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# **JOB PLACEMENT OF JTPA-TRAINED WELFARE RECIPIENTS: IMPLICATIONS FOR THE "JOBS" PROGRAM IN SOUTHERN AND NONMETRO STATES**

**By Linda M. Ghelfi**

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## **ABSTRACT**

The new Job Opportunities and Basic Skills Training Program was instituted to provide education, training and employment for adults receiving Aid to Families with Dependent Children. This study uses job placement rates for AFDC recipients trained through Job Training Partnership Act programs to gauge the difficulty participants in the new program may have in finding jobs. The results indicate that, at minimum, there would have been 56 percent more participants in the new JOBS program than there were in Job Training Partnership Act programs had the JOBS program started in the 1986 program year. Only about 60 percent of the AFDC recipients in JTPA-training programs obtained jobs, suggesting that the larger number of JOBS participants also would have had difficulty finding jobs. Estimates of job vacancies and competition from the unemployed also indicate that JOBS participants would face stiff competition for employment, particularly in Southern and nonmetro states. Lack of training facilities and employment opportunities in many rural areas may make it necessary for AFDC recipients in those areas to move if they want to participate in the new program.

## **INTRODUCTION**

As of October 1, 1990, all states were required by the Family Support Act of 1988 to have implemented a Job Opportunities and Basic Skills Training Program (JOBS). The program is designed to provide adults in families receiving Aid to Families with Dependent Children (AFDC) with education, training, and employment that will help them avoid long-term welfare dependency (U.S. House of Representatives, 1990:607). The goals of the Job Opportunities and Basic Skills Training Program are not far from those of the Job Training Partnership Act (JTPA) Title II-A programs for disadvantaged workers. In fact, AFDC recipients are one of the target groups of JTPA, and coordination of the Job Opportunities and Basic Skills Training Program with Job Training Partnership Act programs

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is mandated (U.S. House of Representatives, 1990:608).

The success of Job Training Partnership Act programs in placing welfare recipients in unsubsidized employment may then serve as an indication of the probable outcome of Job Opportunities and Basic Skills Training Program participation. Whether either of these programs can successfully find work for many welfare recipients largely depends on their ability to prepare welfare recipients for employment and on the availability of jobs in local labor markets and the number of people looking for work.

The research reported here uses welfare recipient participation in Job Training Partnership Act programs as an example of the potential for the Job Opportunities and Basic Skills Training Program to help AFDC recipients find private-sector jobs. The analysis is divided into four parts. First, background is laid by briefly reviewing the characteristics of the two programs. Next, the characteristics of welfare recipients who participated in JTPA in program year 1986 are described. Then, an estimate of the number of JTPA-trained AFDC recipients who obtained unsubsidized employment is compared with the number of adult AFDC recipients who may be asked to participate in the JOBS program. Lastly, job availability is estimated to measure the potential for placing larger numbers of AFDC recipients in private-sector jobs.

Data are analyzed by region and type of state. Region is defined as the South and the non-South. States also are disaggregated by the percentages of their populations living in nonmetro counties. The South and nonmetro areas are of particular interest because they have higher incidences of poverty than other areas of the country (U.S. Bureau of the Census, 1983a). Nonmetro areas also have poor populations that are geographically isolated and may be hard to serve (Deavers, et al., 1986). The propensity for JTPA-trained AFDC recipients to get jobs in Southern and nonmetro states compared with recipients in non-Southern and more metropolitan states is examined.

## **The Job Opportunities and Basic Skills Training Program**

The Job Opportunities and Basic Skills Program was established to help needy families with children obtain the education, training and employment required to avoid long-term welfare dependence. Services provided by State programs must include basic educational training (high school or equivalent education, basic literacy programs, and English proficiency training for those with limited English ability), job skills and readiness training, and job placement. Child care and transportation services must be provided to facilitate program participation. States must also provide at least two of the following activities: group and individual

job search, on-the-job training, work-supplementation, and community or other work experience (U.S. House of Representatives, 1990:611). Under work-supplementation programs, the recipient's welfare payment is paid to a private employer who uses it to subsidize the recipient's wages. Under community work experience programs, welfare recipients perform community work in return for their welfare payments.

