JOB CORPS:
NEEDED NOW MORE THAN EVER
ACKNOWLEDGEMENTS

The Institute is very grateful to various staff that provided input, improving the document including:

Richard F. Schubert, J.D., member, MTC Board of Directors
John Pedersen, Sr. Vice President, MTC Training Group
Celeste McDonald, Vice President, MTC Government & Community Relations
Annie Mathews, Center Director, Atlanta JCC
Steve Reitan, Center Director, Flint Hills JCC

We especially want to thank the external reviewers who critiqued this document, specifically:

LaVera Leonard, President, LRG, Inc.
Mary Lopez Schell, Director, Humanitas, Inc.

Their participation has enhanced the value of the information for policy makers and Job Corps Administrators.

We also extend thanks to the various MTC Executive staff who contributed their understanding and knowledge to the project. Finally, we recognize the valuable guidance and feedback of this project from Roberts T. Jones, President, MTC Institute as well as comments and observations from MTC Chairman of the Board, Robert Marquardt, Ph.D. and President & CEO, Scott Marquardt whose input helped make this document stronger.

Job Corps: Needed Now More Than Ever

Published by MTC Institute. Copyright © May 2008.

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Management & Training Corporation (MTC) is an international corporation dedicated to helping people realize their learning potential. MTC creates nurturing environments in which education is encouraged and recognized. MTC manages and operates 25 Job Corps centers in 18 states for the U.S. Department of Labor, preparing disadvantaged youth for meaningful careers. MTC also operates 12 contracted correctional facilities across the country with approximately 13,000 beds under contract. In addition, MTC has expanded their education and vocational expertise into the international arena, working in countries such as Iraq, Sudan, Tunisia, China, and Mongolia. The MTC Institute is the research division of MTC, which is dedicated to promoting innovations, exemplary practices, and projecting trends that are relevant to job training and corrections. The work of the Institute is geared towards a broad audience including policy makers, educators, researchers, practitioners, state and federal officials, workforce development entities, correctional agencies and Job Corps centers.
EXECUTIVE SUMMARY

Many Americans are realizing that the economy is in crisis. This predicament is driven in part by an aging workforce, slow population growth and an education system that has not kept pace with the increased demands of tomorrow’s jobs. The students who are typically left behind, however, can play a key role in addressing the nation’s economic needs. Their needs, however, must also be met.

Consider the following:

- 1.2 million high school students drop out of school each year.¹
- These dropouts cost the economy $329 billion over their lifetime.²
- If the educational gaps between minority and non-minority students are closed (i.e., more minority students reach the education levels of non-minorities), future economic gains range from $421 billion to $805 billion.³

Today’s workplace pays a premium for education – more skills and training correlate with higher earnings and better positions. The majority of job growth today and in the future is taking place in fields requiring more education and training beyond high school.

Many economists and labor market experts believe that job growth and the economy in general would be much stronger if employers were able to find the skilled labor they so desperately need. This lack of skilled workers hampers the ability of businesses to take advantage of market conditions that would otherwise lend themselves to expansion. In the end, the shortage of skilled laborers has a negative impact on economic growth.⁴

Facing this crisis, America needs to continue to strengthen not only our education system, but it must invest in and expand on proven programs, such as Job Corps, which is the nation’s premier dropout recovery program, training over 60,000 at-risk students each year.

Job Corps is not only our most successful program with the at-risk student population, but it also is the most cost effective, and in fact, has had a minimum positive $2 return for every $1 spent.⁵ We are entering a unique period in our country’s history when every one of these students is needed and can be successfully employed. And we have Job Corps centers across America that are helping them reach that goal.
JOB CORPS: Needed Now More Than Ever

For the past 40 years, the Nation has focused to a great extent on meeting the social and workforce needs of our most underprivileged populations. At the same time Job Corps has done its part as the country’s leading and most successful program for many disadvantaged students who either dropped out of school or sought help in obtaining the labor market skills they needed to excel in the workforce.

