

THE PROBLEM OF EVALUATING INSTITUTIONAL TRAINING UNDER THE MANPOWER DEVELOPMENT AND TRAINING ACT

Edward J. O'Boyle Ph.D.*
Mayo Research Institute
edoboyle737@gmail.com

The Secretary of Labor and the Secretary of Health, Education and Welfare are jointly responsible for institutional training (IT) under the Manpower Development and Training Act of 1962 (MDTA). Department of Labor (DOL) duties include identifying the appropriate training occupations, selecting and referring persons to training, determining their eligibility for training allowances, and placing them in jobs after completion of training. These tasks are assigned to DOL's affiliated state employment service agencies. The Department of Health, Education and Welfare (HEW) is responsible for the training component. Normally, HEW enters into agreements with state vocational education agencies which provide the training through contracts with public or private training institutions. In special cases the Secretary provides the training through direct contracts with training institutions.¹ The Congress requires HEW to forward certain information to DOL so that IT can be evaluated. These directives led to the installation of a federal reporting program covering every person referred to IT.

I. THE PROBLEM

The problem has two parts. The first is whether the data collected through the federal reporting program are sufficient to evaluate IT. The second is whether all the data collected are necessary. The first part is significant because the future development of IT is contingent on the extent to which it achieves its purpose today. The second is important because data collection requires substantial staff resources.

The problem raises three basic issues. First, what is the general purpose (positive norms of achievement) of MDTA? Second, what critical values (criteria of achievement) express those norms in measurable form? Third, what data are actually collected?

* The author gratefully acknowledges the helpful comments of the referees, Svetozar Peiovich, Ohio University, and Lawrence Donnelly, Xavier University. In addition, he is indebted to Joseph M. Becker, S. J. for his encouraging comments on several earlier versions and to Sam Barone.

¹ For a detailed legislative history of MDTA, see Mangum, pp. 9-75.

The problem is addressed in three stages. In the first stage the author shows that the general purpose of IT is to meet the need of jobless individuals and the need of the rest of society. This stage also shows that two negative norms set limits within which the positive norms operate.² In the second stage the author assigns critical values to the chief positive norm, individual need, thereby expressing the norm in measurable form and identifying the data that should be collected. The third stage compares the data that should be collected and the data that are collected.

II. POSITIVE NORMS OF ACHIEVEMENT

A. *Individual Need.* Of all the needs that are unmet when an individual is out of work, physical need and psychological need for work as such are the two that he feels most intensely. IT was established to help him meet those two specific needs. The Congress is explicit about helping the individual meet physical need: "... it is in the national interest that the opportunity to acquire new skills be afforded to these people with the least delay in order to alleviate the hardships of unemployment ... " [U.S. Congress, Section 101]. On the other hand, the Congress is not explicit about helping meet psychological need. Nevertheless, it is clear that meeting this need is one of the desirable goals of IT [See, Burns, p. 276, Lester, p. 155, and Weisbrod].

Physical need of the individual is measured by his standard of living. The central question is to what extent should the job that the unemployed person gets as a result of IT restore his standard of living? The Congress provides no direct answer, but one can be derived from several judgments regarding the benefit society gets from technological change, the burden it inflicts and society's obligation to the individuals who are saddled with that burden.

An industrial society uses technological change to achieve a higher standard of living. Every worker in such a society has some vulnerability to technological obsolescence. Because the typical worker relies mainly on income from work to meet physical need, technological displacement normally causes severe hardship. Nevertheless, it is proper to promote the general welfare through means that render the specific job skills of

²The author borrows extensively from the discussion of norms in Becker (1961).

the individual obsolete. In that sense, the individual is subordinate to the rest of society.

Human capital theory views earnings as the return to all of the various forms of human capital, including specific job skills that are embodied in the individual worker. Seen in this light, specific skills are property and technological change deprives the displaced individual of a valuable piece of property. At this point, equity considerations argue that the displaced worker should be compensated for his property loss just as compensation is required whenever society deprives the individual of real property in order to make way for a public improvement. This argument is even more compelling when one considers that the specific purpose of severance pay and early pension plans is to compensate the permanently terminated worker for the loss of his investment in his job [Beideman, p. 137]. Thus, the author interprets the intent of the Congress as follows: IT should provide the displaced worker with other specific job skills that will enable him to earn enough to restore his customary pre-training standard of living.

