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AN INVESTMENT THAT WORKS

Developing the skills of workers is increasingly important to cities' economic fortunes, but the federal government has eviscerated the job training budget in recent years—and New York City has been one of the biggest losers.

By David Jason Fischer

OFF THE CUF

Virtually every economic trend of the past two decades, from the opening of global markets to the powerful correlation between educational and work credentials and income level, indicates that the United States should dramatically boost its investments in workforce development and job training. But over this period, the federal government instead has drastically cut funding for workforce programs, declining by more than a third in inflation-adjusted dollars since 1996.¹ The sharpest cuts have come in the last six years, with the federal commitment falling by more than \$4 billion over that span—and New York City, home to so many of the challenges and opportunities manifest in the economy of the 21st century, has been one of the biggest losers.

The economic issues at play in New York City suggest that it would particularly benefit from a renewed federal commitment to workforce development. The city's poverty rate remains over as potent, its labor participation rate is well below the national average, and more than 150,000 young people between the ages of 16 and 24 are neither in school nor working—a fact that bodes very poorly for their long-term economic prospects. The long-term and ongoing loss of manufacturing and other blue-collar jobs that offered good compensation for workers without a college degree informs and exacerbates all these concerns.

Services funded under the federal Workforce Investment Act (WIA), covering everything from job search assistance to career counseling and training, are intended to help address these issues. At their best, workforce development services effectively place jobseekers into openings and furnish them the tools to stay on the job, acquire further skills and advance within a company or a sector.

Commentary/Op-Ed - September 2008

An Investment That Works

This Off the CUF commentary criticizes the Bush administration for sharply cutting funds for workforce development in recent years at a time when developing the skills of workers is increasingly important to the economic fortunes of New York and other cities.

by David Jason Fischer

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