Now, more than ever, Job Corps is playing a key role in delivering educated and skilled workers to meet the needs of high demand occupations. Due to multiple factors, the Nation is facing a crisis-level deficiency in skilled workers. The population in the rest of the world is growing larger, younger, and more educated; technological change and global competition are demanding more of our workers; and high school dropout rates are alarmingly high (i.e., 50 percent in some major cities).6

America’s population growth has slowed; our population and workforce are aging; and our education system has not kept pace with the increased demands of tomorrow’s jobs. Our economy is growing increasingly dependent on the dropouts, minorities, and disadvantaged students our traditional education and social systems have left behind.

The economic success of our country, our companies, and our workforce is more dependent on our ability to significantly increase the education and training levels of every student in our school system.

While we are asking our K-12 education system to raise the standards and achievement levels of ‘all children’, the fact remains that we have a 30 percent national dropout rate, amounting to roughly 1.2 million students every year. In addition, a significant proportion of those who do graduate do not possess the skills to succeed in the workplace.7

The majority of these students are minority and economically disadvantaged students. Typically left behind, these students are now critical to our economic success. As the Nation’s premier cost-effective program for working with at-risk youth, Job Corps proves how to ensure that growing numbers of students meet the business and industry requirements of tomorrow’s 21st century workforce. Their detailed accountability on performance clearly shows evidence of the programs success.

JOB CORPS

Whether it’s in Phoenix, Arizona, Chicago, Illinois, or more than 100 places in between, Job Corps is helping turn the tide. It is the most important dropout recovery program in America. It’s also the Nation’s largest and most effective federally funded program for at-risk youth.

Job Corps was founded in 1964 and since then it has served more than 2 million students ranging in age from 16 to 24. The vast majority of those were once high school dropouts. They did not have a high school diploma, or a GED, and they had few, if any, marketable skills.

Working with an annual budget of about $1.5 billion, Job Corps serves about 64,000 youth each year. With 122 centers located in 48 states and the District of Columbia, it provides academic and vocational training, as well as an array of support services, a place for its participants to live, and post program placement.

Job Corps is the primary program for effectively reaching disadvantaged kids and providing them with skills they can use to find work and further their education. Serving at-risk kids – the ones who have traditionally been left behind – is what Job Corps does best.

Most (87.5 percent) of the graduates who complete their high school diploma or GED and/or a trade go on to careers in skilled trades, the military, or college.
GROWING DEMAND FOR WORKERS

The good news is that the nation is creating more jobs; the not so good news is that we don’t have enough workers to fill them. The job growth projections are forecast at about 10 percent during the period from 2006 to 2016 and most of those 15.6 million new jobs will require post secondary education. However, the Nation's workforce over the same period of time is only expected to grow by 8.5 percent.

Some foresee huge workforce deficiencies in skilled workers of approximately 14 million by 2020. While the number of jobs for those without a high school diploma is evaporating, many estimate that more than 90 percent of the fastest growing jobs require education beyond high school.

Today’s economy – driven by the pace of technological change, the expansion of international trade and the globalization of capital markets – requires a more highly skilled workforce. Those entering the workforce for the next four plus decades are not necessarily going to be as educated as those they replace. To a great degree, those in the pipeline to take the place of aging baby boomers are minority populations that for a number of reasons have had a lower level of academic success than the national average.

These demographic trends are putting the nation at an academic crossroads. Incoming minorities have large hurdles to overcome in achieving the skill level obtained by exiting baby boomers.

African Americans and Hispanics comprise the largest portion of the at-risk student population. While white students are living in poverty, African Americans and Hispanics are more likely than whites or Asians to live in poverty, drop out of school, and make their way through life with a minimum of socio-economic success.

Against this backdrop, the labor market is demanding more highly-skilled workers than ever before – people who can analyze computer networks, provide financial expertise and give medical care to the elderly. And Job Corps, which provides training in industry-recognized certificated programs, is playing a key role in delivering educated and skilled workers to meet the needs of high demand occupations.

