



For Immediate Release
November 20, 2008

Contact:

Caitlin Petre

o: 212-584-5000, x 327

cpetre@fenton.com

**DESPITE 14-YEAR UNEMPLOYMENT HIGH, SOME US
INDUSTRIES STILL FACE WORKER SHORTAGES; NEW STUDY
EXAMINES WORKFORCE STRATEGY FOR UNEMPLOYED AND
UNDEREMPLOYED AMERICANS**

***Study Shows Participants in Targeted Job Training Programs Experience
Wage Gains, Obtain High-Quality Jobs and Move Out of Poverty***

New York, NY—According to a new study by Public/Private Ventures (P/PV), a national nonprofit organization, unemployed or underemployed workers who participated in industry-specific training programs saw striking gains in wages and other outcomes.

“It will be key to the economy’s recovery to retool our workforce with skills that meet employer demand,” says Sheila Maguire, Vice President for Labor Market Initiatives at P/PV. “Hospitals, for example, are in dire need of x-ray technicians and energy suppliers are looking for people to service rigs and keep them safe. Providing training for unemployed or underemployed Americans who wish to fill these shortages is a practical approach that has the potential to benefit workers and businesses alike.”

The new study is based on P/PV’s Sectoral Employment Initiative (SEI), launched in 1998 with support from the Charles Stewart Mott Foundation to track progress made by nine newly formed community organizations focused on industry-specific skills training. The SEI prepared unemployed and under-skilled workers to fill skilled vacancies and connected them with employers in targeted sectors.

The results of the study, conducted in cities across the country, are impressive:

- Participants in skills-training programs had decreases in poverty, from 64% to 35%.
- Program participants’ hourly wages increased by \$2 over their earnings in the previous two years. For advanced training participants, hourly wages increased by \$3.

- Participants were able to access higher-quality jobs. The percentage of participants with health insurance available through their employers increased from 49% to 73%, while the percentage with paid sick leave increased from 35% to 58%.
- Eighty-three percent of participants agreed that the training prepared them well for work in the targeted sector, and 78 % said the program had improved their chances of getting a good job.

P/PV's researchers caution that their study constitutes "an early appraisal of sectoral strategies" and does not "assess the precise impact of the programs." But they are encouraged enough by the results to conclude that sectoral approaches are "both feasible and important for the workforce development field." (P/PV is currently conducting a more rigorous random assignment evaluation of sectoral programs, which will be published in mid-2009.)

"With advantages for both businesses and workers, sectoral programs have great potential to be a part of the solution as we rebuild America's economy," notes Maguire. "With further public and private investment in this approach, we can create lasting change in the labor market that benefits both workers and employers."

Community organizations involved in the study included: Action to Rehabilitate Community Housing (ARCH), Washington D.C.; Direct Action for Rights and Equality (DARE), Providence, RI; New Hampshire Community Loan Fund, Manchester, NH; Philadelphia Area Accelerated Manufacturing Education, Inc. (PhAME), Philadelphia, PA; Primavera, Tucson, AZ; Project QUEST, San Antonio, TX; Southern Good Faith Fund, Pine Bluff, AR; Training, Inc., Newark, NJ; and, WIRE-Net, Cleveland, OH.

###

Public/Private Ventures is a national nonprofit organization whose mission is to improve the effectiveness of social policies and programs, especially as they affect low-income communities. In carrying out this mission, P/PV works with philanthropies, the public and business sectors, and nonprofit organizations.