The Job Opportunities and Basic Skills Training Program is the latest in a long history of training and work programs for recipients of Aid to Families with Dependent Children. Paid work became a goal for such recipients in the 1960s when social services, unemployed parent, earned income disregards and the Work Incentives programs were added to AFDC to help recipients become capable of self-support and enter the workforce (Levitan, et al., 1976a; Dickinson, 1986). In 1981, states were permitted to design demonstration programs as an alternative to Work Incentives programs, and community work experience programs also were authorized. By the time the Job Opportunities and Basic Skills Training program replaced them, 29 states and the District of Columbia were operating Work Incentives demonstrations, and 30 states had implemented work experience programs in at least part of the state (U.S. House of Representatives, 1989:524-526).

## **Title II-A of the Job Training Partnership Act**

The Job Training Partnership Act was enacted in 1982 to replace the Comprehensive Employment and Training Act (CETA). Title II-A of JTPA serves economically disadvantaged adults and youth through education, job training, job placement and other employment-facilitating services. Private industry councils are involved with local governments in the design and administration of programs in service delivery areas. The intent is to maximize the probability of success by involving people directly responsible for local private-sector employment in the training process (Guttman, 1983).

The economically disadvantaged are primarily persons whose family incomes, excluding unemployment compensation, welfare benefits and child support, are below the Federal poverty level. Up to 10 percent of participants may not be considered economically disadvantaged if they have encountered employment barriers (e.g. those with limited English proficiency, displaced homemakers, school dropouts, teenage parents and handicapped persons). AFDC recipients must be served at least in proportion to their representation in the economically-disadvantaged population (U.S. House of Representatives, 1990:1320).

State welfare agencies are allowed to administer the Job Opportunities

and Basic Skills Training Program through arrangements with Job Training Partnership Act programs. In addition, the welfare agencies are required to use the services of each private industry council to identify the types of jobs available or likely to become available in each JTPA service delivery area (U.S. House of Representatives, 1990:608). Therefore, an examination of JTPA Title II-A participation provides useful information for assessing the ability of the Job Opportunities and Basic Skills Training program to help welfare recipients obtain private-sector jobs.

## **DATA AND METHODOLOGY**

Data on Job Training Partnership Act, Title II-A participants by State were aggregated from the 1986 program year (July 1, 1986 through June 30, 1987) JTPA Annual Status Reports filed by service delivery areas with the U.S. Department of Labor. Data on the economically disadvantaged are reported both for adults (22 years old and older) and youth (14 to 21 years old), but since the Job Opportunities and Basic Skills Training program is designed for adult AFDC recipients, only adult JTPA participants are analyzed. The welfare reciprocity status of all participants is reported. Additional characteristics including gender, age, educational status, family status, race/ethnicity, ability to speak English, disability and unsubsidized job placement are reported only for persons terminating their involvement in the programs during the year. Other than getting an unsubsidized job, the Status Reports do not specify why terminees left the program. Whether they completed a training program or quit early is unknown.

These administrative data were supplemented with data from the Departments of Commerce and Health and Human Services on unemployment, wage and salary employment, and the number of adults receiving Aid to Families with Dependent Children. Because the 1986 JTPA program year ran from July through June, it does not match employment and unemployment data reported on a calendar year basis. Employment and unemployment data for calendar year 1986 were selected for analysis because they represent the economic situation at the beginning of the program year. Policy decisions such as which occupations to train participants for likely would have been based on the 1986 employment situation than on the expected 1987 situation. July 1986 data on the number of AFDC adults was chosen because the count occurred in the first month of the program year.

The March 1987 Current Population Survey public-use computer file was used to determine the characteristics of adults who received AFDC payments during 1986 and the educational attainment of employed and

unemployed persons. These characteristics were used to estimate how many AFDC recipients would be required to participate in Job Opportunities and Basic Skills Training program, how many jobs requiring high school or less education would be available, and how many unemployed persons with high school or less education would be competing with JOBS participants for those vacancies.

