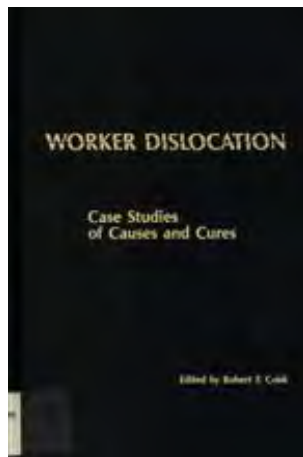

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The Tacoma, Washington ASARCO Copper Smelter Dislocated Worker Project

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The ASARCO Copper Smelter Project

Introduction

In June of 1984, management of the ASARCO Copper Smelter in Tacoma, Washington announced the elimination of all smelting activities at that location. This announcement immediately imperiled over 600 jobs. Officials of the State of Washington, as well as Pierce and Tacoma County officials, immediately began planning what would ultimately become a request for funding for a Dislocated Worker Project from the Department of Labor's discretionary Title III funds.

For a number of reasons, the ASARCO project is a classic case for the Dislocated Worker Program. The first is the nature of the industry, because copper smelting is a declining industry in the United States. The second is the location of the industry in an urban setting. The third is the fact that the employees had been at the plant for over 15 years and were relatively well-paid. This case study examines how the project was implemented, identifies the activities provided by the project for advancing the employability of the laid off workers, and summarizes the subsequent early outcomes of the project.

The Local Labor Market

The ASARCO copper refining plant is located on the outskirts of Tacoma, Washington. The City of Tacoma and Pierce County which surrounds it operate a consortium Service Delivery Area (SDA). The city and the county are located on the south central segment of Puget

Sound. This local labor market has historically encountered more unemployment than the other major local labor market in the area—Seattle, Washington. Pierce County (Tacoma) and King County (Seattle) to the north, are connected by a relatively efficient freeway system that allows labor force mobility between the two. Therefore, the Seattle labor market must be taken into account in any examination of labor market trends within the Tacoma/Pierce County SDA.

Despite the proximity to the King County labor market, Pierce County exhibits higher unemployment rates and significantly lower per capita incomes. This is also true when comparing the Pierce County labor market to other labor markets in the State of Washington. As of July 1985, the unemployment rate in the Seattle area (King and Snohomish counties) was 6.5 percent. Across the state, Spokane, Washington was experiencing a 7.3 percent unemployment rate. The Tacoma area, however, had an unemployment rate of 8.4 percent.

Twelve percent of the state's population resides within the Pierce County labor market, however, 28 percent of the state's black population and 15 percent of the state's Asian population reside there. The population growth in the Tacoma area has been above average for the past four years. Between 1980 and 1984, the Tacoma area's population increased 6 percent. During that same time period, total employment increased at slightly over 1 percent per year. The slow growth in employment within the area was due to the severe recession of the early 1980s. Between the years of 1983 and 1984, nonagricultural employment in the Tacoma area grew by only 3.7 percent. It is uncertain whether the area has the industrial base to maintain employment growth equal to expected population changes.

The higher rates of unemployment are reflected in the relative income level of the area. In 1983, the average per capita income for the State of Washington was \$12,427. In the King County labor market, average per capita income was \$14,577. However, Pierce County's per capita income was \$11,010, or 11 percent less than the urban average and one-fourth less than the average for the neighboring labor market to the north, King County. That 30,000 military personnel reside in Pierce County explains only part of the income differential.

Table 9-1 below indicates the employment mix in the Tacoma/Pierce County labor market. In 1984, 6,000 workers were employed by the area's lumber and paper products industries. This represents 4 percent of the total wage and salary employment in the area. During that same year, those two industries represented 10 percent of the total insured unemployed in the Tacoma/Pierce County labor market. Employment in the lumber industry is down almost 28 percent from its peak in 1978-79.

Several other key industries within the area have suffered significant employment setbacks in the 1980s. The area's boat building and aluminum industries have recently experienced declines in employment. For instance, Tacoma Boat, the major boat builder in the area, at one time employed over 3,000 workers; there are now fewer than 800 employees.

The long-run effect of these changes on the Tacoma area is unclear. While ASARCO has closed and Tacoma Boat and the lumber industries are suffering, the city has experienced large additions to employment at the Tacoma Port and employment is growing in the hotel industry and in other selected industries, e.g., Fairchild Camera and Equipment.

In summary, the Tacoma/Pierce County labor market is currently experiencing relatively high rates of unemployment. Per capita income within this labor market is lower than the average for the State of Washington. The differences are even more apparent when comparing Tacoma/Pierce County with the area directly to the north. A significant proportion of the area's employment problems are long term and structural. Tacoma's past dependence on employment in industries such as lumber, pulp and paper, and boat building have produced a core of unemployed that require extensive training in order to become employable.