FEWER WORKERS AVAILABLE

Overall, the pace of population growth in the United States is on the wane. Between 2006 and 2016, the growth rate is projected to be 9 percent, down from 11 percent between 1996 and 2006, and 13 percent between 1986 and 1996.
The slower pace is the result of a very low birth rate among the baby boom generation. They’ve had an average of 2.4 kids, compared to an average of 3.3 kids for their parents. Hence the number of young Americans relative to the number of older Americans is much smaller than it once was, and there are not enough young people entering the job market to fill the jobs that will be left vacant by aging baby boomers.

It has been estimated that by the year 2020 the Nation will have 20 million jobs more than we have people in the workforce. This means that all students can become a demand hire if they have acquired a solid educational foundation (i.e., high school diploma or GED) and the post-secondary knowledge and skills required by the workplace.

While one demographic shift is taking place among age groups, another is taking place in the racial and ethnic make-up of the population. Like the population as a whole, growth in the white population is slowing down. In 1993 it represented 75 percent of the population. In 2005, it represented close to two-thirds, and by 2050, it is expected to comprise 50.1 percent.

On the rise, however, are growth rates for minority populations. African Americans, Hispanics and Asians now make up the majority in California, Texas, New Mexico and Hawaii. And five states – Maryland, Michigan, Georgia, New York and Arizona – are on the cusp of having majority minority populations.

Looking ahead to the middle of the 21st Century, that trend is expected to continue nationwide. By 2050, Hispanics are projected to make up 24.4 percent of the population, African Americans 14.6 percent, Asians 8 percent and other minorities 5.3 percent. Added up, that’s nearly half, or 49.9 percent, of all Americans.

According to a report by the National Center for Public Policy and Higher Education the labor market, in tandem, is undergoing a similar transformation. Between 1980s and 2000:

- The white portion of the working age population (ages 25 to 64) dropped from 82 percent to 72 percent, by 2020 it is expected to be 63 percent, and by 2050, 53 percent.
- Minority representation in the labor market is rising rapidly. Between 1980 and 2000, it went from 18 percent to 28 percent. By 2020 it is projected to be 37 percent, and by 2050, 47 percent.

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Job Corps: Needed Now More Than Ever

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Lack of Skilled Employees is Hurting Business

Washington DC

Alexandria’s Restaurant Eve is an upscale restaurant with award-winning chef Cathal Armstrong. One would think cooks would be lining up for the two vacancies for line cook jobs. However, with no applicants for six months, the restaurant has had to run short-staffed.

“With more restaurants on the way, it will only get worse … Ultimately, competition could slow or even end Washington’s restaurant boom.”

Michigan

“Tens of thousands of job vacancies are currently unfilled in Michigan, according to a new survey by Lansing-based Accident Fund of America: “As many as 30,940 jobs in Michigan could go unfilled in the near future. This number, combined with the 80,000 jobs currently estimated to be unfilled, indicates Michigan’s high rate of unemployment has more to do with a lack necessary education and training among residents than with a lack of employment opportunities.”

Nation

The construction industry, projected to grow by 1 million new jobs by 2012, has a critical shortage of labor beyond a workforce of about 7 million. The average age of construction workers was 38.7 years old in 2001, necessitating replacement workers. Workforce experts have begun seeking more women as a pool of as yet untapped workers for "an industry begging for skilled labor and talented professionals."
Within the minority population, the fastest growing segment is Hispanic. As of 1980, Hispanics represented 6 percent of the population, but by 2020, they will have surpassed the share of African American population, which was 10 percent in 1980. In 2020, Hispanics are projected to make up 17 percent of the total, compared to 13 percent for African Americans.\(^2\!\!1\)

Job Corps has over 40 years of experience working with some of the fastest growing segments of today’s population. Minorities are the single largest share of Job Corps participants. African Americans and Hispanics make up a combined total of 65 percent – or 48 percent and 17 percent respectively. Whites represent 26 percent.\(^2\!\!2\) Job Corps, has an extensive track record of providing minority students with the educational and job training programs they need to become productive members of the workforce.