## Definitions

**Metropolitan** areas are comprised of counties containing a city of 50,000 or more population or counties containing urbanized areas of at least 50,000 with an area population of at least 100,000. Additional contiguous counties are included if they are economically and socially integrated with the central city/urbanized area. This is the metro designation as of the 1980 Census of Population (U.S. Bureau of the Census, 1983b).

**Nonmetropolitan** areas are counties that are not metropolitan by the above definition.

**South** is the Census Bureau defined region including Alabama, Arkansas, Delaware, District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia and West Virginia.

**Terminees** are persons who terminated their involvement in Job Training Partnership Act programs during the program year.

**Type of State.** States were ranked by the percentage of their population living in nonmetro counties. Gaps occurred in this distribution between 24.4 percent and 28.9 percent and again between 45.3 percent and 50.5 percent. Using these natural break points, three groups of states were identified as metro, mixed and nonmetro.

— **Metro States** have less than 25 percent of their population living in nonmetro counties. They are Arizona, California, Colorado, Connecticut, District of Columbia, Florida, Hawaii, Illinois, Maryland, Massachusetts, Michigan, Nevada, New Jersey, New York, Ohio, Pennsylvania, Rhode Island, Texas, Utah and Washington.

— **Mixed States** have 28 to 45 percent of their population living in nonmetro counties. They are Alabama, Delaware, Georgia, Indiana, Louisiana, Minnesota, Missouri, New Hampshire, North Carolina, Oklahoma, Oregon, South Carolina, Tennessee, Virginia and Wisconsin.

— **Nonmetro States** have 50 percent or more of their population living in nonmetro counties. They are Alaska, Arkansas, Idaho, Iowa, Kansas, Kentucky, Maine, Mississippi, Montana, Nebraska, New Mexico, North Dakota, South Dakota, Vermont, West Virginia and Wyoming.

**Welfare recipients** receive Aid to Families with Dependent Children, General Assistance, or Refugee Assistance payments. Recipients of payments from other welfare programs are not included.

## **Procedures**

The analysis is in three parts. The first describes Job Training Partnership Act program terminées by welfare status, region and type of state. Second, the number of JTPA welfare-recipient terminées placed in unsubsidized jobs is compared with the number of AFDC recipients expected to participate in Job Opportunities and Basic Skills Training programs. Finally, estimates of adult welfare recipients who would be required to participate in JOBS, availability of jobs, and competition from the unemployed are combined to gauge the success the new program might expect in placing the recipients in private-sector jobs.

## **ADULT WELFARE RECIPIENTS IN JTPA**

In program year 1986, there were 588,000 adult participants in Job Training Partnership Act, Title II-A programs (Table 1). Of these participants, 440,000 (75 percent) terminated their involvement in the training program during the year. Welfare recipients comprised 177,000 (30 percent) of the participants and 125,000 (28 percent) of the terminées.

Welfare recipients comprised a lower percentage of terminées in the Southern and nonmetro states than in the other states. Only 18 percent of Southern terminées were welfare recipients compared with 34 percent of terminées in the Northern and Western states. Also, only 20 percent of nonmetro terminées were welfare recipients, compared with 24 and 32 percent of terminées in mixed and metro states, respectively. Fewer Southern and nonmetro states offer AFDC-UP coverage to poor two-parent families or run General Assistance programs for persons who do not qualify for other welfare programs — at least partially explaining the lower proportion of welfare recipients among the economically disadvantaged adults participating in JTPA in those states.

