

BEYOND THE HEADLINES

At a Glance: Jobs, Workers & the Economy

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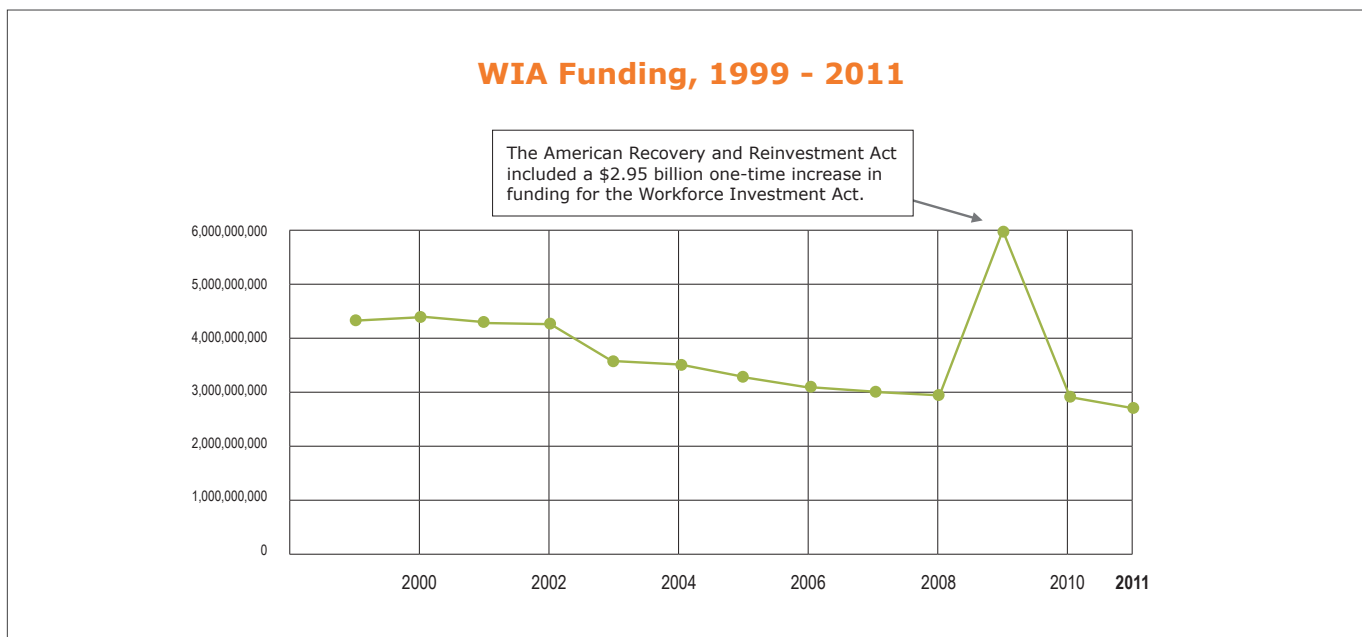
FOCUS: U.S.

The Federal Budget: Cuts to Workforce Programs a Continuing Trend

Dominating recent headlines were the tense negotiations in Washington, D.C., leading up to the recent passage of the new federal budget. The FY 2011 Continuing Resolution (HR 1473) keeps the federal government running through September 30, 2011, while making \$38.5 billion in cuts to current spending levels.

How did workforce programs fare? Considering the earlier budget proposal in the House of Representatives (HR 1) that would have zeroed out funding for the largest federal workforce program – the Workforce Investment Act (WIA) – as part of \$3.8 billion in cuts to Department of Labor (DOL) programs, it is relatively positive news that the passed budget includes a less severe \$1 billion cut to DOL job training programs.