This interpretation of the norm of physical need has the effect of more fully socializing the costs of technological innovation, thereby reducing worker resistance to technological change. Furthermore, it sees the worker as a person with unmet needs and not as an object that can be discarded whenever it serves society's purposes.

Some persons, before they become unemployed, work regularly but at very low-paying jobs. Others are chronically unemployed from the time they first enter the labor force. To meet their physical need it is necessary to depart from strict adherence to considerations of equity and to apply considerations of adequacy. It is adequacy that justifies the following requirement: Anyone who completes IT should have a standard of at least the necessities of life.

The guarantee of a standard of essentials calls for a determination of the goods and services that are properly included in such a standard. At any point in time, one finds considerable disagreement regarding the items to be included. Much of the disagreement is inevitable because adequacy is a concept that is rooted in the user's system of values. With the passage of time, what constitutes a standard of essentials is influenced by changes in the general living standards in society. Therefore, all such standards are arbitrary, *but some are less arbitrary than others*. The author uses two: the Social Security Administration (SSA) poverty standard and the Bureau of Labor Statistics (BLS) budget for a lower living standard. Both are used widely enough that one can

confidently assert that they are not completely arbitrary standards of essentials.

Even a standard of essentials may not provide sufficiently for the breadwinner whose earnings were so low that others in the family have been compelled to work just to make ends meet. Without further modification, the training program would in effect perpetuate the stress which in the case of a working mother, for example, could lead to child neglect. For that reason, the following modification is proposed. A candidate who is or ought to be the primary wage earner should be provided with the specific job skills that will enable him to earn at least 60 percent of the agreed standard of living.³

The Congress does not explicitly answer the question regarding the extent to which the post-training job should meet psychological need for work as such. Nevertheless, an answer can be derived from several judgments with regard to the inevitability of some unemployment in our society.

Freedom in the labor market is one of the esteemed characteristics of American industrial society. The employer is free to adjust the size of his work force in response to changes in product demand and in the productivity and prices of the factors of production. Some of these adjustments lead to technological displacement; any unemployment that ensues is *involuntary*. At the same time, the worker is free to quit his job in order to accept or look for a better one, to refuse any job he considers unsuitable, and to enter or leave the labor force whenever he chooses; any unemployment that follows is voluntary. So long as our society prizes freedom in the labor market, some unemployment is inevitable. IT interferes with employer freedom only to the extent necessary to socialize the costs of technological displacement. It does not restrict worker freedom at all.

It is unreasonable, therefore, to expect every person to work year round, full time, and experience no unemployment without a loss to himself and his employer of some of the freedom others enjoy and that our society has shown no willingness to surrender. Accordingly, a person who completes training can expect to have some unemployment but not more than what is normal.

The need of the individual is organized in a hierarchy with physical need at the base. At progressively higher levels are the psychological

³ Department of Labor defines a primary wage earner as the person whose earnings represent at least 60 percent of total family income.

need for work, other psychological and social needs, and finally the need for self-actualization. As lower-level needs are satisfied successively higher-level needs become more important [Herzberg, Mausner and Snyderman, pp. 110, 114, and McGregor 1967, p. 11]. Conversely, if lower-level needs are not satisfied, they are the ones that are felt most intensely [Fromm, pp. 80-81, Maslow, and McGregor 1966, p. 9]. Given the unmet physical need that attends unemployment and the place of that need in the hierarchy, the norm of psychological need is subordinate to the norm of physical need.

B. *Social Need.* The need of the rest of society has two aspects. One is political, the other is economic. With regard to political need there are two positive norms of achievement. First, by providing the skilled manpower needed to keep the economy strong, IT helps protect the nation from external threats to its sovereignty. Second, by affording the unskilled individual an opportunity to acquire the skills necessary to hold a job that pays well and is relatively free of unemployment, IT promotes social peace between the nation's less fortunate citizens and its more fortunate ones, thereby helping preserve political democracy.