State Organization of Title III

The State of Washington's Employment Security Department administers the Title III program. Within the Employment Security Depart-

Table 9-1
Nonagricultural Wage and Salary Workers Employed in the Tacoma Metropolitan Area, Pierce County
(In thousands)

	June 1984 ¹	May 1984	June 1983	Change			
				May 1984- June 1984	June 1983- June 1984		
Total ²	146.7	147.1	145.4	-	0.4	+	1.3
Total manufacturing	20.6	20.6	21.1		0	-	0.5
Food and kindred products	2.4	2.3	2.4	+	0.1		0
Lumber and wood products	4.5	4.3 ⁴	4.4	+	0.2	+	0.1
Furniture and fixtures	0.6	0.6	0.6		0		0
Paper and allied products	1.5	1.5	1.5		0		0
Chemicals and allied products	0.8	0.7	0.8	+	0.1		0
Primary metals	1.5	1.5	1.5		0		0
Fabricated metal products & machinery (excl electrical)	1.4	1.5	1.9	-	0.1	-	0.5
Transportation equipment	2.4	2.9	3.4	-	0.5	-	1.0
All other manufacturing ³	5.5	5.3	4.6	+	0.2	+	0.9
Construction	7.1	6.8	6.5	+	0.3	+	0.6
Transportation and public utilities	7.1	7.2	7.0	-	0.1	+	0.1
Wholesale and retail trade	36.8	36.7	35.9	+	0.1	+	0.9
Finance, insurance and real estate	7.2	7.2	7.2		0		0
Services and mining	33.6	34.3	32.9	-	0.7	+	0.7
Government	34.3	34.3	34.8		0	-	0.5

1. Preliminary.

2. Excludes proprietors, self-employed, members of armed services, workers in private households, and agricultural workers. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

3. Includes apparel; printing and publishing; stone, clay, and glass; and miscellaneous manufacturing.

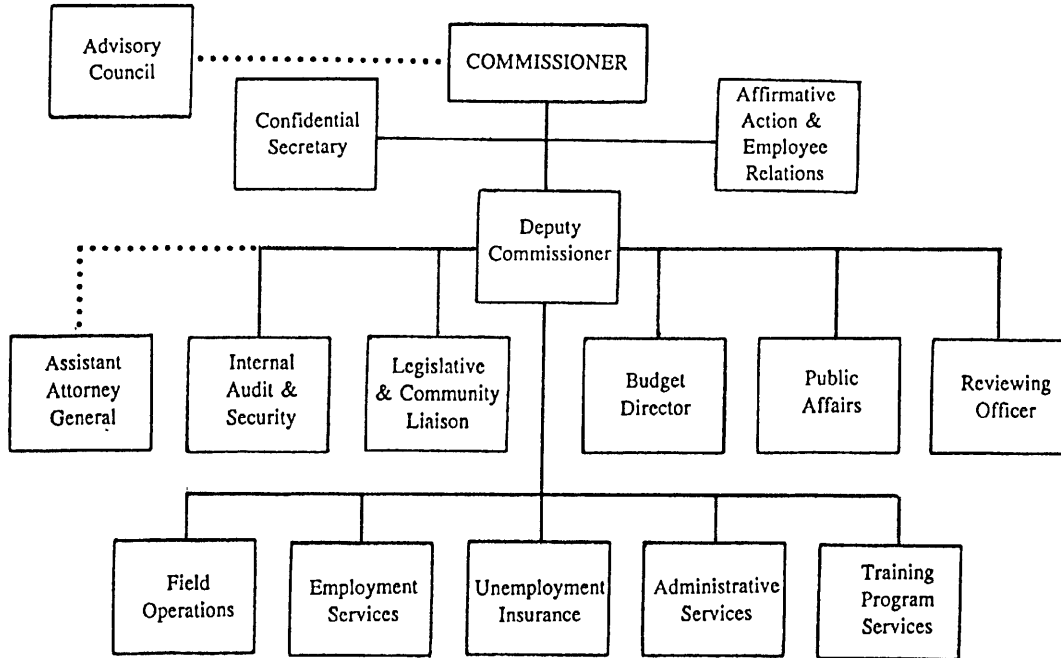
4. Employment affected by labor-management disputes.

ment, the Training Program Services Division actually implements Title III activities and is also responsible for the statewide JTPA program (see figure 9-1). Within the Training Program Services Division, the Title III program is under the control of the deputy assistant commissioner. In addition to Title III, the deputy assistant commissioner also manages the state council staff as well as the state's Title IIA set asides. The Title III program director reports to this deputy assistant commissioner. The organization chart which follows identifies the relationship between the director of the state's Title III program and the commissioner of Employment Security. The actual implementation of Title III activities is thus relatively far removed from the commissioner's office and correspondingly the governor's office.

