

Chapter 4

Workforce Policies

Linda C. Wing

International trade and information technology have combined to bring about a new American economy. In the new economy, the number of jobs, the wages of jobs, the skills that jobs require, job security, and the distribution of jobs across occupations, firms, industries, and geographies are all changing. Moreover, a different political economy is operative, as the first Democratic president to be elected in 12 years attempts to "reinvent" labor force policies. How will a new American economy, workforce, and a new American president affect Asian Pacific Americans, both those in the labor market now and those who will enter it in the future?

As detailed by Ong and Hee in Chapter 3, Asian Pacific American workers are not fully incorporated into the current United States economy. The wage and occupational problems encountered by Asian Pacific workers are due in part to their immigrant background. Immigrants account for nearly all of the educationally disadvantaged, and a majority of the highly-educated consists of immigrants who obtained most or all of their schooling in their native countries. Depending upon the field of study, college education obtained abroad may not be completely transferable to American work settings. Asian Pacific immigrants with imperfectly generalizable educations are likely to experience downward economic mobility in the U.S. Lack of full English proficiency also characterizes many Asian Pacific immigrants. Those who are highly-educated but who have not attained expert English skills may lose out on promotions to management positions. Those lacking both English proficiency and a high school education have extremely limited opportunities to obtain good jobs.

It is unquestionably the case, however, that opportunities to obtain relevant education and training would enable Asian Pacific American workers to overcome the obstacles that impede their progress in the current economy. Given the emergence of a new economy that will demand even higher performance from its workers, access to appropriate education and training programs is crucial not only to workers who want to break the "glass ceiling" or escape low-wage jobs, but also to those who want to remain the most competitive. Therefore, the key policy question for Asian Pacific American workers is whether the United States will invest in their human capital development.

In this chapter, I explore how progress of Asian Pacific Americans in the new United States economy would be facilitated by increased national attention to human capital development. I look in particular at the implications for Asian Pacific workers of possible changes in work-related education policy, public sector job training policy, and private sector job training policy.

The Rising Significance of Human Capital Investment

Asian Pacific Americans have reason to be sanguine about the prospects for obtaining new education and training opportunities. On no other current issue is there such unanimous agreement: education and training pay off in terms of individual earnings and national productivity. However, cautious optimism is in order, since the special needs of Asian Pacific Americans have historically been ignored in workforce policy discourse, policymaking, and policy implementation.

Since 1929, policy analysts have known that the ability of firms to make better use of human capital accounts for substantial productivity improvements. Yet human capital development was given relatively short shrift in terms of the national agenda until recently. Today, investments in worker training are touted as more effective in boosting company performance than the introduction of new technologies or increases in research and development budgets. "Learning to earn" programs for high school youth have catapulted from virtual ignominy to prominence in state and federal efforts to foster a high performance workforce.

The turnabout in the attention paid to human capital development began in 1987, when the Hudson Institute issued the first of what has become a steady stream of high-profile policy advocacy reports depicting demographic changes in the American workforce, the new competitive standards of the global marketplace, and the merits of investing in the education and training of "knowledge workers." Reports such as *America's Choice: High Skills or Low Wages* maintain that significant investments in the human capital development of knowledge workers are crucial to reversing the slowdown in the growth of the nation's productivity and therefore to maintaining the United States' leadership position in the changing world economy (National Center on Education and the Economy, 1990). Although most jobs in the new economy will not require more than a top-quality high school education, all workers who want good wages will have to be lifelong learners, periodically obtaining additional knowledge and skills through formal and informal job training. The highest-paying and fastest-growing jobs in the best performing sectors of the economy will require workers who possess both a high level of formal education and a high level of access to ongoing workplace training. These scenarios have been given weight by recent research findings:

- During the 1980s, the difference between the earnings of high school graduates and college graduates widened. Between 1980 and 1988, the advantage of college-educated workers over high school-educated workers had jumped from 31 percent to 86 percent for men with ten years work experience and from 37 percent to 60 percent for women with the same work experience (Carnevale, 1991). The returns to education are even higher for college-educated workers employed in high technology companies (Lillard and Tan, 1986).
- Workers with less than a high school education and a low level of training are significantly more likely to experience periods of unemployment than workers with higher levels of education and training. Those with less than 12 years of education and a low level of training also experience longer spells of unemployment (Vaughan and Berryman, 1989).