Protecting the national sovereignty is explicitly stipulated by the Congress [U.S. Congress, Section 101]. Preserving political democracy is not. However, it became an explicit norm after the civil disorders of the mid- and late-1960's confirmed the effect of unemployment on domestic tranquility. Discontent in the inner city along with an overall reduction in unemployment highlighted the dilemma of the disadvantaged and accounted for a major shift in the focus of IT which emphasized training America's less fortunate citizens [U.S. Department of Labor 1969a, p. 76].

In connection with the economic need of the rest of society, there are three positive norms of achievement. They are to (a) cut outlays for public assistance, (b) increase the national product, and (c) reduce the cost of unemployment insurance [U.S. Congress, Section 101].

To the extent that IT provides the individual with specific job skills that enable him to earn sufficient income to make him ineligible for relief, it helps reduce the costs of public assistance. If the savings are passed on in the form of lower taxes, society enjoys the benefits of more disposable income or lower production costs, or both. If the savings are not passed on, the general tax revenues released can be used to purchase more public goods and services, or to retire the public debt and thereby reduce interest charges, or both.

IT helps increase the national product in two ways. First, it supplies

trained manpower to fill jobs that are vacant because of a shortage of skilled workers. Guidelines were established in 1966 which stipulated that 35 percent of the training effort was to focus on filling the demand in shortage occupations [U.S. Department of Labor 1967, p. 51]. Second, by equipping the unemployed with the skills needed to get a job, training leads to an increase in earnings and thereby helps remove the depressive influence that the unemployed have on aggregate demand.

The net effect of IT on the national product depends not only on these two positive effects but also on the negative effects of the taxes that finance the program. IT is supported by general taxes paid by consumers and employers. These taxes decrease disposable income and increase prices (by transforming a social cost into a business cost) which, in turn, reduce the national product and the quantity of labor demanded.

IT can have a second negative effect on the national product. At any given time, most of the unemployed do not receive unemployment insurance (UI). In a typical week in 1967, for example, about two-thirds of the persons looking for work were not drawing benefits.⁴ To the extent that a person because of his training meets the eligibility requirements or finds work in a covered establishment, he has more compensable weeks (but not necessarily more total weeks) of unemployment whenever he becomes unemployed. If the subsequent increase in UI costs raises the cost of labor above the productivity of the marginal worker, the quantity of labor demanded falls. If the difference between wages and benefits is too small to serve as an incentive to prefer work to leisure, the supply of labor declines. A rollback of either type reduces the national product. An effect of this kind is likely to crop up when relief recipients are trained because they would not otherwise be likely to draw UI benefits.

To the extent that IT reduces the post-training risk of unemployment or shortens its duration, the program helps curtail UI costs. Additionally, insofar as the need for training is detected and the unemployed individual is enrolled before his UI benefits are exhausted, savings will turn up before training as well. Pre-training savings are likely to be comparatively small, however, because of the difficulty in detecting the need for training in the early stages of unemployment.

A decrease in UI costs brings about an increase in reserves which in most states leads to a nondiscretionary tax reduction. Larger reserves

⁴ Report of the Committee on Unemployment Insurance Objectives, p. 11.

may prompt a discretionary tax cut in those states that do not automatically vary the rate of taxation according to the size of the fund.

C. *Ordering the Positive Norms.* We have already argued that in technological change the individual is subordinate to society. Nevertheless, it does not follow *ipso facto* that in IT it is proper to subordinate the individual again. On the contrary, in IT the norm of the need of society is subordinate to the norm of the need of the unemployed individual because the need of the individual derives directly from the process of technological change and meeting that need is an obligation in justice. The need of society does not derive from that process. Meeting that need, therefore, is not an obligation in justice. Because physical need is the more important of the two types of individual need, meeting physical need is the primary objective of IT. In other words, training is primarily a program of aid for the unemployed and secondarily a program of public investment.