Also shown in Table 1, nearly all JTPA welfare-participant terminées in the Southern and nonmetro states are AFDC recipients. There are relatively few General Assistance (GA) and Refugee Assistance (RA) recipients in Southern and nonmetro states because fewer of these states offer General Assistance and refugees are concentrated in California and other mixed and metro states. Only half of Southern and nonmetro states have General Assistance, compared with 70 percent of the other states

*Ghelfi***Table 1. Adult JTPA Participants and Terminees by Welfare Status, Region and Type of State, Program Year 1986**

	Total	Region		Type of State		
		South <sup>1</sup>	Nonsouth	Nonmetro	Mixed	Metro
Total participants	588,457	204,774	383,683	70,049	165,822	352,586
Welfare recipients	177,212	39,462	137,750	15,076	41,045	121,091
% of participants	30.1	19.3	35.9	21.5	24.8	34.3
Total terminees	440,141	154,380	285,761	48,176	124,186	267,779
Welfare recipients	125,238	28,352	96,886	9,475	29,250	86,513
% of terminees	28.5	18.4	33.9	19.7	23.6	32.3
AFDC recipients	98,108	27,725	70,383	8,954	25,030	64,124
% of welfare terminees	78.3	97.8	72.6	94.5	85.6	74.1
GA or RA recipients*	27,128	627	26,501	524	4,220	22,384
% of welfare terminees	21.7	2.2	27.4	5.5	14.4	25.9

\* GA is General Assistance and RA is Refugee Assistance.

Source: Computed using JTPA Title II-A Annual Status Reports, program year 1986.

(U.S. Social Security Administration, 1988:60). Also, of all refugees entering the United States in 1986, only 21 percent entered Southern states, and only six percent entered nonmetro states (U.S. Bureau of the Census, 1987b:12).

Characteristics of welfare-recipient terminees differed by type of state (Table 2). Due to the restriction of AFDC to single-parent families in many Southern states, most Southern working-age welfare recipients are women. This is reflected in the regional difference in percent female: 92 percent of Southern welfare recipient terminees were female, compared with 66 percent in the other states. The lower educational attainment in the South is also reflected in the 37 percent of Southern welfare recipients who had not completed high school, compared with the 28 percent in the other states. However, it appears that the group of welfare-recipient terminees have higher educational attainment than all welfare recipients. While nearly 70 percent of welfare-recipient terminees had completed high school, only half of adult AFDC recipients had completed high school (U.S. Bureau of the Census, 1987a).

The concentration of poor blacks in the South and central cities is reflected in the higher percentages of black terminees in the South and in mixed and metro states. The concentrations of Hispanics in central cities and of American Indians in rural areas also are reflected in the higher



**Table 2. Characteristics of Adult JTPA Terminees by Welfare Status, Region and Type of State, Program Year 1986**

	Total	Region		Type of State		
		South	Nonsouth	Nonmetro	Mixed	Metro
<b>Number</b>						
Welfare-recipient terminees	125,238	28,352	96,886	9,475	29,250	86,513
<b>Percentage</b>						
Female	72.2	92.3	66.3	81.1	79.3	68.8
Single parent w/children	59.3	81.1	52.9	69.6	64.4	56.4
High school dropout	30.2	36.9	28.3	27.0	31.7	30.1
Minority	51.0	70.9	45.2	34.3	46.7	54.3
Black, not Hispanic	38.8	63.7	31.5	26.8	41.0	39.4
Hispanic	8.8	5.5	9.8	2.4	1.7	11.9
American Indian	1.6	0.7	1.9	3.7	2.5	1.1
Asian	1.8	1.0	2.0	1.4	1.5	1.9
Limited English ability	2.9	1.6	3.3	2.3	1.7	3.4
Disabled	6.1	4.0	6.8	7.0	6.1	6.1
Offenders	6.4	3.2	7.3	3.8	5.1	7.1
Unemployed*	58.3	57.6	58.5	57.6	58.6	58.3
Obtained unsubsidized job	61.7	61.9	61.7	60.1	65.1	60.7
<b>Number</b>						
Other terminees**	314,903	126,028	188,875	38,701	94,936	181,266
<b>Percentage</b>						
Female	46.2	50.3	43.4	48.5	48.0	44.7
Single parent w/children	17.2	20.1	15.2	16.0	17.5	17.2
High school dropout	24.1	28.5	21.1	24.4	26.2	22.9
Minority	41.1	47.6	36.6	25.3	33.3	48.4
Black, not Hispanic	26.9	37.6	19.7	19.3	29.6	27.1
Hispanic	10.3	8.2	11.7	2.9	1.3	16.6
American Indian	1.4	0.8	1.7	2.5	1.5	1.0
Asian	2.5	1.0	3.5	0.6	0.9	3.7
Limited English ability	3.7	2.4	4.6	0.9	1.0	5.7
Disabled	9.8	8.7	10.6	10.8	9.3	9.9
Offenders	9.5	9.7	9.3	7.6	9.0	10.1
Unemployed*	44.6	42.0	46.3	48.4	44.2	44.0
Obtained unsubsidized job	75.4	74.8	75.8	73.0	77.5	74.8