The confluence of advocacy and research has resulted in a remarkable consensus of opinion about the high priority that should be placed upon human capital development in the national economic policy agenda. Given the declining size of the overall American workforce and the growing proportions who are Asian Pacific Americans and other minorities, the United States has the unprecedented opportunity to address this economic imperative by finally fulfilling its social and political commitment to insure equal education and training opportunity for all of its people. Indeed, several blueprints for comprehensive approaches to human capital development — lifelong learning systems for all American workers — have been put forward by leaders in education, business, and government, including President Clinton.

Clients of a new lifelong learning system would include up to 90 percent of all American workers. Only the occupational elite working in high performance organizations — the “symbolic analysts” in Robert Reich’s parlance (1992) — already have access to excellent, ongoing education and training opportunities. Employees of Motorola, for example, currently receive 40 hours each of classroom training per year, and the company plans to quadruple training time by the turn of the century (*Business Week*, March 28, 1994). Meanwhile, the vast majority of the American labor force has no access to workplace training or high-quality work-related education and training provided in other venues. For them, the downsizing of corporate giants, the movement of blue collar work offshore, and defense-related layoffs are harsh realities. Their unemployment spells are becoming longer and more frequent.

For the average American worker, a comprehensive human capital development system would appear to be a compelling proposition. In the new economy, the average person will make six major job changes. Lifelong access to education and training would enable a worker to acquire the skills needed to move from job to job. However, there is inherent peril in any broad-based proposal intended to reach 90 percent of the workforce. The average American worker exists only as a statistic, not as flesh and blood. Thus, a large-scale system designed to meet the needs of the average worker could easily miss its real mark. In the process of enacting the necessary

policies and programs at the federal, state, and local levels, decision-makers would face innumerable possibilities to miscalibrate the fine line between a universal human capital development system that truly serves everyone and a universal human capital development system that actually serves no one, least of all educationally disadvantaged Asian Pacific Americans at the margins of the labor force and highly-educated Asian Pacific Americans whose labor force needs are masked by the myth of the “model minority.

It is important that Asian Pacific American voices be included in policy discussions if we as a nation are to formulate a comprehensive human capital investment strategy that is capable of addressing the specific needs of some workers as well as the general needs of all workers. The active involvement of Asian Pacific Americans in workforce policy development is especially essential during a time when more than 60 percent of the American public believes that immigrants take jobs away from other Americans (*Business Week*, July 13, 1992; Morganthau, 1993). It is not that we as Asian Pacific Americans need to protect our own self-interests as a largely immigrant workforce. Rather, having historically experienced exclusion from this country as a result of immigration law, and having a culture that places extraordinary value on learning, we have a special vantage point from which to exercise leadership in translating the rare conceptual accord regarding the common good of education and training into concrete policies that will benefit all workers.

Work-Related Education Policy

The first area of workforce policy that warrants Asian Pacific American attention pertains to future labor market entrants — high school youth. Three-fourths of American youth enter the workforce without a college degree. In the old economic order, such workers could find steady employment. In the new economic order, individuals with high school educations face limited job opportunities. Fewer than one in ten large companies hires new high school graduates. Non-college-educated youth drift from low-paying job to low-paying job and suffer frequent periods of unemployment. Half of all high school graduates are

not able to find a steady job by the age of 30 (Olson, 1994b). High school dropouts fare even worse in the labor market.

SCHOOL-TO-WORK POLICIES

Policymakers have now decided to remedy the fact that ours is the only industrialized country in the world that does not facilitate the transition of youth from school to work. Fifteen states have recently instituted school-to-work programs and the House and Senate are currently working out differences in their respective versions of the Clinton administration's School-to-Work Opportunities Act.

