

The facts are these:

The average MDTA on-the-job trainee earns \$57 a week during 14 weeks of training, and \$73 a week as a fulltime worker after his training. Thus the average trainee earns \$3,572 the first year.

The cost to the Government of regular on-the-job training averages about \$500 a trainee. Some cost more, some less.

According to the Internal Revenue Service, income taxes on earnings of \$3,572 range from \$419 for the trainee with no dependents to \$74 for trainees with three dependents.

More than 45 percent of the trainees are single; another 15 percent claim only one dependent; 14 percent have two dependents; 12 percent have three, and the remaining trainees have four or more.

Of the 182,000 on-the-job trainees approved since the program began in 1963, the incomes of nearly 163,000 are taxable, after deductions.

Of the 182,000 men and women who have had or are now being given on-the-job training, 163,000 are taxable, after deductions.

The Federal Government allocated \$95.8 million for their training.

The Federal treasury has so far received back \$50.5 million in taxes from these trainees, or better than 53 percent of what was spent on them.

An average on-the-job trainee in his first year repays the Federal Government over one-half of its total investment in him. Before the second year is over, the Government has been repaid in full.

And the Nation will continue to profit thereafter because the trainee becomes a productive citizen and a taxpayer who can carry his fair load.

On-the-job training programs are one of the soundest investments we can make. Trainees not only pay back the cost of their training, they add to the production and prosperity of the Nation.

These programs have been warmly received by American employers, who, in the long run, must provide the jobs for American workers. The business community along with American labor has cooperated in making MDTA on-the-job training one of the most exciting and successful aspects of our Manpower policy.

W. WILLARD WIRTZ,
Secretary of Labor.

September 2, 1966.

Chairman PROXMIRE. It does not matter if you can supply us with the general data.

Secretary WIRTZ. In 4 years it will be paid back in taxes.

Representative SCHEUER. In 4 years after employment, after training?

Secretary WIRTZ. Yes, sir.

Representative SCHEUER. Could you give us the approximate cost of training involved?

Secretary WIRTZ. Yes, sir; we work on the rules of thumb. The figure, and it cannot be precise, but it is this, if we are talking of a Neighborhood Youth Corps in a school situation, we are talking about \$500 in round figures. If we are talking about on-the-job training, our experience pinpoints that to \$800 and \$1,000. This is to pull a person back to the point of where he can be self-supporting. On institutional training it is about \$1,500 to \$2,000. Until we get to the cases where there is a lack of basic education, at which point again, the need for greater support of services, it goes up to \$3,500.

Representative SCHEUER. What is the cost of your jobs?

Secretary WIRTZ. That is only a 2-week brushup program.

Chairman PROXMIRE. There is a vote on the floor. Congressman Scheuer, will you take over until I return?

Representative SCHEUER. Yes, Mr. Chairman; I would be happy to preside.