Subordinating the norm of individual need to the norm of social need means that, if only the primary objective of IT is achieved, technologically displaced individuals suffer a decrease in economic welfare that is not remedied by IT while the rest of society enjoys two distinct increases in welfare, one from technological change and the other from IT. On the other hand, subordinating the norm of social need to the norm of individual need means that, if only the main objective is achieved, displaced workers experience no overall welfare loss while the rest of society still enjoys the welfare gain that attends technological progress.

III. NEGATIVE NORMS OF ACHIEVEMENT

The positive norms of achievement function within limits established by a pair of negative norms. The first negative norm is economic in nature; the second is political.

A. *Economic Limits.* Limits are imposed on IT by its undesirable economic effects. First, by expanding the supply of labor the program tends to reduce the rate of increase of the wages of persons already employed in the occupation for which training is given. That threat accounts for provisions that limit training to those occupations in which there is a reasonable expectation of finding work and that prohibit training which facilitates plant relocation and increases unemployment at the plant's former location.

Second, funds may be disbursed to persons for whom the program

was not designed. Typically, such individuals either (a) do not attend training sessions and manage to draw allowances or (b) attend training sessions principally for the purpose of drawing allowances. Persons in the first group are called nonattending violators. Those in the second group are called attending violators. Together they constitute the universe of trainee abuse.

The danger of the first type of abuse accounts for the provision that limits payment of allowances to persons with satisfactory attendance records. The threat posed by both types of violators explains the need for provisions governing maximum duration and maximum weekly amount of training allowances and on the amount paid in the form of subsistence, transportation and medical allowances.

Third, the direct social costs of IT are borne by the present generation of taxpayers. The social benefits, however, accrue over the working lifetime of the persons being trained. If the social benefits accruing to future generations are substantial and if the current generation chooses to disregard those benefits, underinvestment is likely to occur especially in IT projects that specialize in training younger workers. In other words, the intergenerational transfer of social benefits, but not their attendant social costs, tends to limit current spending on IT.

B. *Political Limits.* A second negative norm that is political in nature imposes other limits on IT. That norm is supplied by the principle of subsidiarity which states that

... a higher unit of society should not undertake to perform the functions which can be performed as well by a lower unit but should limit itself to provide the help (subsidium) that is needed to enable the lower unit to function at full capacity. Government should help the individual to help himself, and beyond that, as Lincoln expressed it, "Government should do for the people only what the people cannot do or cannot do so well for themselves." [Becker 1965, pp. 80-81].

The principle of subsidiarity imposes limits on the duration and amount of training allowances and on the amount paid in the form of other allowances. Most significant of all, the principle imposes limits on total (direct social) costs per trainee that vary from one class of persons to the next. Differences among individuals with regard to need justify different costs per trainee. Thus, if the total cost of training is higher for the unemployed man with a larger family, *ceteris paribus*, it is justified on grounds that he is in greater need and ought to be trained for the better-paying job which normally requires more hours of instruc-

tion and greater expense. But individuals also differ with regard to their ability to help themselves and those differences justify different limits to total cost per candidate. Thus, if the limit to total cost is higher for the jobless coal miner suffering from black lung disease than for the out-of-work aerospace engineer, it is justified by the reasoning that the miner is less able to help himself.

Total cost per trainee depends not only on individual need but also on social need. A change in the need of the individual represents stronger justification for a change in training costs because meeting that need is the primary objective of the program. Similarly, limits to the cost of training are imposed by both negative norms. Of the two negative norms the one that sets political limits is the more important. Even if there were no undesirable economic effects, IT would not have been established unless and until our society judged that the unemployed were incapable of meeting their own need by themselves. It follows that a change in the ability of the unemployed to help themselves represents better grounds for revising the limits than a change in the effects on the economy. Consequently, the future development of IT and the problem of evaluation are best understood in terms of the need that unemployed individuals are incapable of meeting by themselves.

Having stated and ordered the norms that IT seeks to achieve, we must select criteria of achievement to express those norms in measurable form. To complete the task of evaluation we are required to determine (a) the cost of training, (b) whether those costs are within limits imposed by the negative norms, and (c) whether the project is the least-cost case. Later in this paper four criteria that express the chief norm in measurable form are proposed. The questions covering costs are not discussed further.