The formula-funded Title III funds are allocated through two mechanisms. The first is titled Special Employment Training Services (SETS), which operates in 23 of the Job Service centers throughout the state. In theory, reemployment services are targeted to the general dislocated worker population, that is, those not associated with large plant closures. The SETS funds were allocated to the 23 Job Service centers throughout the state by a formula that incorporated size of the civilian labor force, the number of unemployed individuals, the number of unemployed insurance exhaustees, and the number of excess unemployed, or the number of unemployed in excess of 4.5 percent of the civilian labor force, in the relevant area. SETS services include skills assessment, job search workshops, institutional skills training, OJT, relocation, and placement assistance. Most participants are unemployment insurance claimants who face barriers to reemployment because of technological or industrial change. Historically, SETS has accounted for over 50 percent of all Title III funds in the State of Washington. Program year 1984 funding for Title III formula funds amounted to approximately \$3,819,532 of which the SETS accounted for \$1,685,744.

The second approach is plant- or industry-specific projects that provide services to specific groups of workers affected by closures or mass layoffs. Typically, projects are identified by the state staff and then im-

Figure 9-1
Washington State Employment Security Department



plemented through cooperation with local Employment Security, company, union, and locally elected officials.

The state guidelines for defining a dislocated worker are as follows:

- (1) the individual has been terminated or received notice of termination from employment;
- (2) the individual is eligible for or has exhausted entitlement to unemployment compensation; and
- (3) the individual is unlikely to return to employment in the individual's principal occupation or previous industry because of the diminishing demand for their skills in that occupation or industry.

As of November 1985, the State of Washington had four projects operating from the regular Title III obligation funding, and an additional four projects operating or about to operate with discretionary funds allocated by the Secretary of Labor.

The ASARCO Resource Center operates the project for the Employment Security Department. In actuality, the Resource Center is an appendage of the Tacoma Employment Security Job Service Center. The Center's director reports to the director of the Tacoma Employment Security who then reports to the Field Operations Division of the Employment Security Department. The Field Operations Division is the entity that has been granted the funding for Title III activities by the Training Program Services Division within the Employment Security Department. Thus, all Title III projects in the state, whether they operate under the SETS format, the project format, or whether they are projects that are being funded by the Secretary's discretionary funds, are all supervised and to some extent actually implemented by Employment Security personnel.

In general, there were no specific requirements for targeting Title III funding to a particular firm, industry, geographic area, or occupation. However, the state has allocated Title III funds to a specific area in the state where there are many dislocated workers in the wood pro-

ducts and fishing industries. A special task force and a significant amount of funds were assigned a five-county area in southwest Washington where these industries are predominantly located.

In summary, the governor's office, through the Employment Security Department, controls the funding for Title III within the state. The Employment Security Department operates the SETS program through its 23 centers throughout the state and is responsible for initiating and administering the various Title III projects. While local government officials, SDA officials, union officials, and private sector individuals are involved in an advisory capacity, it is clear that the state has decided to use a centrally controlled implementation model for funding all of the Title III activities.

Nature of the Project

The closing of the ASARCO copper smelter resulted from a world copper glut which significantly decreased the market price for refined copper. This, in combination with the expected future cost increases for continued production at the ASARCO plant, forced company officials to discontinue operation at their Tacoma facility.

State and local Employment Security officials immediately initiated a plan for Title III funding. The response was so immediate because the closure of the ASARCO plant was highly visible and represented one of the 10 largest employers in the Tacoma area. In addition, state officials were confident that they could provide a full array of training possibilities to the unemployed workers because of the location of the plant. In the past, state officials had been involved in several Title III projects located in rural areas. Not only were there few alternative occupations in these rural areas, but the training facilities available were extremely limited. The closure of the ASARCO plant allowed state and local Employment Security officials to develop a traditional Dislocated Worker Project in an urban area. The need for such a project was obvious and the state was confident federal funding could be obtained.