\* 15 or more of the past 26 weeks

\*\* terminees not receiving welfare payments

Source: Computed using JTPA Title II-A Annual Status Reports, program year 1986.

percentage of metro terminees who are Hispanic and the higher percentage of nonmetro terminees who are American Indians.

The other (nonwelfare) terminees differ from welfare-recipient terminees in several respects. A much lower percentage of other terminees are women or single heads of families with children. Blacks comprise a smaller percentage of other terminees than of welfare-recipient terminees, while the other minorities generally comprise about the same percentages of both groups.

The percentage of terminees who found unsubsidized jobs is the most telling characteristic for welfare-to-work discussions. A much lower percentage of welfare-recipient terminees found jobs. The differences ranged from 11 percentage points in mixed states to 14 percentage points in nonsouth and metro states. Overall, 62 percent of welfare-recipient terminees found employment compared with 75 percent of other terminees. Since higher percentages of welfare terminees had not completed high school, were single parents with children, or were black, they may face more difficulties in obtaining employment than other terminees.

Success in obtaining unsubsidized jobs is more evenly distributed across states. Terminees in Southern states were as likely to get unsubsidized jobs as those in non-Southern states. Also, terminees in nonmetro states were as likely to get jobs as those in metro states. Only the mixed states appear to have a slight advantage in placing terminees in jobs. But how do the numbers of welfare recipients trained by JTPA and getting jobs compare with the number of adult AFDC recipients who may be asked to train and seek employment by the Job Opportunities and Basic Skills Training program?

### **AFDC-RECIPIENT JTPA TERMINEES COMPARED WITH AFDC ADULTS**

Comparing the number of AFDC recipients trained by Job Training Partnership Act programs to the number who may be asked to train and seek employment by the Job Opportunities and Basic Skills Training program requires several estimates. First, not all AFDC adults are expected to participate in the JOBS program. Recipients are exempt if they are (1) ill, incapacitated, or of advanced age; (2) needed at home because of illness or incapacity of another family member; (3) parents caring for young children (under age three or a younger age selected by the state, but not under age one); (4) employed 30 or more hours per week; (5) a child under age 16 or attending, full-time, an elementary,

secondary, or vocational school; (6) a woman who is in at least the second trimester of pregnancy; or (7) residing in an area where the JOBS program is not available (U.S. House of Representatives, 1990:608). Variables needed to estimate all these exemptions were not available on the March 1987 Current Population Survey file. The variables used to estimate the exempt population were: in school, working 35 hours or more per week, work disabled, mother of child under age 3, second adult in a family, or older than age 59. Although these characteristics differ somewhat from the exemptions, excluding AFDC recipients with these characteristics yields a population that likely would be asked to participate in the JOBS program.

There were 3.6 million adult AFDC recipients in July, 1986 (Table 3). After excluding those estimated to be exempt from Job Opportunities and Basic Skills Training program participation, an estimated 2.2 million participants were left.<sup>1</sup> A minimum of seven percent participation is required in the first year of the program. Applying that proportion to the eligible recipients yielded a minimum of 153,000 recipients who could have been trained and looking for work had the program started in 1986.