IV. COST-BENEFIT ANALYSIS

Before turning to the four proposed criteria, a brief comment on cost-benefit analysis may be instructive. The rate of return from public investment in training is a criterion that expresses in measurable form the effect of training on the national product. If one accepts the argument that increasing the national product is subordinate to meeting physical need, it follows that the problem of evaluation is not best understood in terms of efficiency considerations. Rather, it is best understood in terms of equity considerations.

Training projects that enroll individuals in greater need or who have

little ability to meet their own needs are not strictly comparable to projects that enroll persons in lesser need or who have considerable ability to help themselves. To illustrate, let us assume there are two projects both of which meet the primary objective and yield benefits per trainee of the same amount but one has lower costs than the other. It is not instructive to assert that the project with the lower costs is more economically efficient, if the one with the higher costs enrolled, for example, coal miners with black lung disease and the other enrolled able-bodied aerospace engineers. It could be that the project with the smaller benefit-cost ratio has costs that are within the limits imposed by the two negative norms for the kinds of persons it enrolled, while the other project is not within the applicable limits for the type it enrolled. Moreover, the project with the smaller benefit-cost ratio could even be the least-cost case. Therefore, the individual who sets out to evaluate a given training project can compare it only to projects that enroll roughly equal numbers or proportions of persons with the same need and the same ability to help themselves.

V. CRITERIA OF ACHIEVEMENT

A. Physical Need. The first criterion (Criterion I-1) asserts that the goal of meeting physical need is achieved when (a) the post-training earnings of a person who completes training at least equal either his earnings on his longest pre-training job or the income amount specified by the SSA as the poverty level for one person, whichever is higher, and (b) the income of his family after training equals or exceeds the poverty level for a family of that size. In the case of the primary wage earner, there is one more condition: His post-training earnings must represent at least 60 percent of the poverty-level income for his family.

The second criterion (Criterion I-2) is exactly the same as the first, except that it uses the BLS budget estimates for a lower standard of living instead of the SSA poverty income cutoffs.

B. Psychological Need. The first criterion (Criterion II-1) states that the objective of meeting psychological need is not achieved if the individuals at risk among those who completed training are more likely than the ones at risk in the general population (a) to be unemployed for more consecutive weeks than the majority of the unemployed or (b) to be discouraged workers.⁵

⁵ Persons at risk are the employed, the unemployed and the discouraged. A discouraged worker is a labor force nonparticipant who wants a regular job but is not looking for one because he thinks it is impossible to find work.

Duration of unemployment varies considerably from good times to bad. For that reason any uniform duration that is long (short) enough to cover the majority of idle workers during periods of high (low) unemployment would be too long (short) during periods of low (high) unemployment. Looking at the period 1947-1971, in all but 3 of 14 years in which the rate of unemployment was below 5 percent, a majority of the unemployed were out-of-work for 1 to 4 consecutive weeks. In each of the 9 years in which the rate was 5.0 to 5.9 percent, more than one-half were jobless for 1 to 6 weeks, in the 2 years in which it was 6 percent or higher, duration for the majority was 1 to 10 weeks [U.S. Department of Labor 1972a, Tables A-10, A-20]. Thus, unemployment of longer than normal duration is defined as (a) more than 4 consecutive weeks when the jobless rate is below 5 percent, (b) more than 6 weeks when the rate is 5.0 to 5.9 percent, and (c) more than 10 weeks when the rate is 6 percent or higher. By letting duration vary according to the rate of unemployment rather than fixing it uniformly short, Criterion II-1 says in effect that when times are bad one cannot reasonably expect persons who completed training to be unemployed for fewer weeks than the majority of the unemployed. Similarly, by allowing duration to vary rather than setting it uniformly long, the criterion says that when times are good it is unreasonable to grant trainees more time to find work than most jobless individuals require.