The state decided to fund the ASARCO project by requesting Secretary's discretionary funds. This was done because of the timing of the project; all of the formula Title III funds had been obligated. At the time of the ASARCO proposal to the Department of Labor, the state had obligated their formula Title III funds in the following manner:

Special Employment & Training Services (SETS)	\$1,685,744
Research & Analysis (Special Title III Reports)	10,000
Aerospace Modification through December 1984	169,821
Office of Dislocated Worker Administration	561,494
Task Force on Reemployment Set Aside	1,112,473
Washington Tree Project	250,000
ASARCO	30,000
	<hr/>
Totals	\$3,819,532

It is possible that setting aside 46 percent of the total Title III funds for one program (SETS) reduced the state's ability to use formula funding for the ASARCO project. State officials also indicated in their proposal that there were no other federal or state resources available to help the ASARCO workers. They noted that the ASARCO worker's pay scale probably placed them in an income category that would make them ineligible for JTPA Title IIA.

The shutdown of the ASARCO plant ultimately resulted in 600 people losing their jobs. The objective of the project was to retrain 300 of those individuals to the point that they could find other occupational opportunities within the Tacoma area. The original proposal to the Secretary of Labor requested \$591,355 for this purpose. Later, more monies were made available to the project through the Secretary of Labor's Copper and Steel Workers Fund. This amounted to an additional \$400,000.

The Employment Security Department, through its Tacoma Job Service Center, set up a resource center on-site at the ASARCO plant. The ASARCO Resource Center developed a project that basically had four components. The first activities were entitled "pre-layoff assistance programs." These activities included information gathering, scheduling

workshops and meetings with employees to familiarize them with the program, contacting potential training institutions and employers, assisting clients with resume preparation, and developing workshops on “transferrable skills identification,” i.e., trying to demonstrate to the workers that they can do something other than make copper. The other three components of the project—actual job search and relocation assistance, job training, and finally job development and placement—became integral parts of the ASARCO Resource Center as the plant actually started its shutdown phase in March 1985.

The announcement by ASARCO of its intention to close its plant almost a year before the actual shutdown date allowed state officials to initiate relatively thorough preproject implementation research. For instance, the ASARCO Resource Center staff was able to assemble a local task force, identify and initiate an employee survey, formally announce the program to the employees, canvass the area for services, resources, and labor market information, develop plans and funding proposals for additional resources, identify sources of matching funds, plan the actual sequence of services for each worker, and determine actual needs for clients while they were still working at the plant. By the time of the actual shutdown in the spring of 1985, Employment Security officials were aware of the demographic characteristics of the population they were going to serve, had identified over a score of classroom training activities within the area that would be appropriate for the workers, and had determined their clients’ needs and future expectations.

The Advisory Task Force set up by the ASARCO Resource Center included political (local, state and federal) officials, Employment Security (local and state) officials, one ASARCO official (the personnel officer), four union members, two United Way representatives, the local SDA director, who served as chairman of the group, and two members of Tacoma’s Economic Development Board. Note that this group did not include any private sector representatives other than from ASARCO, nor did it include any training institution representatives. The task force provided the resource center with the input in the initial stages of the

project. However, the absence of private sector involvement may be felt toward the end of the project when the Center is primarily engaged in placement activities. Normally, private sector involvement is an effective way of advertising the existence of the project to employers within the labor market.

Union involvement in this project has been extensive. Of the 17 members of the Advisory Task Force, four represent the labor union, specifically the two labor unions involved in the plant shutdown, as well as representation by the state labor organization. Further, the union donated its building to the ASARCO Resource Center and was involved in communicating details of the project to the workers while the plant was still operating. With the help of the unions involved, the ASARCO Resource Center was able to contact over 450 of the ASARCO workers by January of 1985.

Obviously, the unions were involved in the negotiations over severance pay for the ASARCO workers. The eventual agreement allowed each union member a \$50 per week supplementary unemployment benefit for up to one year after layoff. In addition, after one year, each worker receives severance pay. The amount of the severance pay depends upon the worker's years of seniority. The minimum amount of severance is for two years seniority and is \$896.00. The maximum amount of severance pay is for an individual with 15 or more years and is \$13,700. One hundred and eighteen union members took early retirement and were granted severance pay of from \$9,780 to \$14,900. In addition, these individuals will receive a \$300 a month pension until the age of 62. They will then be eligible for their normal retirement benefits.

In summary, the ASARCO Title III project was implemented in response to the plant closing by state and local officials. It was designed and implemented with Title III formula and discretionary funds, special funds for copper and steel industries made available by the Department of Labor, and Trade Readjustment Funds. Given the advance notice, it did not face the time constraints experienced by many Title III projects. The ASARCO Advisory Task Force included a wide range of public sector representatives and union officials, but lacked

a representative sampling from the private sector. Finally, there was significant union involvement in the project.