**INCREASED PREMIUM ON EDUCATION AND TRAINING**

The Nation needs all students to join the workforce. However, with most jobs requiring education beyond high school, those that dropout face a life of challenges and economic disadvantage. Without education and training, these dropouts, many of whom are minorities, will become a huge tax burden. When combined with the growing number of baby boomers leaving the workforce, and demanding more healthcare, these groups will significantly stress State and Federal budgets.

While overall educational attainment went up for all ethnic and racial groups, the educational gap between whites and most minority groups also went up. In 1980 the disparity between whites and African Americans was 11 percent. Two decades later, it was 15 percent. In 1980, the disparity between whites and Hispanics was 12 percent. Two decades later, it was 19 percent.\(^2\!\!3\)

If these kinds of gaps stay in place, the increase in the number of workers with a post-secondary education will no longer be 19 percent. Instead – between 2000 and 2020 – it is expected to be 4 percent.\(^2\!\!4\)

Minority groups now comprise 42.9 percent of the student enrollment, up from 33.9 percent in the 1993-1994 school year, according to the Pew Hispanic Center. The single largest and fastest growing minority group is Hispanic. Fueled to a great extent by immigration, the enrollment of Hispanic students now stands at 19.8 percent; up from 12.7 percent in the early 90s.\(^2\!\!5\)

The second largest minority group is African American. It now represents 17.2 percent of public school children, up slightly from 16.5 percent in the early 90s.\(^2\!\!6\)
These two groups comprise the vast majority of minority students. These two groups are also among those that are most likely to drop out of school and least likely to finish college.

“In 2000, whites ages 25 to 64 were twice as likely as African Americans to have a bachelor’s degree,” according to the National Center for Public Policy and Higher Education, “and almost three times as likely as Hispanics.” The level of success in advancing to college is not improving either. The 2001 high school graduation rate for Hispanics was 53 percent. For African Americans it was 49 percent, and for white students, it was 75 percent.27

In short, the least educated segment of the population is growing the fastest. And if current trends continue, those coming into the labor market will lower the education level of the American workforce.

Job Corps is the major program that is addressing this foreseeable problem. This undereducated, fast-growing and diverse group of young people so desperately needed by our economy is exactly the group that Job Corps is training.

DROPPING OUT

By far, the most abandoned group among the Nation's school age population is high school dropouts. Every year, according to a report by the Alliance for Excellence in Education, only 70 percent of all students who enter the ninth grade end up with a high school diploma four years later. That means nearly 7,000 students become dropouts every day. Every year 1.2 million students drop out, translating into an economic loss reaching into the hundreds of billions.28

“For instance,” the report said, “if the students who dropped out of the class of 2007 had graduated, the nation's economy would have benefited from an additional $329 billion in income over their lifetimes.” For New York, that would be a gain of $23.4 billion; for Kentucky, it would be a $4.3 billion improvement; and in California, the economy would grow by $40 billion.29

The tallies come in large part from the difference in income earned by those who are educated vs. those who are not. U.S. Census Bureau figures from 2004 show that the average annual income for a bachelor's degree was $56,492; for an associate's degree, it was $38,920; for a high school diploma (including a GED), it was $29,622; and for a high school dropout, it was $19,155.30

The success story of Laranda Clanton

Laranda Clanton of Kansas City, Kansas had a dream to be a lawyer. Many would have considered it the ‘impossible dream.’ As the youngest of four children, Laranda struggled in high school, eventually dropping out in ninth grade.

But at age 16, her life took a turn for the better, after she discovered the US Department of Labor Job Corps program. Laranda needed only four months of study at the Flint Hills Job Corps Center to complete a GED and enroll in the center’s Business Occupations Trade. She studied hard and devoted much of her “spare” time to helping peers with their studies and working in the center recreation program.