Table 1 shows the number and proportion of persons at risk who were unemployed more than 4 consecutive weeks or wanted a job but were not looking because they thought the effort would be futile. A higher rate among comparable groups of individuals who complete train-

TABLE 1. CRITERION II-1
(Thousands)

Year	Civilian Labor Force	Total Column 4+ Column 5	Unemployed		Total Column 2+ Column 5	Column 3 Percent of Column 6
			Longer Than Normal	Dis- couraged Workers		
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1967	77347	2074	1342	732	78079	2.7
1968	78737	1890	1223	667	79404	2.4
1969	80733	1776	1202	574	81307	2.2
1970	82715	2589	1951	638	83353	3.1
1971	84113	3077	2303	774	84887	3.6

Sources: U.S. Department of Labor, 1969b, Table 1; 1971a; 1972a. Tables A-1 and A-20; 1972b.

ing indicates that the objective of meeting psychological need is not achieved. A rate which is identical or lower signifies that the goal is achieved.

The second criterion (Criterion II-2) states that the objective of meeting psychological need is not achieved if the individuals at risk among those who completed training are more likely than the ones at risk in the general population to (a) accumulate more weeks of unemployment during the 12-month period immediately after training than the majority of persons with unemployment or (b) be out of the labor force for 12 months and not work because they could not find a job.⁶ For our purposes, 11 weeks of unemployment or more during the year is longer than normal because, as Table 2 indicates, the majority of persons with some unemployment during the year were jobless for 1 to 10 weeks. Uniform duration of 1 to 10 weeks seems to cover most persons with some unemployment adequately, without being either too short for periods of high unemployment or too long for periods of low unemployment.

Table 3 shows the number of persons who had more than 10 jobless weeks during the year or were nonparticipants for the entire year who did not work because of their inability to find work, along with their proportion among the total number of persons who worked, looked for work or could not find work. The objective of meeting psychological need is achieved if the rate among persons who complete training is identical or lower. It is not achieved if the rate is higher.

VI. NONTRAINING FACTORS IN POST-TRAINING EXPERIENCE

A. Attitude Toward Work. Given the high regard that our society has for the benefits of a free labor market and the investment that it has in every person who completes training, under what conditions can a person refuse a specific job after training? Refusing a job that (a) is not training-related or (b) does not meet the conditions specified in the two criteria of achievement (one for each of the norms of individual need) to be applied is reasonable because it is consistent with the chief purpose of IT. Refusing a job that requires the individual to move to another area at his own expense is reasonable because moving expenses

⁶ Persons at risk are those who during the 12-month period after training worked at some time, did not work but looked for work or were not in the labor force and did not work because they could not find any.

TABLE 2. PERSONS WITH UNEMPLOYMENT DURING THE YEAR,
 PERCENT OF TOTAL WORKING OR LOOKING FOR WORK AND
 PERCENT DISTRIBUTION BY ACCUMULATED WEEKS OF
 UNEMPLOYMENT: 1961-1970
 (Thousands)

<i>Persons with Unemployment</i>											
Percent of											
Total Working or Looking for			<i>Percent Distribution by Accumulated Weeks of Unemployment</i>								
Year	Number	Work	Total	Total		1-4	5-10 Wks		11-14 Wks		15 Wks
(1)	(2)	(3)	(4)	Min	Max	Weeks	Min	Max	Min	Max	or More
				(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1961	15096	18.4	100.0	48.0	50.5	31.1	17.0	19.4	11.1	13.5	38.5
1962	15256	18.2	100.0	50.0	52.8	31.9	18.1	20.9	11.1	13.9	36.1
1963	14211	16.7	100.0	49.7	52.7	32.8	16.9	19.9	11.2	14.2	36.1
1964	14052	16.2	100.0	52.8	55.9	34.7	18.1	21.3	10.8	13.9	33.3
1965	12334	14.1	100.0	58.8	61.4	40.9	17.9	20.4	10.4	13.0	28.2
1966	11387	13.0	100.0	64.4	67.0	46.5	17.9	20.4	9.2	11.7	23.9
1967	11564	12.9	100.0	64.6	67.2	46.6	17.9	20.5	10.2	12.8	22.6
1968	11332	12.4	100.0	66.8	69.5	49.3	17.6	20.2	9.1	11.8	21.4
1969	11744	12.5	100.0	66.4	68.9	47.8	18.5	21.1	9.0	11.5	22.1
1970	14565	15.3	100.0	54.8	57.7	36.0	18.8	21.7	11.5	14.4	30.8