Project Design and Services

The ASARCO Resource Center implemented the project in three phases. The first phase, which started in late summer 1984, involved outreach and enrollment. The Resource Center attempted to notify all 600 eligible workers and engaged in general advertising while the plant was still operational. Initial activities included getting all of the workers to complete applications, providing all applicants orientation to the program, counseling applicants on the necessity of setting realistic goals and objectives, referring clients to other available community resources, scheduling and conducting skill profile assessments, familiarizing the applicants with the Washington Occupational Information System, referring and enrolling clients in vocational training, coordinating with the local United Way to conduct preretirement workshops, and developing community programs for information on self-employment.

The second phase of activities within the ASARCO Resource Center, initiated generally in the spring of 1985, included job search workshops. These workshops included the following: acquiring sources for job search, identifying and matching the individual's job skills to job openings, accessing the hidden job market, developing self-confidence, resume writing and effective job interview skills, identifying the enrollment procedures in vocational training institutes, and developing short vocational school courses for brushing up existing skills that might enable individuals to get into the job market quickly.

The final phase of Resource Center activities is generating placements for their clients. This phase was started approximately in mid-summer 1985 and is on-going. The components within this phase include: searching local, state and national job openings as listed by the Job Service Centers, interviewing employers in order to develop employer/client relationships, researching newspaper want ads, providing resources for job search for the clients, i.e., access to phones for local and long distance calls, adding additional support services, e.g., tools, travel pay and

clothing, providing space for interviewing by recruiters, and, finally, classes and short programs to provide motivation and encouragement for participants. Two other components of this phase included developing OJT contracts with employers in the local area, and providing relocation assistance to clients who found jobs outside of the local area.

Of the 364 clients enrolled by the ASARCO Resource Center, 221 individuals were involved in classroom training programs. The project included 30 on-the-job training contracts. The remaining clients of the ASARCO Resource Center were enrolled in workshops on job-finding skills as well as in the group- and self-directed job search programs.

Over 100 institutional training programs were funded by the Resource Center (see table 9-2). The vast majority of all the classroom training courses were year-long vocational courses and the majority were for one to three clients. One exception was the real estate training which was only a six-week activity. Three programs were relatively large, one (refrigeration mechanics) had 19 participants, another (computer repair) had 32 participants, and a truck driving program had 12 participants.

The administrators preferred the longer term training because they believed there was a greater likelihood of longer term placement. The costs of these programs varied from \$60 a client to nearly \$3,000 per client. The overall average was \$1,500-\$1,700 per training activity per participant.

As of April 30, 1987, the project had spent approximately \$1,300 per participant for institutional training, needs-based payments, on-the-job training, post-support services, relocation and support services.

The classroom training offered by the ASARCO project was more diversified, required more skill, and lasted longer on the average than the typical array of classroom training programs offered in the area under Title IIA. This reflected the fact that these dislocated workers were higher skilled than the Title IIA participants. However, in most cases, they were so specialized that their skills had to be augmented, even if there were jobs available in their occupation. Copper smelting produced ex-

Table 9-2
Institutional Training Programs for ASARCO Workers

Asbestos Removal	Auto Mechanic
Auto Trimmer, Glazier	Appliance Repairer
Auto Service Center Specialist	Accounting for Comptrollers
Automotive Manager	Auto Body Mechanic
Accountant/Bookkeeper	Automotive Repair
Building Design Technician	Bookkeeper
Boiler Operator	Broadcast Technician
Building Maintenance	Brick Mason
Computer Repair Preparation	Custodial Engineer
Computer Repair Technician	Cost Engineering
Computer Field Technician	Corrections Officer
Consumer Electronics Technician	Computer Repair Technician
Commercial Truckdriving	CNC Machning
Commercial Painter	Computer Programming
Civil Engineering Technician	Crane Operator
Concrete Technologist	CVC Mach., Intro
Computer Keyboard	Computer Technician
Community Photographer	Carpenter, Mfd. Buildings
Computer Service & Representative	Digital Electronic Technician
Diesel Mechanics	D/S Reprographics
Electronic Technician Certification	Small Engine Repair
Electronic Security Technician	Environmental Science
Small Engine Mechanic	Electronic Equipment Service Technician
Entrepreneur	Electronic Equipment Technician
Electrical Engineer	Electronics Technician
Electronics Appliance Technician	Carpet Installer
Food Service Specialist	Food Processor Machine Mechanic
Farrier	First Aid
Financial Paraprofessional Planner	Food Processor, Machine Repair
Food Mixer Repairer	Greenhouse Worker
Graphic Artist	Heating Mechanic Helper
Hydraulics/Electric	Heating & Air Mechanic
Industrial Repair	Inside/Outside Sales
Inventory Clerk	Millwright
Industrial Fluid Power	Jeweler
Landscape/Turf Management	Landscape Gardener
Maintenance Mechanic	Management Nursery/Greenhouse
Motorcycle Mechanic	Mobile Elec. Comm. Technician
Maintenance Repairer	Marine Mechanic
Manufactured Housing Technician	Math & Reading Lab
NC/CNC Machining	Marine Diesel Mechanic
Machinery Mechanic	Machinist Helper
Mechanic Heavy Equipment	Office Machine Mechanic
Parts Merchandiser	Purchasing Agent
Refrigeration & Air Condition	Refrigeration & Air Condition Mechanic
Refrigeration & Air Condition Technician	Refrigeration Mechanic

