There are also various manpower advisory committees on the local, State, regional and national level with whom DHEW field representatives and the Division of Vocational and Technical Education cooperate to assure an effective institutional training program.

8. Laws and regulations

The Manpower Development and Training Act enacted on March 15, 1962, as Public Law 87–415. For amendments and text of current act, see Compendium of Statutes, pages 144–159.

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

9. Economic effects

The Manpower Development and Training Act has not and cannot of itself solve our problem of unemployment, with its accompanying social ills. It is, however, a vital part of a cluster of Federal legislation which seeks to attack the problem of some 4 million unemployed citizens in a society of abundance.

By the end of fiscal year 1965, an estimated 122,000 individuals had completed training and were graduated from institutional programs under the Manpower Act.[1] Since the inception of the program the placement record for those completing training has been around 72 percent. Of the group immediately employed, more than 90 percent were placed in jobs directly related to the training they had received.[2]

What might be the impact on the economy of this number of individuals who entered the economic stream of the country? One study conducted by the Department of Health, Education, and Welfare suggests that the cost of manpower training is really an investment with accruing benefits.[3] A sample of 12,696 persons was drawn from those who had received occupational training since the start of the manpower program. At the time of enrollment all of these people were unemployed—they were an economic liability. Analysis of the sample indicated that:

(*a*) In 1 year of employment the average trainee can be expected to earn $4,180, or $3,135 more than it cost to train him.

(*b*) An investment of $13.3 million in training is expected to result in gross earnings of over $148 million in 5 years.

(*c*) Every dollar spent in training the group should return $2.24 a year in gross earnings to the Nation's economy.

This study does suggest that the manpower program is paying for itself; however, its validity depends on the assumptions made, especially that all trainees will remain employed throughout their work lives.

The average MDTA trainee earns more money after training than he did prior to enrolling. A nationwide evaluation conducted late in 1964 involved a national sample of 1,000 trainees who completed institutional training during the year.[4] A comparison of pretraining and posttraining earnings showed increased average earnings for 40 percent of the sample. Another 26 percent started work after training below their average wage levels before they became unemployed.

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1 "Manpower Development and Training Program: Status of Institutional Training." Sept. 1962–July 1, 1965. USDL, BES. July 16, 1965.

2 "Education and Training: The Bridge Between Man and His Work." Apr. 1, 1965.

3 "The Economics of Training the Unemployed." Leroy A. Cornelsen. School Life, Oct. 1964.

4 "Manpower Research and Training Under the MDTA of 1962." Mar. 1965.