Note: Data on the number of persons who did not work at all during the year but looked for work for 5-10 weeks or for 11-14 weeks are not available. Data are available, however, for non-workers who looked for work for 5-14 weeks. Column 8 (Column 9) shows the minimum (maximum) number of persons with 5-10 weeks of unemployment assuming that none (all) of the non-workers who looked for 5-14 weeks actually looked for 5-10 weeks. Column 10 (Column 11) shows the minimum (maximum) number of persons with 11-14 weeks of unemployment assuming that none (all) of the non-workers with 5-14 weeks of unemployment actually had 11-14 weeks.

Sources: U.S. Department of Labor, 1962, Table D-3; 1964, Table D-1; 1965, Table D-1; 1966a, Table D-1; 1966b, Table D-1; 1968, Table D-1; 1969c, Table D-1; 1970, Table D-1; 1971b, Table D-1; 1971c, Table D-1; 1972a, Table B-17.

TABLE 3. CRITERION II-2
(Thousands)

Year	Total Working or Looking for Work	Total Column 7+		Accumulated More Than 10 Jobless Weeks		Persons Not in Labor Force During Year Who Did Not Work Because They Could Not Find a Job		Co1.3 Percent of Col.8	Co1.4 Percent of Col.8
		Col. 5	Col. 6	Min	Max	Col.2+	Col.7		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1964	86837	6290	6732	6188	6630	120	86939	7.2	7.7
1965	87591	4842	5156	4762	5076	80	87671	5.5	5.9
1966	87540	3808	4097	3763	4052	45	87585	4.3	4.7
1967	89432	3866	4169	3795	4098	71	89503	4.3	4.7
1968	91480	3545	3846	3459	3760	86	91566	3.9	4.2
1969	93640	3733	4031	3650	3948	83	93723	3.9	4.3
1970	95342	6265	6697	6155	6587	110	95452	6.6	7.0

Sources: U.S. Department of Labor, 1966a, Table D-2; 1966b, Table D-2; 1968, Table D-2; 1969c, Table D-2; 1970, Table D-2; 1971b, Table D-2; 1971c, Table D-2; 1972a, Table B-17.

are likely to severely strain his already depleted financial resources. Otherwise, a refusal is unreasonable. It follows that failure to meet individual need is not attributable to IT if the trainee's refusal is unreasonable.

B. Labor Demand and Supply. Effects attributable to a change in labor demand or supply can be estimated by comparing the experience of persons who complete training with others who are alike in every significant way except that they have not been trained. Persons who enrolled in but did not complete training are used as a control group.

Three assumptions are central. First, at the time training gets under way there are suitable training-related job openings for everyone who is referred to IT and that employers are unable to fill them because of a shortage of qualified workers. Second, the candidates are well-informed about the hiring specifications for the available training-related jobs and that training is designed to meet those specifications. Third, a person who refuses a given job before training begins will not accept it after training ends.

C. Change in Physical Need or Resources of the Family. If the conditions specified in part (b) of Criteria I-1 and I-2 are met after training but would not have been met given family size, the amount of family income and earnings of others in the family before training, the fact that the objective of meeting physical need is achieved is not attributable to the program. Conversely, if the conditions are not met but would have been, given family size, nonwage family income, and earnings of other family members before training, the fact that the objective is not achieved is not attributable to IT.

VII. DATA REQUIRED TO DETERMINE IF TRAINING MEETS INDIVIDUAL NEED COMPARED WITH DATA COLLECTED

A. Physical Need. Of the eight items needed to apply Criteria I-1 and I-2, four are roughly approximated in the reporting program: (a) net money earnings on longest pre-training job, (b) size of family before training, (c) nonwage family income and earnings of other family members before training, and (d) net money earnings per month since completion of training. The four missing items are: (a) year last worked on longest pre-training job, (b) size of family after training, (c) net money income of family after training, and (d) number of persons who refused suitable work.