Table 9-2 (continued)

R.V. Mechanic	R V. Repair
Real Estate Agent	Refrigeration Technician
Route Sales & Repair	Small Business Management
Sheet Metal Apprentice	Security Officer
Security Equipment	Warehouse/Sales
Sheet Metal Worker	Sheet Metal Mechanic
Service Station Manager	Stationary Engineer
Television Broadcast	Transportation Traffic Technician
Truckdriver	Terminal Operator
Telephone Equip. Repair & Installation	Tool Programmer
Transportation Traffic Technician	Television Broadcast Technician
Truck Trailer Mechanic	Truck Trailer Mechanic
Vending Machine Mechanic	Vending Machine Repair
Welder Pipe	Welding Inspector I
Wastewater Treatment Operator	Warehouse Shipping/Receiving
Word Processing	Water Supply Technician
Welding	Warehouse/Sales

tremely job-specific skill training. For example, officials at the Resource Center identified an industrial repairman from the ASARCO plant who had never worked with hydraulics. Supplemental training for eight weeks in hydraulics, however, landed him a job as a diesel repair specialist in another plant.

In nearly all cases, the training was in regular courses in community colleges, vocational technical institutes, or private training institutions. The training time or curriculum did not vary for participants within each training program.

The intensity of the classroom training activities seemed to be relatively high. For instance, the refrigerator mechanics program was only 12 hours per week, but these individuals commute two hours per day to go to this program. The computer repair program was 35 hours per week. The trucking program was 19 hours per week. Overall, the classroom training averaged 30 plus hours a week. The Resource Center staff believed most participants put in a relatively full workweek in training.

The ASARCO Resource Center staff screened applicants for the individual classroom training programs. Individuals who were not deemed appropriate for a specific classroom training program were redirected to another vocational area. The Resource Center spent a lot of time trying to identify the right program for the particular individual. For this reason, there was a wide range of training programs offered for the program participants (126 programs for 221 participants).

In summary, the ASARCO Resource Center has offered the normal array of activities for a Dislocated Worker Program. However, it was decided to spend a large part of the funds for relatively expensive classroom training. Over two-thirds of the clients participated in classroom training programs. The remaining one-third of the ASARCO Resource Center's clients were engaged in workshop training and job search skills. OJT and support services rounded out the array of program activities offered by the Center.

Eligible Population

The eligible population for this project was composed of the employees of the ASARCO plant as of June 1984. This represented approximately 600 workers. Employees at the plant were represented by two unions. The production workers were represented by the United Steel Workers of America, AFL-CIO, Local 25; the office and chemical laboratory employees were members of the Automotive and Special Services Union, Local 461, Teamsters Union. Approximately 78 percent of the workers in the ASARCO plant were hourly, and nearly all of the hourly workers were unionized. The hourly workers' pay averaged approximately \$2,154 a month or \$12.43 per hour. This was significantly above the average monthly pay for the Tacoma area of \$1,412.

Table 9-3 below indicates the characteristics of the participants in the project. The group was heavily male, relatively old, generally white and relatively well-educated. There were, for example, only eight individuals with limited English-speaking ability. They represented a classic dislocated worker population. The majority had worked approximately 15 or more years at the ASARCO plant and were receiving between \$25,000 and \$30,000 a year.