At the minimum participation level, there would have been nearly 55,000 (60 percent) more Job Opportunities and Basic Skills Training program participants than AFDC-recipient JTPA terminees in 1986. Compared with the number of those terminees who found jobs, there would have been two and one-half times as many JOBS participants.<sup>2</sup> Southern and mixed states would have experienced smaller increases relative to their JTPA terminees and job placements than the other types of states. However, even in the mixed states there would have been 30 percent more JOBS participants than JTPA terminees and two JOBS participants for every JTPA job placement. If JTPA placed only about 60

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<sup>1</sup>Child Trends, Inc. (1989) estimated that 31 to 65 percent of adult female AFDC recipients would be exempt from JOBS participation. Although my estimate is not directly comparable to theirs because it includes both male and female recipients, the 38.9 percent I estimated to be exempt is within the range of their estimates.

<sup>2</sup>The job placement rate for AFDC-recipient terminees was not available in the JTPA data. To estimate the AFDC-recipient job placement rate, the job placement rate for all welfare-recipient JTPA terminees was applied to the number of AFDC-recipient terminees. In the Southern and nonmetro States, where AFDC recipients comprise 95 percent or more of the welfare-recipient terminees, this estimated job placement rate is undoubtedly accurate. In the nonsouth and metro States, where AFDC recipients comprise less than 75 percent of welfare-recipient terminees, the true job placement rate for AFDC recipients may vary somewhat from the welfare-recipient rate. However, no other method of estimating the placement rate for AFDC recipients was available.

**Table 3. Adult AFDC Recipients Compared with AFDC-Recipient JTPA Terminees  
By Region and Type of State, Program Year 1986**

	Total	Region		Type of State		
		South	Nonsouth	Nonmetro	Mixed	Metro
Adult Recipients <sup>1</sup>	3,613,498	866,559	2,746,939	330,683	739,108	2,543,707
Minus the estimated number not required to seek employment <sup>2</sup>	-1,430,945	-317,161	-1,101,523	-131,943	-280,122	-1,022,570
Equals estimated total who could be asked to participate in JOBS	2,182,553	549,398	1,645,416	198,740	458,986	1,521,137
Minimum JOBS participants <sup>3</sup>	152,779	38,458	115,179	13,912	32,129	106,480
AFDC-recipient JTPA terminees	98,108	27,725	70,383	8,954	25,030	64,124
Estimated job placements <sup>4</sup>	60,533	17,162	43,426	5,381	16,295	38,923
Ratio of minimum JOBS participants to:						
AFDC-recipient						
JTPA terminees	1.6	1.4	1.6	1.6	1.3	1.7
Estimated job placements	2.5	2.2	2.7	2.6	2.0	2.7

<sup>1</sup> Number of adult AFDC recipients reported by the Social Security Administration for July 1986.

<sup>2</sup> The March 1987 Current Population Survey (CPS) was used to determine the percentage in each area who were either in school, disabled, already working 35 or more hours per week, mothers of children under 3, the second adult in the family, or older than 59. These percentages were applied to the total AFDC recipients.

<sup>3</sup> States were required to enroll at least 7 percent of their AFDC caseload in JOBS during 1990 and 1991. That percentage was applied to the number of adult AFDC recipients who could be required to work to obtain an estimate of the minimum pool of trained recipients who would have been looking for work had JOBS started in 1986.

<sup>4</sup> The job placement rate for all welfare-recipient JTPA terminees was applied to the AFDC-recipient terminees. A job placement rate specific to the AFDC recipients was not available.

**Source:** Computed using AFDC recipient data for July 1986 (U.S. Social Security Administration, 1986:57), March 1987 CPS data (U.S. Bureau of the Census, 1987a), and JTPA Title II-A Annual Status Reports, program year 1986.

percent of a smaller number of terminees, will training and job-search programs for many more AFDC recipients result in private-sector jobs?