The best thinking of school-to-work advocates is captured by the provisions of the School-to-Work Opportunities Act proposed jointly by the U.S. Department of Labor and the U.S. Department of Education. The provisions provide incentives to high schools to upgrade both the academic curriculum and the vocational curriculum through new programs that combine classroom-based education with workplace-based education. Such programs are to be designed by educators in collaboration with employers and are to begin no later than the 11th grade. At the workplace, paid work experience, workplace mentoring and workplace instruction are all to be provided to students. At the school site, a curriculum to enable students to meet rigorous academic standards, career exploration activities, and career counseling are all to be offered. In addition to high school diplomas, skill certificates are to be awarded to students upon program completion. These certificates must be portable and recognized by industry so that they will help students get good first jobs on career tracks. School-to-work programs must also establish partnerships with colleges in order to provide a bridge to postsecondary education for students who choose not to go directly into the labor market.

When finally approved by Congress, the School-to-Work Opportunities Act will provide \$300 million in seed money to states during its first year of operation, fiscal year 1995. Programs funded under this legislation will join other school-to-work programs variously called youth apprenticeships, career academies, tech-prep programs, school-based enterprises, and cooperative education. All share the same purpose of linking school-based learning with workplace-based learning, but use

different approaches (see Appendix 1). The purpose of the most comprehensive approaches, such as that encompassed by the School-to-Work Opportunities Act, is not only to help prepare a more productive workforce, but also to transform high school learning.

In the ideal comprehensive school-to-work program, learning would take place in a real-world context. Students would have opportunities to observe how experts approach and solve problems, and they would receive coaching on how to carry out similar tasks themselves. Student learning would be intrinsically motivated, for it would serve an authentic purpose. As students achieve mastery, they would be provided with less and less scaffolding for learning. They would gradually become self-directed members of a community of practice, figuring out the applications of what they have learned to other situations.

Learning of this kind, called cognitive apprenticeship learning by some, requires a reconstitution of both the organization of school and the organization of work (Berryman, 1991). That is, both the school site and the workplace would necessarily abandon the low-skill, low-wage, factory model of production in favor of facilitating learning to work and working to learn. It is highly doubtful that federal and state governments are in a position to provide financial incentives of the magnitude needed to foster dramatic restructuring of this kind. As it is, there appear to be inadequate incentives for companies to provide workplace training at all, regardless of how they organize the production process. The big cost of workplace training is on the employer side of the equation — a single youth apprenticeship can cost an employer up to \$30,000 — and companies, especially small firms, are likely to want tax credits to offset their costs before joining in school-to-work enterprises. Despite this very real obstacle to putting comprehensive school-to-work programs in place, interest in school-to-work policy continues to be intense. The policy discourse seems to have the desired effect on the school side of the equation. Educators are reexamining their beliefs about the role of youth in our society, and they are looking at concepts such as learning in genuine settings to inform their pedagogy and change the way they structure schools.

IMPLICATIONS FOR ASIAN PACIFIC AMERICANS

What are the implications of school-to-work proposals for Asian Pacific youth? While all Asian Pacific American youth would profit from participation in school-to-work programs, there are grounds for giving priority to those who are potential dropouts or who do not aspire to college. Preliminary assessments indicate that the positive effects of school-to-work programs are mainly school-related. They improve students' attendance, raise their college aspirations and increase the amount of academic course work they take. There are no available data on the characteristics of non-college-bound Asian Pacific American youth, but there is suggestive evidence compiled by the U.S. Commission on Civil Rights (1992) that the dropout rates of Southeast Asian youth are high and their post-high school aspirations are low. In 1986-87, over half of Laotian students in Lowell, Massachusetts, dropped out of the public schools. Laotian and Cambodian students in San Diego not only drop out at high rates, but are also more likely to aspire to low-status jobs. Limited English proficiency and recent arrival in the United States undoubtedly contribute to the educational experiences of these students. New school-to-work programs, if customized to meet the special needs of Southeast Asian youth, might significantly alter their life prospects. In particular, the opportunity to learn in a real-world context, if structured properly, promises to facilitate their English language acquisition. There is a purposefulness about speaking, reading, and writing in order to accomplish job tasks that increases the motivation to learn these skills. Additionally, the sociology of work — people working with other people — means that students can call upon multiple sources of support and guidance for learning.