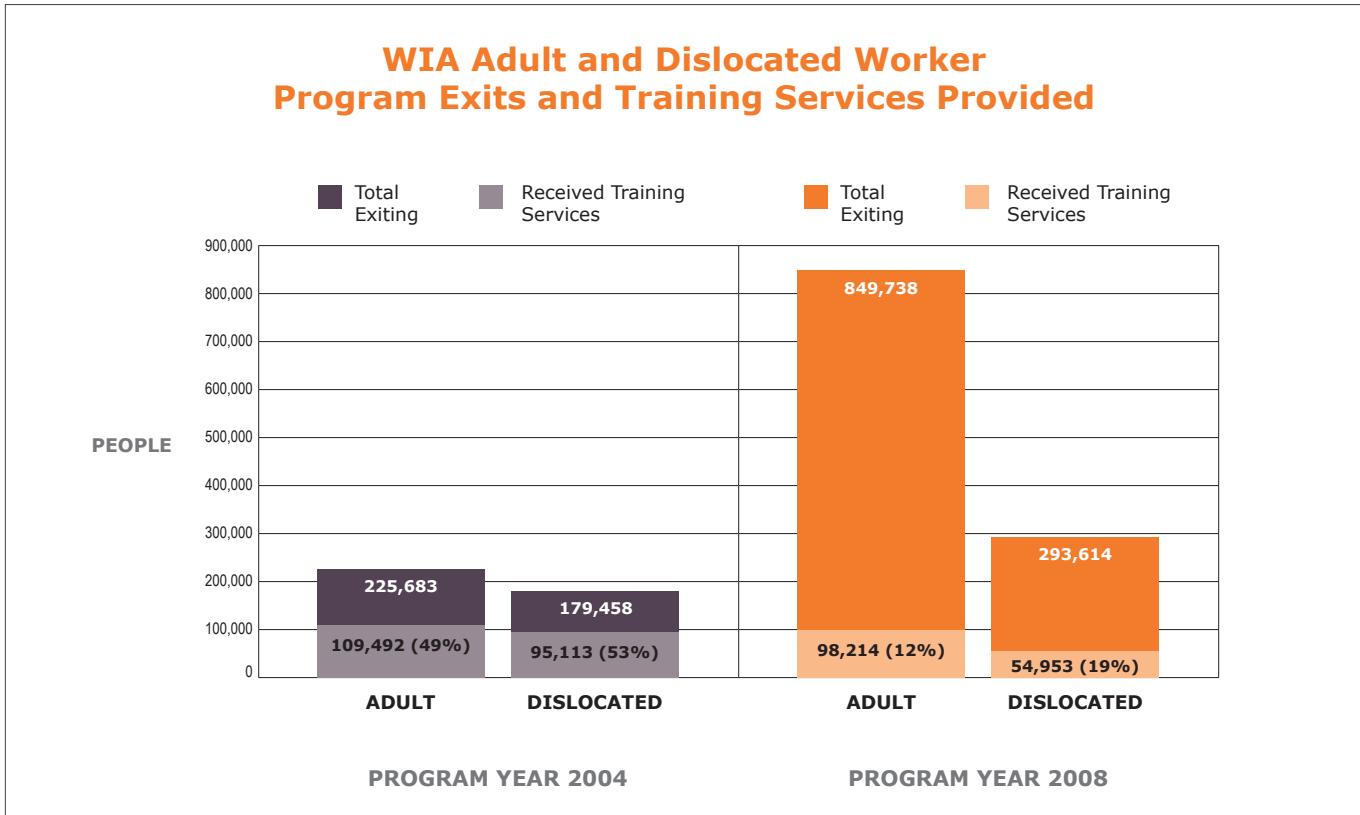
The DOL cuts include a \$182 million cut to WIA. On its own, this 6% cut to WIA may appear comparatively benign in these difficult economic times. The cut becomes more severe, however, in the context of a downward trend in investment in our primary workforce program over the past decade.



As the chart above shows, ignoring a one-time increase as part of the Recovery Act, WIA funding has been slashed by about 1/3 over the past decade. According to The National Skills Coalition, the U.S. currently ranks 22nd out of 30 developed* countries in public investments made in job training.

And funds are getting stretched thinner by the swollen ranks of people seeking job training as the labor market recovers. As the following chart shows, not only are WIA programs serving far more people today than just a few years ago, but far fewer training services are being provided through the program (while training typically leads to better employment outcomes for people, it is more expensive for WIA to provide).

*Countries that are members of the Organization for Economic Cooperation and Development



Source: Information, including charts, summarized and adapted from The National Skills Coalition's *Training Policy in Brief: An Overview of Federal Workforce Development Policy*, 2011 Edition (February 2011) by Kermit Kelaba and Rachel Gragg. See www.nationalskillscoalition.org

BEYOND THE HEADLINES: Policy & Labor Market Updates for Those Working to Help Low-Income and Low-Skill Individuals Advance through Education, Training & Living-Wage Jobs

About Seattle Jobs Initiative

Seattle Jobs Initiative creates opportunities for students, workers and business to succeed by helping education and job training programs meet the demands of a new economy. We find and apply solutions for people to gain the skills they need for good jobs that create prosperity for all in today's marketplace.

Supported by the City of Seattle Office of Economic Development

Contact Information

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