## COMPETITION FOR PRIVATE-SECTOR JOBS

To estimate the likelihood of placing JOBS program participants in private-sector jobs, the minimum number of these participants was compared with an estimate of the number of jobs they might qualify for and the number of unemployed persons who might be competing for the same jobs. An estimate of 63 million wage and salary jobs requiring high school or less education was used as the base for calculating the number of vacant jobs for which Job Opportunities and Basic Skills Training program participants might qualify (Table 4). Although AFDC adults averaged only 10.5 years of education, high school or less education was used because the JOBS program may provide trainees with basic education and job training that could qualify them for jobs requiring more education than they initially had. Multiplying the 63 million jobs by the 1.4 percent vacancy rate (developed by Bloomquist, Jensen and Teixeira [1987] based on Abraham's [1983] work) resulted in an estimate of 888,000 vacancies — or five vacant jobs for every JOBS trainee.<sup>3</sup> However, JOBS trainees would not be the only job seekers applying for those jobs. Adding the estimated number of the unemployed who would be competing for the same jobs reverses the relationship to seven job seekers for every vacancy.

Although the estimates of AFDC job seekers per vacancy vary by region and type of state, in no area are there more JOBS program trainees than vacancies. However, when the comparable unemployed are added, all areas have between six and nine job seekers per vacancy. With the lower education levels of the population (and the unemployed) in the South and nonmetro states, AFDC recipients appear to face somewhat higher competition for jobs requiring high school or less education in those states. Although these are rough estimates, the results suggest that

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<sup>3</sup>The vacancy rate is the proportion of jobs unfilled and available. Abraham (1983) computed adjusted vacancy rates from six employer surveys. She compared these vacancy rates to the unemployment rate and found a strong negative relationship: the higher the unemployment rate, the lower the vacancy rate. For their analysis of job opportunities for welfare recipients, Bloomquist, et al. (1987) used a vacancy rate of 1.4 percent, the average of Abraham's vacancy rates for all unemployment rates over 6 percent. Unemployment rates in the areas analyzed here ranged from 6.7 percent in the non-South to 8.1 percent in nonmetro states. With each area's rate over 6 percent, I considered the 1.4 percent vacancy rate appropriate for each area. There were not enough employer surveys conducted at times of high unemployment to calculate separate vacancy rates for each type of state.

**Table 4. Estimates of Minimum JOBS Participants and Job Availability By Region and Type of State, had the JOBS program started in 1986**

	Total	Region		Type of State		
		South	Nonsouth	Nonmetro	Mixed	Metro
Estimated jobs requiring high school or less education <sup>1</sup>	63.5	22.5	40.9	6.1	17.7	39.7
Estimated vacancies <sup>2</sup>	888,477	315,422	572,790	84,853	247,179	556,131
Estimated minimum JOBS participants <sup>3</sup>	152,779	38,458	115,179	13,912	32,129	106,480
Ratio of minimum JOBS participants to vacancies	0.2	0.1	0.2	0.2	0.1	0.2
Estimated number of unemployed with high school or less education <sup>4</sup>	5,847,031	2,252,446	3,594,757	713,886	1,560,825	3,568,848
Ratio of minimum number of JOBS participants and comparable unemployed to number of job vacancies	6.8	7.3	6.5	8.6	6.4	6.6

<sup>1</sup> Figures stated in millions. The March 1987 CPS was used to determine the percentage of workers in each of 46 industrial groups who had completed high school or less education. These percentages were applied to the number of wage and salary jobs in those industries in 1986 reported by the Bureau of Economic Analysis. The estimated numbers of low-education jobs in each industry were then summed to total jobs requiring high school or less.

<sup>2</sup> A vacancy rate of 1.4 percent of jobs was used. See Footnote 3 in text for explanation.

<sup>3</sup> States are required to enroll at least 7 percent of their AFDC caseload in JOBS during 1990 and 1991. That percentage was applied to the number of adult AFDC recipients who could be required to work to obtain an estimate of the minimum pool of trained recipients who would have been looking for work had JOBS started in 1986.