Table 9-3
Enrollment and Participant Characteristics for the ASARCO
Dislocated Worker Project (as of 4/30/87)

	Dislocated workers
I. Participation and Termination Summary	
A Total participants	366
B. Total terminations	306
1. Entered unsubsidized employment	260
2 All other terminations participating in pre-layoff assistance	1
C Total current participants	57
D. Total transferred to other subrecipients	3
E. Average weeks at termination	55
F Average hourly wage at termination	\$9.74
 II. Terminees' characteristics at program entry	
1. Male	297
2. Female	9
3 16-21	5
4. 22-29	25
5. 30-54	249
6. 55 and over	27
7 School dropout	37
8 Student (high school or less)	—
9. High school graduate or equivalent	203
10. Post high school attendee	66
11. White	270
12. Black	23
13. Hispanic	8
14. American Indian or Alaskan Native	4
15 Asian or Pacific Islander	1
16 Single parent with dependent(s) under 18	1
17. Limited English language proficiency	6
18. Handicapped	5
19. Offender	—
20. Unemployment Compensation claimant	80
21. Exhaustees	1
22. Unemployed 15 or more weeks of prior 26	73
23. Not in labor force	225

Program Outcomes

Initially, placement of ASARCO workers was relatively slow. For instance, only 53 individuals were placed by the Resource Center by October 1, 1985. There were several rationales for this modest initial placement rate. First, since the majority of the classroom training offered was relatively long term, few participants had terminated by this time. Second, the economic environment of the Tacoma area made it hard to identify job openings. Third, the ASARCO workers were initially receiving unemployment compensation as well as layoff supplements under the union contract. These resources, as well as their future severance pay, may have affected their inclination to search for a job. The ASARCO Resource Center had initial difficulty recruiting clients for their job search workshops. The Center offered a relatively lengthy workshop (15 hours). Many clients did not sign up until their alternative resources had been exhausted and they experienced the need for employment.

The typical unemployed ASARCO worker received approximately \$185 a week from unemployment compensation and an additional \$50 a week in supplemental unemployment pay under the labor agreement. Thus, they were receiving roughly \$940 a month tax-free while unemployed. In addition, approximately one year after layoff they received severance payments averaging \$4,000 per worker. These workers had been earning from \$1,550 to \$1,700 in take-home pay when they were working at ASARCO. Early in the project's development an official noted that a significant segment of the ASARCO population appeared to be not actively seeking employment or participating in the retraining process at the ASARCO Resource Center. The official pointed out that the ASARCO workers had been working in an industry which had had quite a few strikes, they had experienced layoffs in the past, and they were used to long periods of unemployment. In addition, there may also have been some disaving by the unemployed ASARCO workers.

Finally, ASARCO project administrators stressed the use of intensive job-search programs and time-intensive institutional training. Ap-

proximately 220 individuals, two-thirds of all participants, were involved in institutional training. Therefore, it took the average participant a relatively long time to be prepared for actual job placement (55 weeks).

A total of 364 participants were served by the ASARCO Resource Center. More recent figures than those in table 9-3 indicate that 278 individuals were placed in unsubsidized employment. The jobs paid an average wage of over \$9 per hour—near the average for all workers in the Tacoma area.

Table 9-4 indicates the range of occupations in which the ASARCO workers were placed. (Only 65 percent of the actual jobs are included in table 9-4.) It is apparent that the Resource Center placed program participants in every conceivable sector of the Tacoma labor market.

The project's original goals were all reached or exceeded. Eighty-five percent of the program terminees were placed, approximately 76 percent were placed in jobs with wages averaging 50 percent more than the national figures for Title III programs—\$6.61 an hour.

These outcomes were achieved by funding a variety of services for the participants. Costs of direct services for participants (institutional skill training, on-the-job training, and supportive services) varied dramatically (from \$5 to \$6,268 per participant). The average expenditure per participant approached \$1,000 as of May 1, 1987. However, 10 percent of participants received direct services costing less than \$100. The remaining participants received direct services costing, on average, \$1,400.

Overall Assessment

There is no doubt that the ASARCO Copper Smelter project was an extremely successful program. The average placement rate of terminees was 85 percent. The project served 20 percent more people than originally targeted. While many of the participants did enter jobs that paid 30 percent less than they were receiving before the plant shutdown, they did, on the average, find jobs that paid 50 percent more than the national average for Title III programs. Further, this was accomplished

