

vides work experience opportunities for unemployed young men and women, through participation in State and community work training programs, so that their employability may be increased or their educations resumed or continued. In fiscal 1965 there were 278,426 young people enrolled. Openings for 366,305 and 354,000 were estimated for the fiscal years 1966 and 1967.

The OEO response provides an abbreviated cost-benefit analysis for the Job Corps program. On the basis of a cost of \$6,980 for each graduate and a success rate of 80 percent, OEO estimated a unit cost of \$8,725 for each successful case. Assuming further that the successful Job Corps graduates would have increased their earnings by an average of \$1,700 a year, from \$1,500 without benefit of the program to \$3,200 after completing it, the incremental earnings in 5 years would about equal the cost of Job Corps training.

Such an analysis is incomplete as to both costs and benefits. Among costs, it omits foregone earnings during the training period, however negligible these might be; secondary or indirect costs not charged to the particular program; and training plant outlays. Among benefits, the analysis apparently omits offsets for outside subsistence costs that would have been incurred during the training period; possible reductions in public assistance payments and other welfare expenses; and resultant reductions in costs of law enforcement, delinquency, or crime. The estimates for increased average earnings after training are modest assumptions rather than studied projections, and the calculations might justifiably consider the discounted value of lifetime increases in productivity. Also, the estimated average cost for successful graduates (those who hold a good steady job, return to school, or enter military service) includes all the costs for those who drop out before graduation or do not "succeed" after graduation; that is, the reckoning assumes that "failures" produce no benefits to offset any part of the costs incurred for them.

Costs in the Job Corps are reported to be six times as much for each individual as in the less intensive Neighborhood Youth Corps. If the Job Corps achieves a substantially higher percentage of successes than the Youth Corps, equips its graduates for work at higher pay rates, and provides them with greater ability to hold their jobs, it may yield benefits more than six times as great for each \$1 of expenditure as those of the NYC. In fact, if selection techniques could be perfected, the two programs might serve young people with wholly different potentials and needs. In that event, direct cost comparisons might prove irrelevant, since the Job Corps and Neighborhood Youth Corps might be complementary programs rather than alternatives. At present, the programs lack dependable methods for differentiating candidates. They also lack a solid quantitative basis for comparisons of costs and results of the two programs.

Despite shortcomings of available analyses, it is clear that the Job Corps and NYC programs reach only a fraction of the youth who might benefit. With more than 5 million 16- to 21-year-olds employed and nearly 300,000 in these OEO programs, there were in the fall of 1965 nearly 600,000 unemployed men and women in this age group who were not in school and were in the labor force. The number of unemployed had been reduced substantially in the preceding 12 months—by 100,000 for this age group. The unemployment rate for these former students was the lowest in a decade, 10.6 percent;