<sup>4</sup> Figures exclude AFDC recipients. The March 1987 CPS was used to determine the percentage of unemployed persons who are not AFDC recipients and of those unemployed the percentage who had completed high school or less education. Those percentages were applied to the 1986 annual average number of unemployed to estimate the competition trained AFDC recipients would face for lower-education jobs.

**Source:** Computed using AFDC recipient data for July 1986 (U.S. Social Security Administration, 1988:60), the March 1987 CPS file (U.S. Bureau of the Census, 1987a), 1986 wage and salary jobs by industry from the Bureau of Economic Analysis, 1986 annual average unemployment from the Bureau of Labor Statistics, and JTPA Title II-A Annual Status Reports, program year 1986.

trainees in all states may have difficulty finding jobs.

## CONCLUSIONS

During the 1986 program year, a small number of welfare recipients was being trained through JTPA programs and found unsubsidized employment. The job placement rate for welfare recipients was not as high as for other program trainees, but this may stem from the higher percentage of welfare trainees who face employment difficulties because they are single parents, black, or high school dropouts.

The number of welfare recipients who participated in JTPA programs was smaller than the minimum number of welfare recipients who could have been required to participate in training and job search if the JOBS program had started in 1986. Only about 60 percent of those who left the training obtained unsubsidized jobs. This low placement rate implies that program administrators may find it difficult to place much larger numbers of welfare recipients in private-sector jobs.

To gauge the availability of jobs for welfare recipients, estimates were used of the numbers of JOBS program participants, compatible job vacancies and unemployed persons competing for those jobs. The results indicate that trainees would have faced significant competition for jobs from the unemployed, particularly in the Southern and nonmetro states. These results are similar to those obtained by Bloomquist et al. (1987), who also found many more AFDC recipients and comparable unemployed than vacancies. However, they estimated greater competition for vacancies in metro than in nonmetro areas because their procedure more nonmetro vacancies as accessible by AFDC recipients.

The unemployment rate is now as high as it was in 1986, indicating a very small proportion of vacant jobs and that Job Opportunities and Basic Skills Training program trainees are facing stiff competition from the unemployed. It should be considered that much of the cost of training may not be compensated by trainees leaving the welfare roles for private employment. In fact, most state welfare agencies responding to a U.S. General Accounting Office survey reported they had already had, or expected to have, a shortage of employment opportunities for JOBS participants.<sup>4</sup> Employment shortages in rural areas either were cited or

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<sup>4</sup>The survey was mailed to state welfare offices in August 1990. Some states were already operating JOBS programs by then and reported on their experiences to date. Other states were about to implement their JOBS programs in October and reported what they expected would happen.

expected by 43 states, and 34 said it was or would be difficult for them to operate their JOBS programs in rural areas because of an insufficient number of jobs for which people could be trained (U.S. General Accounting Office, 1991:46). The U.S. General Accounting Office (1991:46) concluded that "even if AFDC recipients receive education and training, they may not be able to find employment that would allow them to move off the welfare rolls and become self-sufficient."

The states do not have to provide JTPA services in areas where training would not result in enough job placements to make operating the program economically feasible. States also are allowed to forego operating JOBS programs in areas where it is not "feasible." In response to the GAO survey, 40 states cited rural areas as the most difficult areas in which to operate JOBS; 39 reported an insufficient supply of transportation in rural areas, 33 reported inadequate supplies of training or education services in rural areas, and 29 reported insufficient rural child care services (U.S. General Accounting Office, 1991:44). Welfare recipients living in remote rural areas where JOBS programs cannot operate may have to move to areas with viable programs if they want to participate in education, job training, or job placement programs.

Now that the Job Opportunities and Basic Skills Training Program is operating in all states, data on participation and job placement rates soon will be available. Future research should be able to verify whether the lack of employment opportunities is a greater problem in rural areas and in Southern states as estimated in this research. If rural and Southern job placement rates trail other areas' placement rates, then the next question is how to increase rural and Southern employment opportunities.

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