At issue is whether or not school-to-work programs will in fact be inclusive of Asian Pacific American and other youth who are immigrants and/or who are limited English proficient. State-funded career academies in California are legislatively mandated to serve their needs, and the federal School-to-Work Opportunities Act contains language specifying that students "with limited English proficiency" and students "of diverse racial, ethnic, and cultural backgrounds" are among "all students" who may participate. However, there is reason to

predict that implementation will fall short of legislative mandates. The overall level of educational services currently being provided to limited-English-proficient students in the United States is abysmally low. Only 36 percent of all students in the nation identified as limited English proficient have been assessed by their schools as such, and a stunning two-thirds of those who have been assessed receive no special language services at all (Council of Chief State School Officers, 1990).

Even if educators were suddenly to provide appropriate school-based teaching and learning opportunities to limited-English-proficient Asian Pacific youth, the issue of finding high-quality workplace experiences for them would remain. Historically, employers who have participated in federal job training programs for disadvantaged adults have been reluctant to provide on-the-job training to anyone other than relatively skilled white men suffering from temporary unemployment. When employers have agreed to provide on-the-job training to limited-English-proficient immigrant men, the placements have typically been in undesirable low-wage jobs where little English and few skills are required. These workplace training issues are likely to be exacerbated when youth are concerned, and educators are ill-prepared to take leadership in devising creative approaches to workplace learning.

These concerns are made real by two recent studies, one of tech-prep programs and one of traditional vocational education programs. Tech-prep programs combine the last two years of high school with the first two years of college. Graduates earn an occupational skill certificate and an associate's degree in a technical field. The National Center for Research in Vocational Education surveyed 228 tech-prep programs and found that few serve special needs students, particularly those who are non-English-speaking. Only one-third of 120 programs in operation for one year or more reported having special activities for any category of at-risk students (Sommerfeld, 1993).

Traditional vocational education programs are school-based programs and do not typically offer workplace training. They are not known for academic rigor, although reforms are being put into place to strengthen their adherence to high academic standards. The National Assessment of Vocational Education

found evidence that traditional vocational programs have become a dumping ground for special needs students (Olson, 1994a). In 1992, students who were limited English proficient, disabled, or educationally or economically disadvantaged represented 34 percent of all high school graduates but earned 43 percent of all vocational credits. They were likely to be concentrated in training for low-skill occupations such as food service work. Special needs students in general earned fewer academic credits than other students, and limited-English-proficient students in particular were no more likely to be employed than their counterparts not enrolled in vocational education.

These studies indicate that elite school-to-work programs may be unlikely to serve Asian Pacific students who are not college bound. Instead, these students may be channeled into second-class vocational programs where they are treated as cast-offs. Unless more concerted policy and programmatic attention is devoted to finding ways of identifying and meeting the special needs of Asian Pacific American youth under the rubric of new school-to-work policies, their educational disadvantages may very well continue to turn into economic disadvantages when they leave school and enter the labor market. A concrete step that needs to be taken immediately to inform not only school-to-work policy but also overall educational policy is the systematic collection and analysis of detailed data on the number, characteristics, and condition of Asian Pacific American youth in our nation's public schools.