B. *Psychological Need*. Two of the five items required to apply Criterion II-1, number of persons employed and number unemployed are supplied by the federal reporting program. The other three, number of discouraged workers, number of jobless or discouraged workers who refused suitable work, and consecutive weeks of unemployment, are not. None of the information required to apply Criterion II-2 is available from the reporting program. The missing items are, in addition to accumulated weeks of unemployment, the number of persons who (a) worked, (b) worked and had some unemployment, (c) did not work but looked for work, (d) were not in the labor force and did not work because they could not find a job, and (e) refused suitable work.

In terms of the four criteria that express the need of the individual in measurable form, the data collected are insufficient to determine whether training achieves its primary objective. On the other hand, all the data actually collected appear to be necessary.

REFERENCES

- Becker, Joseph M. *The Adequacy of the Benefit Amount in Unemployment Insurance*, Kalamazoo, 1961.
- Becker, Joseph M. "The Adequacy of Benefits in Unemployment Insurance," *In Aid of the Unemployed*, edited by Joseph M. Becker, Baltimore, 1965.
- Beideman, Geraldine M. "Private Programs of Aid for the Permanently Terminated Worker," *In Aid of the Unemployed*, edited by Joseph M. Becker, Baltimore, 1965.
- Burns, Eveline M. "The Determinants of Policy," *In Aid of the Unemployed*, edited by Joseph M. Becker, Baltimore, 1965.
- Fromm, Erich. *The Sane Society*, New York, 1955.
- Herzberg, Frederick, Mausner, Bernard and Snyderman, Barbara B. *The Motivation to Work*, New York, 1959.
- Lester, Richard A. *Manpower Planning in a Free Society*, Princeton, 1966.
- Mangum, Garth L. *MDTA: Foundation of Federal Manpower Policy*, Baltimore, 1968.
- Maslow, A. H. "A Theory of Human Motivation," *The Psychological Review*, July 1943, 50, p. 373.
- McGregor, Douglas. *Leadership and Motivation*, Cambridge, 1966.
- McGregor, Douglas. *The Professional Manager*, New York, 1967.
- Weisbrod, Burton A. "Conceptual Issues in Evaluating Training Programs," *Monthly Labor Review*, October 1966, 89, p. 1091.
- Report of the Committee on Unemployment Insurance Objectives, *Unemployment and Income Security: Goals for the 1970's*, Kalamazoo, 1969.
- U.S. Congress. *Manpower Development and Training Act of 1962*, as amended through October 24, 1968.
- U.S. Department of Labor. *Work Experience of the Population in 1961*, 1962.
- U.S. Department of Labor. *Work Experience of the Population in 1962*, 1964.
- U.S. Department of Labor. *Work Experience of the Population in 1963*, 1965.
- U.S. Department of Labor. *Work Experience of the Population in 1964*, 1966a.
- U.S. Department of Labor. *Work Experience of the Population in 1965*, 1966b.

- U.S. Department of Labor. *Manpower Report of the President*, 1967.
- U.S. Department of Labor. *Work Experience of the Population in 1966*, 1968.
- U.S. Department of Labor. *Manpower Report of the President*, 1969a.
- U.S. Department of Labor. *Persons Not in the Labor Force*, 1969b.
- U.S. Department of Labor. *Work Experience of the Population in 1967*, 1969c.
- U.S. Department of Labor. *Work Experience of the Population in 1968*, 1970.
- U.S. Department of Labor. *Employment and Earnings, January 1971a*, 17, Table A-28.
- U.S. Department of Labor. *Work Experience of the Population in 1969*, 1971b.
- U.S. Department of Labor. *Work Experience of the Population in 1970*, 1971c.
- U.S. Department of Labor. *Manpower Report of the President*, 1972a.
- U.S. Department of Labor. *Employment and Earnings, January 1972b*, 18, Table A-28.