After earning her business trade credentials on center, Laranda was the first person in her family to enter college. On her 17th birthday, with financial support from Job Corps, she began attending classes in the Paralegal/Pre-Law program at Cloud County Community College in Concordia, Kansas.

In her first year at college, Laranda made the National Honor Roll. Soon thereafter she moved from the Flint Hills center into her own apartment. She now attends school full time and works part time. With each step she moves closer to fulfilling that impossible dream.

Laranda also had a positive effect on her older brother, Davial Clanton. Seeing her success, Davial followed his younger sister's lead by entering the Flint Hills Job Corps Center, where he too completed a GED as well as a Cement Masonry credential. Davial is now working full-time in the cement industry in the Hutchinson, Kansas area.
But the difference between dropping out and getting either a high school diploma or a GED means much more than the $10,467 disparity in annual income. It also translates into tremendous differences in the kind of lives each is likely to lead.

High school graduates are more likely to live longer, to raise healthier and better-educated children and to engage in civic activities, such as voting and community service. Unlike dropouts, they are less likely to be teen parents, to commit crimes, to rely on government healthcare, and to use public services, such as food stamps or housing assistance.31

Each dropout costs the nation roughly $260,000 over his or her lifetime, according to Cecilia Rouse, a professor of economics and public affairs at Princeton University. Citing Rouse’s work, the Alliance for Excellent Education report said, “Whatever the cause, the nation can no longer afford to have a third of its students leaving school without a diploma.”32

If dropout rates and educational attainment actually get worse, the most affected states will be those with the largest minority growth rates, according to the Center for Public Policy and Higher Education. Those are: Nevada, California, Arizona, Texas, Colorado and Illinois.34 “In these states,” the group’s report said, “the decrease in income would be much more substantial than the U.S. average and could significantly affect their tax base.”

Job Corps, as the nation’s most important dropout recovery program, helped many (18,552) students who dropped out of the traditional education system, acquire their high school diploma or GED last year. Based on the report and the number of high school diplomas awarded, almost $2 billion of dropout lifetime costs were avoided as a result.35

**WORKFORCE DYNAMICS**

These myriad numbers pertaining to age, race, ethnicity and educational attainment do not bode well for meeting the needs of a 21st Century workforce. Nor do they bode well for maintaining the nation’s economic edge in an increasingly global marketplace.

Instead they point to troublesome trends:

- Job growth is outpacing population growth; the jobs themselves will require increasingly complex tasks; and
- Gains in educational attainment are on the wane.
Gone are the days when manufacturing jobs allowed people without a high school diploma to excel in the workforce and provide a comfortable living for their families. As the number of those jobs has dwindled, they have been eclipsed by jobs that require -- at the very least -- a high school diploma. More than likely, however, they require some postsecondary education.

The value of education is an important message imparted to Job Corps students by a dedicated staff that tutors, teaches, coaches and encourages students to excel. The message is very similar to one published in a Department of Labor report called America’s Dynamic Workforce. “Today, and increasingly in the future, a solid education foundation, including completion of post-secondary courses or degrees is needed to compete successfully in the job market,” the report said.36

A solid educational foundation is also needed if the United States wants to remain competitive in a global marketplace where technology and outsourcing allow the educated populations of India, Mexico, the Philippines and a number of other countries to compete -- in essence -- for American jobs.

If educational disparities stay in place, experts predict there will be a damaging ripple effect in the U.S. economy. They will “depress personal income levels for Americans, in turn creating a corresponding decrease in the nation’s tax base,” said the National Center for Public Policy and Higher Education. They will also lead to more outsourcing, the report said.

The group’s report predicted that between 2000 and 2020, there will be a loss of personal income totaling $395 billion. If the gap is closed, future gains range from $421 billion to $805 billion.37

That’s a multi-billion dollar “if.” It’s also a multi-billion dollar gap, and closing it requires educating those children who have traditionally been left behind. Dealing with those left behind is a Job Corps program focus. Last year, with the help of the Job Corps education, training and transitional programs, nearly 25,000 students obtained employment.38

THE CASE FOR EXPANDING JOB CORPS

Job Corps is the Nation’s premier program for training students who have dropped out and those who are economically disadvantaged in the workplace readiness education and training skills so in demand in today’s labor market. Maintaining program currency and business linkages is the result of strong national and local partnerships with employers. There is hardly a week that goes by that centers are not contacted by employers looking for trained employees.