Public Sector Training Policy

The second area of workforce policy that demands Asian Pacific American attention concerns the training of unemployed workers. For the past 30 years, the United States has offered federal job training programs to workers experiencing troubled times. These programs are particularly appropriate given that we live in a period of economic disruption. The U.S. Department of Labor estimates that two million workers are permanently laid-off each year due to structural changes in the economy. About one-fourth may be unemployed as long as six-to-twelve months. Unemployment is hitting every sector of

the labor market, including the middle-class and middle management. The large concentration of Asian Pacific Americans in California and other areas where defense-related industries and giant corporations are in the process of downsizing and restructuring suggests that some number of highly-educated Asian Pacific Americans are among those suffering from layoffs and extended spells of unemployment. Their capacity to relocate to areas where their skills might be in demand, or to retool their skills for different jobs, would be enhanced by public sector job search assistance and job training. The current state of the economy means also that many newly-arrived immigrants and refugees find it extraordinarily difficult to find good-paying jobs. Some endure unemployment while searching for decent jobs for which they are qualified because they lack the job search skills appropriate for the American labor market. Others experience unemployment due to lack of skills appropriate for American jobs. In both cases, public sector job assistance and job training programs could offer critical help. Lacking access to such training, a large proportion of immigrants and refugees are forced to take low-paying jobs in order to make ends meet. As described by Ong and Umemoto in Chapter 5, these individuals constitute the 25 percent plus of workers in the inner-city communities of San Francisco Chinatown, New York Chinatown, Los Angeles Koreatown, and Little Phnom Penh in Long Beach who earn less than \$4.00 per hour.

THE REEMPLOYMENT POLICY PROPOSAL

In March 1994, President Clinton introduced a bill to address the needs of unemployed workers. Called the Reemployment Act of 1994, the five-year \$13 billion program would have three main components (U.S. Office of the President, 1994a and 1994c). The first component would consist of the establishment of a network of "one-stop shopping centers" that would provide the latest national data on job openings and opportunities to obtain job training, job counseling and job search assistance. The second component would entail the offering of long-term education and training opportunities. Individuals undergoing long-term training, defined as 18 months of training, would be eligible for income

support such as extended unemployment benefits or loans. The third component would put into place reforms of the unemployment insurance system. For example, it would be permissible for workers to receive jobless benefits up front in order to start new businesses. To fund the Reemployment Act, the Clinton administration announced it will consolidate, eliminate, or cut back on the 150 job training programs currently administered by 14 different federal agencies. In total, the 150 programs currently cost the federal government \$24 billion each year.

The future of the reemployment bill in Congress is open to debate. Drawing upon studies of past and current federal job training efforts, we can inform the policy discussion by outlining our best thinking about public sector job training in general and public sector job training as it pertains specifically to Asian Pacific Americans.

LESSONS LEARNED FROM CETA AND JTPA

The federal government has provided job training to disadvantaged and dislocated workers for the last 20 years (see Appendix 2). For ten years, programs operated under the auspices of the 1973 Comprehensive Employment and Training Act (CETA); current programs function under the authorization of the 1982 Job Training Partnership Act (JTPA). What impact have these programs had on workers? What program shortcomings should be remedied in the development of new job training policy?

Evaluations of CETA indicate some positive benefits, particularly for women; classroom training increased the earnings of participants by a tenth in the year after program termination, while on-the-job training yielded increments nearly twice as large (Taggart, 1981). Classroom training appears to have a long-term effect as indicated by additional gains two years after leaving the program. Women accounted for one-half of the participants in classroom training but four-fifths of the beneficiaries of post-program gains from such training. This gender difference also appears in a 1982 study done by the Congressional Budget Office (CBO) which found that CETA substantially increased the average post-program earnings of women when matched against a comparison group

of non-participants, but had no similar effect on the earnings of men.

These studies found there were consistent differences between the impact of CETA training on minority participants compared to non-minority participants — that long-term training had substantial earnings benefits, and that those with the least previous labor market experience received the biggest earnings payoff from CETA participation.

The effects of training provided under the Job Training Partnership Act (JTPA) are similar to those evidenced under CETA. One study found that compared to a control group, JTPA women increased their chances of employment by 2 percent and their earnings by one dollar per day. JTPA men increased their changes of employment compared to a control group, but did not experience earnings gains (Bowman, 1993). Another national study of JTPA indicated that compared to control groups, both women and men increased their earnings in the 30 months after they completed training. Again, women benefited more than men. They increased their salaries by an average of 15 percent, compared to an average of 8 percent, for men (Olson, 1994d).

