
Policies to Reduce High-Tenured Dislocated Workers' Earnings Losses through Retraining

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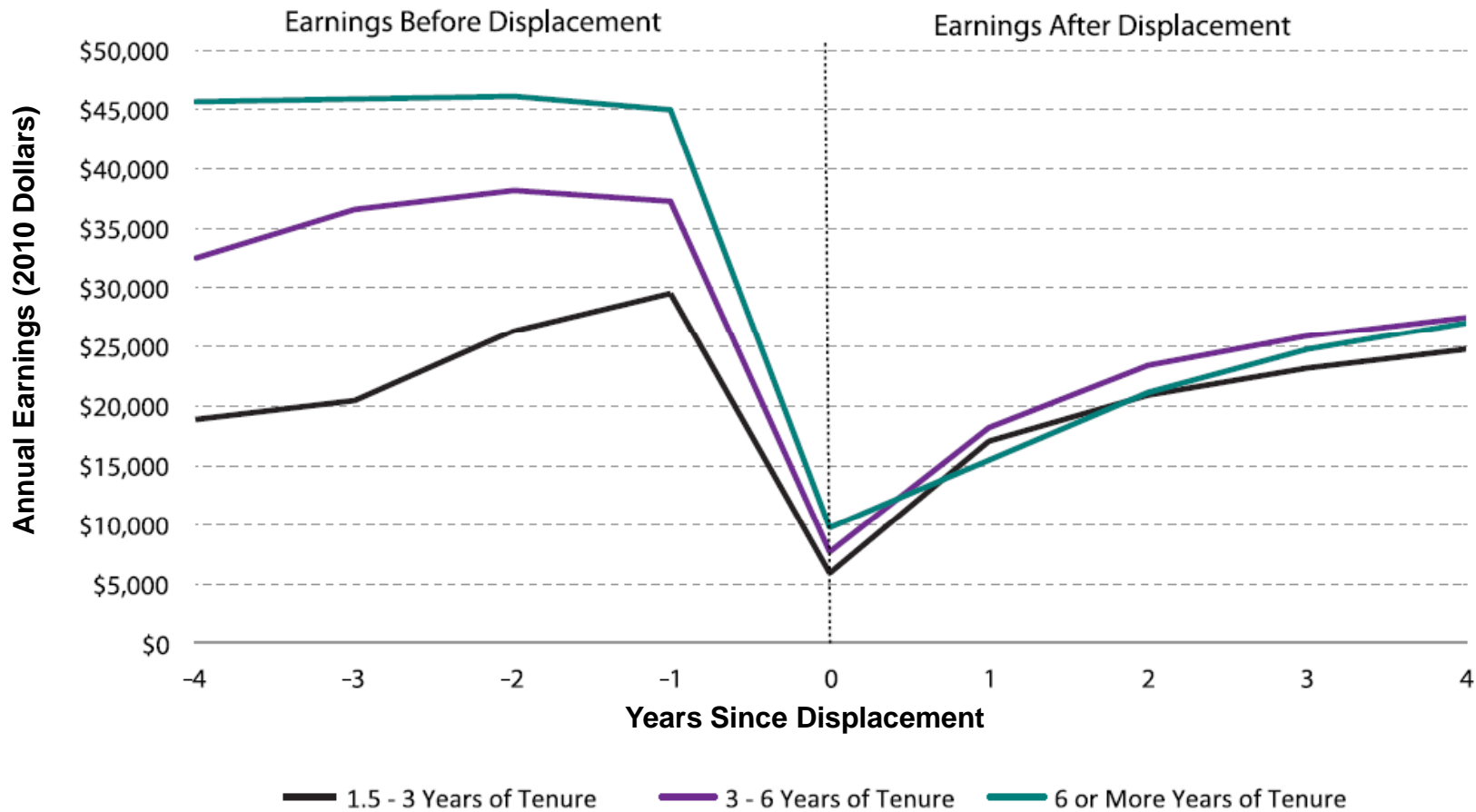
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The Problem

- 1 to 3 million high-tenure workers lose jobs each year.
- Large losses persist long after reemployment.



The key to reducing losses by at least half

■ Complete two years of high-return training.

Losses for a 40 year old with a \$10,000 loss without training



The 4 keys to completing 2 years of high-return training

1) Establish a Dislocated Worker Training (DWT) Grant

- Provide up to \$5.5K every 6 months depending on size of the earnings loss as long as the worker:
 - Had 3 or more years of tenure at job loss.
 - Is employed.
 - Is in training.
 - Receives career counseling from an honest-broker.
- Cover out-of-pocket expenses including childcare up to a maximum of \$36K over 4 years.

The 4 keys to completing 2 years of high-return training

2) Use honest-brokers at One-Stop Career Centers to:

- Identify high-return fields.
- Insure academic and skill qualifications are met.
- Select the best training providers.
- Overcome academic and personal problems that routinely develop while in training.

The 4 keys to completing 2 years of high-return training

3) Evaluate retraining programs and disseminate best practices.

- Build on existing data systems to estimate the return-on-investment by characteristic of the trainee, program, service provider & labor market.
- Use these estimates to:
 - Make sound choices.
 - Rate service-providers.
 - Reward high-performing One-Stops.

The 4 keys to completing 2 years of high-return training

4) Increase capacity to provide high-quality training

- **Provide competitive grants to promote innovation.**
- **Match funding to returns.**
 - Many high-return programs are expensive.
- **Provide funds to maintain quality during recessions.**

Conclusion: The whole is more than the sum of its parts

- **Effective training can offset losses.**
- **Each of the “4 Keys” is essential—without ANY ONE this plan could fail.**
 1. Making long-term training affordable.
 2. Using honest-brokers.
 3. Creating the information needed to inform choices, maintain high standards, and identify best practices.
 4. Shoring up training-provider capacity.