The success story of Ryan Frazier

Ryan Frazier has a history of overcoming adversity. When he was five years old, he was diagnosed with Leukemia. After years of battling cancer, he was finally deemed cancer free in 1998.

He was raised by a single mom who has stood by him, believing in his dreams. While growing up, his dad indulged an addiction to crack cocaine and provided Ryan with very little guidance.

Ryan graduated from high school but failed the exit exam. He knew he should go back to finish -- but other things got in the way. Then the worst nature disaster of the century hit New Orleans: Hurricane Katrina. He moved abruptly to the Atlanta area with his mom, not knowing anyone and dependent upon the kindness of strangers.

One day he saw a segment about the Atlanta Job Corps Center on television. The program offered everything: an opportunity to earn the high school credits he needed, vocational training and the opportunity to one day enjoy a great career.

When he arrived on center he was cheerfully greeted by Atlanta Job Corps Center Director Annie Matthews, saying “Welcome, we have been waiting for you.” Ryan believes he has been blessed to meet so many helpful people since stepping through those doors.

His advice to young people facing their own challenges is to never give up. After graduating with his GED and vocation credential in Business Technology, he received a job with the Dekalb County Sheriff’s Department. Ryan now works as a Correctional Detention Officer and plans to start college in the fall.
Most Job Corps participants enter the program with many needs. By the time they leave the program, most have obtained a high school diploma or a GED and an industry-recognized certificate in one of nearly 100 career technical training programs. Of the 65,100 youth who were enrolled in Job Corps programs in 2007, nearly half, or 31,855, earned a vocational certificate; 17 percent, or 11,268, earned a GED; and 11 percent, or 7,284, earned a high school diploma. Most (87.5 percent) of the graduates complete their high school diploma or GED and/or an industry-recognized certificate leading to careers in skilled trades, the military or entered college.39

The United States is entering a unique period in its history when every one of these students is needed to help reverse predicted declines in income and educational levels. To do this, the National Center for Public Policy and Higher Education said, the states must do a better job of educating "all their residents, particularly those populations that are growing fastest."40

Job Corps serves these fast-growing segments of the population. It has four decades of experience working with minority students, as well as dropouts of all racial and ethnic backgrounds. Of those who enter Job Corps, 76.5 percent are high school dropouts41; without Job Corps, they would be much more likely to depend on taxpayer dollars via the welfare system, the criminal justice system and other government-run programs.

As business leaders grapple with global competition and the pace of technological advances, the demand for skilled workers, including Job Corps graduates, is high. It is now paramount that would-be dropouts and welfare recipients become productive members of the labor market, and to do that, they must have access to educational opportunities – the very kind Job Corps knows how to provide.

Aligned with new academic and employer standards, Job Corps is making tremendous strides toward meeting the workforce needs of the nation’s economy. In partnership with industry, Job Corps is being called on to serve more students. And it’s doing that in a cost-effective way. With the evolution of a 21st century workforce, Job Corps and the young people it serves are needed – now more than ever.
ENDNOTES


2 Ibid.


14 Ibid.


20 Ibid.

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Aspen Institute Domestic Strategy Group: http://www.aspeninstitute.org/atf/cf/%7BDEB6F227-659B-4EC8-8F84-8DF23CA704F5%7D/DSGBROCHURE_FINAL.PDF


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35 Data from Job Corps Data Center used in calculations by MTC Institute.


38 Data from Job Corps Data Center used in calculations by MTC Institute.


47 Personal interview with Tauna Spain, Business Community Liaison, Flint Hills Job Corps on February 21, 2008.