Despite the positive outcomes, there are major concerns about both CETA and JTPA centered on limited scope of service, creaming, and little or no provision of new skills. CETA never had the capacity to serve more than a relatively meager number of disadvantaged workers. In Fiscal Year 1980, CETA participants represented one-twentieth of the unemployed and less than one-tenth of the working poor (Taggart, 1981). Only 5 percent of the eligible adult and youth population was served in 1989 under JTPA's provision for the basic training of disadvantaged workers.

Creaming is thought to be encouraged by JTPA for two main reasons. First, local JTPA providers are subject to performance-based contracting. They must meet federally determined standards for the job placement of participants at program termination. By definition, the most employable are the easiest to place in jobs. Second, JTPA restricts support services to participants. CETA provided a stipend equal to the state or federal minimum wage, whichever was higher, and, in many cases, child care, a transportation allowance, a meal

allowance, and in some cases, medical and dental care. JTPA does not allow the payment of stipends, although "needs based payments" and support services to enable individuals to participate are allowed. Lack of stipends might result in disadvantaged workers, especially women, self-selecting out of JTPA. For example, without having access to child care, poor women may not be able to participate in JTPA.

Despite engaging in practices such as creaming, neither JTPA nor CETA has enabled participants to increase their skills to a scale recognizable in the labor market. A case in point concerns CETA women, who benefitted more than their male counterparts. In the period before entering CETA, women consistently earned less than comparison group members. After leaving CETA, the women's average earnings jumped above those of their comparison group and stayed above for at least three years. The average annual post-program earnings increase for a woman was \$800 to \$1300. About 80 percent of this increase can be attributed to a greater amount of time worked and the remaining 20 percent can be attributed to increased wage rates. Since only a small portion of the earnings gain was due to increased wage rates, it is unlikely that CETA training substantially improved the women's job skills (U.S. Congressional Budget Office, 1982). In other words, the principal role of CETA was a job placement service.

CETA programs were simply too brief in duration to make a difference in the skills level of disadvantaged participants. It was permissible to provide training for as long as two-and-one-half years, yet the average training program was 20 weeks long, the equivalent of one semester. There are very few occupations where the necessary skills can be taught in one semester, where the newly-acquired skills can be certified or tested at the hiring door, and where there are lots of jobs available. Although it is almost universally agreed that training pays off the most when it is long enough to enable participants to acquire competencies that are rewarded in the labor market, CETA evolved instead into a short-term palliative.

The prospects for acquiring new skills under JTPA are equally dismal. The emphasis on placement rates not only encourages creaming, but also short-term training activities. To find and get a job, the most employable workers may be able to

get by with only short-term training or job search assistance. Short-term training and job search assistance are both less costly than long-term training, therefore program dollars can be stretched to reach a greater number of workers. The average duration of CETA training was 20 weeks. JTPA training is even more short-term. On average, classroom training lasts 18 weeks; on-the-job training lasts only 14 weeks.

A NEW VISION

The impact and shortcomings of CETA and JTPA offer in reverse a new vision of an effective federal job training policy. This new vision has five components.

The first element of a new vision involves the targeting of people, not places (Taggart, 1981). Funds are currently allocated to state and local areas with the greatest number of workers in need, but those areas tend to be where educational institutions are overburdened and ill-positioned to develop new capacities to provide job training. Funds should instead be allocated to individual workers in the form of portable career investment accounts. These accounts, which would work like vouchers, would be used for intensive remediation, career training, or postsecondary education equivalent to the costs of two years of college in any location where there is high-quality training available and where the job opportunities are greatest.

