

Essay

Informing Older Workers about Job Training and Employment Options

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Many older workers face serious problems in finding suitable jobs, stemming from job loss, lack of 21st century skills, and a need to transition to less demanding jobs to supplement retirement income. These workers usually are aware that there are local resources that can help them find suitable jobs, with or without additional training, but they often do not get the help they need from these resources.

My suggestion for giving older workers the help they need to improve their employment prospects is for the U.S. departments of Education and Labor to fund a competition open to individual states or groups of states to use data they already possess to: (a) assess the returns to different types of training to workers with different attributes in a wide range of local labor markets; and (b) develop ways to effectively disseminate the information through improved websites as well as through greater use of well-trained staff at American Job Centers (AJCs) to provide assessments and counseling.

Education and Labor have already spent well over \$600 million to help states create State Longitudinal Databases. These databases can be used to describe the characteristics of trainees; the training they receive at

community colleges and other training institutions; and earnings before, during, and after training. States with the most advanced systems, such as California, Florida, and Washington, have already used these data to provide information about completion rates and subsequent earnings by field of study.

But these data are not routinely broken down to differentiate completion rates and earnings increases for older versus younger workers, workers with college degrees versus those with only high school diplomas, or workers in labor markets with very different industrial mixes; nor do they assess the extent to which workers can effectively use the data without AJC staff assistance, and the extent of staff assistance that is needed. Yet breakdowns are crucial to making sound decisions, as there

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are substantial differences in completion rates and employment outcomes across workers with different characteristics, even among workers entering similar training programs. It also is crucial to assess the effectiveness of various methods to provide the information, as workers vary greatly in their ability to formulate sound plans and use impersonal web-based information resources.

A modest expenditure of less than \$30 million could fund three projects that would demonstrate the potential of these systems, and thus pave the way for their greater adoption if they prove to be highly beneficial. Modest cost is important because a major reason older workers often cannot get the help they need from AJCs is that these institutions have been starved for funds for many years, despite substantial research indicating their services are cost effective. As a result, skeptics doubt AJCs have the potential to provide valuable services.

Providing better information and better guidance in formulating plans to older (and other) workers is essential because improving employment prospects hinge on determining: (a) the types of locally available jobs that would be interesting and offer suitable pay and other attributes, as well as be feasible to obtain; (b) the hard and soft skills needed to obtain those jobs; (c) how those skills compare with the workers' current skills; and (d) if new skills are needed, how those skills can be obtained.

Some older workers can identify suitable local jobs for which they are already well qualified by consulting friends and relatives and searching websites. But many older workers lack facility in using the Internet and have little experience in obtaining and evaluating information of the type required (and cannot get the help needed from their children or other contacts).

When additional information is needed, the main go-to resource is AJCs (formerly known as One-Stop Career Centers), run by state departments of labor. AJCs are readily available throughout the United States and provide a range of services including computerized job banks and resource rooms that provide detailed information about jobs, skills, and ways to build skills. But because AJCs' resources are stretched thin, only a limited amount of assistance from staff is available to help navigate these resources.

However, it is common for older workers to need more individualized help to determine which skills are in highest demand among those local employers most likely to hire older workers and what types of local

training are most likely to lead to enhancing older workers' employment prospects. My own research indicates that older workers benefit from obtaining thorough assessment and counseling to develop a sound plan and they need assistance in paying for training. More specifically, key benefits from AJC assessment and counseling associated with issuing training vouchers are that workers either: (a) enter training and end up completing programs that dramatically increase their earnings; or (b) realize they would be at least as well off taking the best jobs available than entering a training program.

Indeed, recent evidence from Florida suggests that workers receiving AJC training vouchers are very likely to enter training with the highest returns. Women completing health care training double their earnings on average, and men completing public safety training increase their earnings by 50 percent.

The bottom line is that America's workforce system is far more effective than commonly believed, especially when benefits are compared with the limited funds made available to this system. Moreover, the need for improving job prospects is greater than ever because of changes in both the skills required to obtain high-quality jobs and the types of jobs older workers find suitable. Thus, by making much more effective use of data that are currently available, it should be possible to demonstrate how the need for information and guidance of older, and other, workers can be met at a modest cost.

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