

REGULATIONS

Regulations of the Secretary of Labor pertaining to occupational training of unemployed persons are included in Title 29 of the Code of Federal Regulations, Subtitle A, Part 20. These regulations have been amended as new legislation has been enacted.

PART II. DATA BEARING ON ECONOMIC ASPECTS AND IMPACTS OF THE PROGRAM

9. *Economic effects*

Comprehensive studies of the economic effects of training programs under the Manpower Development and Training Act are not yet available.⁴ However partial answers can be obtained from two studies and from the program's operating statistics.

In this section each study is discussed separately. The data derived from the operations of the program as a whole are reviewed.

The first study is "*The Effectiveness of the Training Program Under MDTA*", an evaluation study conducted by the Department in late 1965. This study furnished data on effects of MDTA on personal incomes, placement of workers earnings, productivity, and other benefits. In the course of this evaluation a nationwide sample of 965 MDTA graduates (83% of them former institutional trainees, the others former OJT trainees) and 366 of their employers were interviewed. This was the successor to a study entitled "A Nationwide Evaluation of the MDTA Program", conducted early in 1964. The reports for both of these evaluations have not been published.

Effects on Personal Incomes [for 9(a)].—Data on personal incomes relate to earnings of trainees. Median earnings for trainees who completed institutional training projects were \$74 per week, \$10 more than their pretraining weekly earnings. (The data did not permit derivation of a valid median for OJT trainees.) The median for Negroes after training was \$13 higher than their pretraining weekly earnings. Forty percent of the trainees interviewed increased their average earnings over their earnings in pretraining employment, 34% earned about the same, and 26% had not yet attained the wage levels they enjoyed before they became unemployed.

Eighty-seven percent of the 965 persons interviewed (85% of the institutional trainees—97% of the OJT trainees) had obtained work after completing training. By the time of the interview (three to fifteen months after completion of training), there had been some loss or turnover in jobs, and 73% of the trainees (70% of the institutional trainees—89% of the OJT trainees) had full-time jobs. Sixteen percent had lost or left their jobs.

Any Benefits (not included above) [for 9(e)].—Several evaluation studies have provided information about benefits of the MDTA program not directly applicable to economic aspects. Some of the most important are: (1) increased confidence and improved morale (for

⁴ MDTA Research Contract No. 963 (measuring the benefits and costs of retraining programs of unemployed workers) being conducted by Michigan State University is the most comprehensive effort to assess the economic impact of MDTA. Three estimates are being developed in connection with this research study: (1) private benefits and costs to participating individuals; (2) social benefits and costs, covering the impacts on the national economy; and (3) budget impacts, covering changes in Government tax receipts and expenditures. The completion of this study is scheduled for late 1966.