

example, 96% of the trainees who were interviewed said they had a "fair amount" or "a lot" of confidence in their ability to learn a new job and hold it, compared with 85% who said they had such confidence before training); (2) improved cooperation between State employment services and State and local vocational educational systems; (3) frequent alleviation of skills shortages in communities, such as in automobile transmission mechanic and nurse aide; and (4) removal of persons from welfare rolls.

The second study is "*The Economic Effectiveness of Retraining the Unemployed*," a study of the benefits and costs of retraining the unemployed based on the experience of workers in Connecticut by Michael E. Borus.⁵ This study used a sample of 373 persons involved in MDTA programs four quarters of 1962-63. Mr. Borus found that the benefits of retraining are considerably greater than the costs and that the benefit-cost ratios for the government and the economy are much greater than the individual's ratio. The study was based on a comparison of the post-retraining employment experience of those who completed MDTA training with those who did not enter or did not complete the program, but were, insofar as possible, comparable in other respects. Cost estimates were based on data provided by the workers and government agencies. Based on the record of the sample a year after training was completed, Mr. Borus made the following estimates:

Effects on Personal Incomes of Persons Served [for 9(a)].—The average added income received by making use of the skills obtained in training was approximately \$500 per year with a range of from \$400 to \$1,200.

Unemployment was reduced 5 weeks per year for the average worker. If the worker had been asked to assume the retraining cost, the benefit-cost ratio would have been less than 2, in some cases less than 1, and fewer workers would have taken training.

Effects on Business or Industrial Organizations [for 9(c)].—One of the most significant conclusions reached by Mr. Borus was that MDTA training has been for occupations in which employers have not given training under their own auspices and cannot be expected to do so. Labor shortages have existed in these occupations for long periods indicating that employers do not consider training under their auspices profitable because of the risk that the worker will find other employment after training. Since MDTA operates in these areas of labor shortages, where training and employment would otherwise not occur, Mr. Borus points out that the gain to the economy is significant, and it is proper and necessary that the government assume the training.

It follows that if MDTA training is in occupations where there have been continuing labor shortages, there is a gain to industries using these skills even though individual employers will not train in these occupations themselves. Likewise, the assumption could be made that this has an advantageous effect on business expansion, as well as on productivity, stability, costs and prices. Since the training is for occupations which fill a general need, rather than those of the indi-

⁵ Yale University, 1964.