duration of enrollment (years)	Participant unit cost estimate (dollars)
Institutional training.....	2,470	.41	1,000
On-the-job training.....	2,050	.63	1,300
Vocational rehabilitation.....	1,190	1.23	1,470
Postschool work support.....	5,400	.67	3,610
Subtotal, postschool.....	2,200	.66	1,460
Inschool work support.....	1,760	.25	440
<b>Total.....</b>	<b>2,130</b>	<b>.53</b>	<b>1,120</b>

<sup>1</sup> Based on man-years of service. Includes State and local share, if any. Excludes child care components. All dollar amounts rounded to nearest 10.

In addition to the great variance in services provided by program and approach, there are significant differences in overall unit costs. Table I-13 shows that in 1972, unit costs were highest for postschool work support, reflecting the high cost of wages paid. Postschool work support unit costs were particularly high in 1972 as a result of EEA, which had a man-year cost of \$7,110. Participant costs are lowest for in-school work support programs, because they are part-time or of short duration. OJT costs are somewhat reduced because the employers' payment of salary costs obviates the need for allowances in most cases. In all approaches except rehabilitation, the participant unit cost is lower than the man-year cost because the duration of enrollment is less than 1 year.

Within all approaches, unit costs vary widely among individual programs and local projects reflecting variations in the intensity and quality of services and the needs of the clientele groups served. For example, the work incentive program pays lower allowances than most programs because enrollees are already receiving welfare payments. Job Corps has a high unit cost because housing and meals are provided in addition to an intensive training program.

#### MANPOWER FUNDS BY AGENCY

The following table shows manpower obligations and outlays by administering agency and program. Two agencies—the Departments

of Labor and Health, Education, and Welfare will account for 87% of all manpower outlays for 1974, about the same as in past years.

Table 1-14. FEDERAL FUNDS FOR MANPOWER PROGRAMS  
BY ADMINISTERING AGENCY (in millions of dollars)

Agency and program	Obligations				Outlays			
	1971 actual	1972 actual	1973 est.	1974 est.	1971 actual	1972 actual	1973 est.	1974 est.
Office of Economic Opportunity: OEO manpower <sup>1</sup> .....	35	26	28	-----	28	31	26	2
Department of Defense: Project Transition.....	15	13	14	15	15	13	14	15
Department of Health, Education, and Welfare:								
Social services.....	227	376	593	613	224	369	551	570
WIN day care.....	26	74	28	119	27	32	65	117
Vocational rehabilitation.....	557	648	685	720	524	599	651	707
Upward mobility.....	-----	5	14	25	-----	5	14	24
Foster grandparents.....	10	-----	-----	-----	10	-----	-----	-----
High school work study.....	6	6	6	16	4	6	6	9
Subtotal, HEW.....	827	1,109	1,326	1,493	788	1,011	1,287	1,428
Department of Housing and Urban Development:								
Model cities.....	48	54	60	14	33	48	57	56
Community development training..	1	1	1	-----	1	1	2	2
Subtotal, HUD.....	49	55	61	14	34	50	59	57
Department of the Interior:								
On-the-job training for Indians...	3	3	6	2	1	2	6	2
Institutional training for Indians..	28	31	30	26	27	31	30	26
Indian placement assistance.....	6	7	7	7	5	6	7	7
Subtotal, the Interior.....	37	40	42	35	34	39	42	35
Department of Justice:								
Training of offenders.....	4	5	5	5	4	5	5	5
Department of Labor:								
Manpower revenue sharing.....	1,556	1,620	1,137	1,300	1,356	1,638	1,382	1,164
Emergency employment assist- ance.....	-----	976	1,267	6	-----	567	1,100	580
Work incentive training.....	71	184	264	415	103	139	330	423
Food stamp work requirement....	-----	8	14	16	-----	8	14	16
Employment service.....	349	355	388	401	347	338	388	401
Computerized job placement.....	23	34	34	25	23	32	36	25
ES labor market information.....	24	27	22	23	20	24	23	23
BLS labor market information....	10	11	14	14	10	10	14	14
OFCC and age discrimination....	3	4	4	4	3	4	4	4
Program administration.....	110	129	132	122	107	127	135	114
Subtotal, Labor.....	2,146	3,348	3,277	2,327	1,969	2,889	3,426	2,764
Veterans Administration:								
On-the-job training for veterans..	117	124	174	203	117	124	174	203
Veterans vocational rehabilitation..	77	84	105	117	77	84	105	117
Veterans assistance centers.....	1	3	4	4	1	3	4	4
Subtotal, VA.....	196	211	282	324	196	211	282	324

Table I-14. FEDERAL FUNDS FOR MANPOWER PROGRAMS  
BY ADMINISTERING AGENCY (in millions of dollars)—Continued

Agency and program	Obligations				Outlays			
	1971 actual	1972 actual	1973 est.	1974 est.	1971 actual	1972 actual	1973 est.	1974 est.
Action:								
Foster Grandparents.....	-----	23	26	38	-----	11	21	26
Equal Employment Opportunity Commission:								
Equal employment opportunity..	16	23	32	47	16	21	30	43
All Federal agencies:								
Disadvantaged youth programs..	74	78	78	77	74	77	77	77
Federal contract compliance....	17	20	28	32	16	18	20	31
Subtotal, all Federal agencies..	91	98	106	109	90	95	104	108
<b>Total.....</b>	<b>3,414</b>	<b>4,951</b>	<b>5,199</b>	<b>4,406</b>	<b>3,173</b>	<b>4,374</b>	<b>5,296</b>	<b>4,807</b>

<sup>1</sup> Funding for this program will be transferred to the Department of Labor in 1974.