The second element of a new vision calls for reliance upon mainstream institutions for the provision of education and training. Employers cannot determine the value of a job applicant's completion of a training program unless the training has either been obtained from an established institution with its own reputation and standards or has resulted in an outside-referenced certificate. Mainstream institutions such as community colleges are better positioned to give workers more rigorous preparation leading to the acquisition of job skills. They are also able to offer a wider choice of career training options. The validity of this recommendation is supported by a recent National Bureau of Economic Research study (*Business Week*, May 24, 1993). Going to community college pays off in terms of future earnings. For every year of credits earned, a college student earns 5 percent more than a high school

graduate, whether the student is enrolled at a two-year or a four-year institution.

The third element of a new vision for federal job training policy focuses on the establishment of occupational skill standards, the criteria for selecting training methods and curricula with which to impart occupational skills, and the means of measuring and certifying skills that meet the standards. In March 1994, a concrete step was taken in line with this recommendation when the American Electronics Association issued the first industry-wide occupational skills standards. With \$300,000 in support from the U.S. Department of Labor and \$1.5 million in in-kind contributions from its members, the association developed standards for three occupational areas: manufacturing specialist, administrative and information services support, and pre- and post-sales (Olson, 1994e). The next steps are to validate the standards so that they can be used for hiring and certification and to identify the knowledge and skills needed to attain the standards so that an appropriate training curriculum can be developed.

The fourth element of a new vision involves the creation of a career development system offering a "one-stop, comprehensive, full-services approach for all career investment activities" (Taggart, 1981, p. 342). This system, consisting of a realignment of existing, currently separate federal, state, and local services, should outreach to individuals needing help in utilizing their career development accounts, exercise oversight responsibility for the quality of institutions accepting vouchers, and provide incentives for the development of new institutions or new institutional capacities to meet needs where voids exist. The Clinton administration's reemployment bill incorporates a one-stop concept whose exact outlines will be defined as a result of the legislative process. Secretary Reich has indicated that state-chartered centers consisting of consortia of community colleges and other entities is one option favored by the U.S. Department of Labor.

The fifth component of a new vision for public sector job training calls for customizing services to client needs, with priority given to the most severely disadvantaged. Job search assistance, for example, should be directed to middle-class workers who have been temporarily laid off. Long-term

training, on the other hand, should be directed to workers most in need, such as those who are limited English proficient.

The Reemployment Act appears to some observers to be pitched to the middle class (Salwen, 1994). The Clinton administration's support of more and better training for the hard-to-employ may manifest itself only in terms of its call for increased Job Corps funding. The Job Corps is a residential youth training program whose typical client is a minority male who is a high school dropout, who comes from a poor family, who reads at a low level, and who has never held a full-time job. On the other hand, Secretary Reich has cited the Center for Employment Training (CET) as a model for programs that might be developed under the Reemployment Act (U.S. Office of the President, 1994b). CET's mission is to train the disadvantaged, including high school dropouts and limited-English-proficient immigrants. About half of its clients nationwide are migrant workers or former migrant workers; 80 percent are Latinos.

In sum, a new vision for a public sector training system calls for setting up individual career development accounts that would finance the equivalent of two years of college; reliance upon established, mainstream institutions to provide education and training; the development of national skills standards to guide the objectives, content, and methods of education and training; and the award of a skills certificate upon graduation. The system would additionally offer a "one-stop, full services" array of related education and training services. It would tailor services to workers depending on their needs, and priority would be given to the most severely disadvantaged. Although it is too early to tell, the Clinton administration's proposed Reemployment Act seems to be in line with some but not all of the recommended components. An especially important unanswered question is the degree to which the bill is intended to serve the hard-to-employ.

IMPLICATIONS FOR ASIAN PACIFIC AMERICANS

What little is known about the experiences of Asian Pacific American participants in past and current federal job training programs mirrors the overall findings. First, the demand for training exceeds the supply of training slots. For every one limited-English-proficient Asian Pacific immigrant admitted to

a federal job training program, four are typically turned away. Second, both Asian Pacific men and women find employment after training, but women experience higher earnings as well. The higher earnings are associated with greater labor force participation, not higher wages. Especially given their limited English proficiency, Asian Pacific Americans have not had access to training of adequate duration or quality to enable them to develop marketable skills. Third, Asian Pacific Americans who have been able to leverage job training into real careers in, for example, the financial services industry, tend to be young women, part of whose training took place in community colleges where the quality of English instruction was of relatively high quality and long duration, and where there were options to take accounting and similar courses. In contrast, men are more likely to be assigned to on-the-job training in occupations that do not require high-level English skills and provide no opportunity to acquire English informally on the job.