Table 9-4
Placements for ASARCO Workers

Occupational title	Est. hourly wage rate	Occupational title	Est. hourly wage rate
Repair Helper	6.00	Assembler, Installer	9.24
Truckdriver	10.80	Brick Mason	12.00
Dispatcher	5.15	Sheet Metal Worker	9.36
Laborer	17.85	Machine Feeder	7.00
Laborer	7.25	Sider	15.00
Electronics Technician	6.00	Ski Maker	5.25
Stationary Engineer	7.00	Owner	10.00
Remodeling Contractor	10.00	Heating Refrig Air Cond	9.50
Laborer	9.25	Painter Helper	7.00
Baggage Handler	6.00	Waste Collector	9.13
Laborer	5.29	Equipment Operator	14.00
Truckdriver, Light Truck	4.50	Warehouseman	11.60
Electronics Technician	3.65	Glass Finisher	9.50
Employment Interviewer	9.28	Assembler, Installer	9.24
Tune-up Mechanic	4.50	Rate Clerk	5.50
Electronics Technician	6.00	Steel Fitter	12.00
Carpenter/Laborer	9.00	Appliance Repair Technician	8.00
Industrial Repair	13.37	Die Casting Mach. Helper	8.00
Building Maintenance	6.83	Baker/Owner	10.00
Pipe Fitter	12.00	Truckdriver	9.90
Box Maker	4.00	Licensed Nurse	5.49
Custodian	7.40	Security Officer	5.75
Industrial Painter	12.00	Truckdriver	14.53
Farrrier	10.00	Maintenance Mechanic	13.00
Landscape Lawn Service	9.75	RV Mechanic	8.00
Records Clerk	10.75	Truckdriver	10.80
Security Equipment	9.00	Material Handler	7.00
Industrial Repairer	12.75	Bus Driver	4.50
Pipe Layer Helper	8.00	Painter Helper	10.37
Die Casting Mach Helper	7.60	Crane Operator	10.00
Beekeeper	7.00	Inventory Clerk	10.04
Truckdriver	14.00	Installer	7.00
Pipe Fitter Helper	6.00	Brick Mason	12.00
Brick Mason	13.00	Security Guard	4.50
Surveyor Helper	7.00	Landscaper Gardener	5.00
Glazier	8.53	Custodian	5.49
Laborer, Salvage	8.45	Landscaper	4.50
Laborer, General	4.00	Jeweler	5.00
Service Station Manager	4.50	Warehouse Worker	5.00
Crane Operator	13.35	Electronics Technician	8.07
Maintenance Mechanic	11.00	Electrician	11.62
Material Handler	8.00	Data Entry Operator	6.75
Technician, TV	10.70	Industrial Repairman	12.75

although the program included participants who were very difficult to place (truly structurally unemployed) in an area with a relatively high unemployment rate.

The evidence points to six factors that account for the project's favorable performance. State officials point out that the early notification of plant closure allowed time for planning by employment and training staff, as well as offering the workers time to prepare for the required career adjustment. Second, because only one plant was involved, the program focused on a relatively homogeneous group of workers. This, in turn, produced a group of participants who were close knit and extremely receptive toward the program offered by the ASARCO Resource Center.

While early notification and cooperation between program staff and participants obviously enhanced the program, other factors may have had a larger effect on the program's final performance. Specifically these are:

- the project focused on institutional skill training;

- the project received funding from a variety of sources that allowed for considerable flexibility in the services offered;

- the project lasted for over two and one-half years; and

- the project was well funded.

A General Accounting Office report noted that nationally, fewer than one-half of Title III program participants received occupational skill training. In addition, fewer than one-fourth received support services.¹ The ASARCO Resource Center, however, funded occupational skill training for over 60 percent of its participants. (They also funded on-the-job training for an additional 10 percent of program participants.) One-half of the program participants received support services (including relocation and needs-based payments).

The availability of Trade Adjustment Act funds in addition to formula and discretionary Title III funds meant that support services were

generously funded. As of April 30, 1987, the ASARCO Center had spent \$216,353 directly on institutional skill training. An additional \$50,263 had been spent on "on-the-job training." Other support in terms of needs-based payments, supportive services, and general support services accounted for an additional \$77,988 or 23 percent of total program expenditures. The amount of resources as well as the flexibility in their use (for example, at least two individuals received over \$2,000 each in tools and equipment) allowed program administrators to place clients in quality institutional skill training programs.

Training and placing dislocated workers is a complex and time-consuming task. The ASARCO Resource Center was funded for over two and one-half years. This allowed the staff to develop individualized training programs that were not constrained by short-term time horizons. It also allowed sufficient time for outreach, for intensive training, and, finally, for job search activities. Thus, the ASARCO Resource Center's staff were able to perform an admirable job in placing their clients.

Obviously, skill training, funding for support services, and the project's length were all directly related to the total funding available for the project. The ASARCO Resource Center had \$1,046,000 allocated directly to the project, and an additional \$800,000 in matching funds. This allowed project administrators to fund skill training, to provide adequate support services, and, in the end, to place 76 percent of those participants who lost their jobs as a result of the ASARCO plant closure.

NOTE

1. U.S. General Accounting Office, *Dislocated Workers: Local Programs and Outcomes Under the Job Training Partnership Act*, GAO/HRD-87-41, Washington, D.C., March 1987, table 4.1, p. 46.