If both Asian Pacific men and women are to be well-served by a new federal job training policy, then decision-makers need to critically analyze the flaws of past policies and focus specifically on how to fully incorporate immigrants and other limited-English-proficient workers into the labor market. A major reform of the current system is needed. Otherwise disadvantaged Asian Pacific American workers will continue to be left behind in the new economy.

Private Sector Training Policy

The third area of workforce policy that deserves Asian Pacific American attention involves employer-sponsored training. Employer-sponsored training is a potent form of human capital investment. Workers who are the recipients of company training have a 30 percent earnings advantage over those who are not. Company-trained workers are also relatively advantaged in terms of job security. The current consensus of opinion is that American companies should significantly increase their overall annual investment of \$30 billion in employee training. The policy discourse focuses on the relative merits and political feasibility of the federal government providing tax credits or issuing mandates in order to spur a

higher level of private sector job training. Because the present incidence and distribution of employer-sponsored training may very well contribute to the "glass ceiling" that seems to limit the promotions of many Asian Pacific American professionals, it is important to explore the possible influence of future employer-sponsored training policy directions on Asian Pacific Americans.

THE BENEFITS OF EMPLOYER-SPONSORED TRAINING

From the firm point of view, productivity is increased by inducting new workers and upgrading the skills of existing workers through training. Improving managerial skills through training has an impact on the efficiency of production as well. From the worker point of view, those who receive company training tend to earn more and experience less unemployment than untrained workers. The benefits of company training appear to be portable from job to job. In short, both employers and employees receive a payoff to investments in company training (Lillard and Tan, 1986; Vaughan and Berryman, 1989; Vaughan, 1990).

Of particular interest here are the benefits to workers. Among employees with less than 12 years of work experience, trained workers earn wages that are almost 10 percent higher than those of untrained workers, all else being equal. For those with more than 12 years of work experience, trained workers earn wages approximately 3.5 percent higher than those who are untrained. The impact of training on wages endures for more than a decade. With the exception of managerial employees, trained workers are less likely to be laid off and experience shorter periods of unemployment when they are laid off. The reduced probability of unemployment endures for 12 years.

Company training from previous jobs has a statistically significant effect on workers' wages in current jobs, indicating that they received generic skills as well as company-specific skills. Moreover, workers trained by one employer are more likely to be trained by subsequent employers and to enjoy longer tenure in those subsequent jobs. Since two-thirds of the nation's labor force get their first jobs in small businesses, and since small businesses tend not to provide their employees with

any training, the chances of small business workers being trained by future employers is less than other workers.

The productivity of trained workers appears to increase twice as much as wages (Vaughan and Berryman, 1989; *Business Week*, February 22, 1993). One study found that companies that initiated formal training programs experienced a 17 percent larger jump in productivity compared to companies that did not (Reich, 1993). Companies who train their employees have a more stable workforce. Trained workers are less likely to leave companies for other jobs. Despite the benefits of employer-sponsored training, less than one-half of the nation's workers currently receive training from their employers. Those with lower levels of educational attainment, minorities, women, and employees of small businesses all tend to receive less company training than highly-educated white men and employees of large corporations (Lillard and Tan, 1986; Vaughan and Berryman, 1989; *The Wall Street Journal*, November 9, 1993).

Moreover, company-trained workers are not widely distributed across firms. Ninety percent of the \$30 billion invested each year on employee training is spent by only one-half of 1 percent of all employers (Vaughan, 1990), and these tend to be large corporations. A study by the Small Business Administration found that only 9 percent of workers in firms with 50 to 99 employees received any training in their first three months on the job, compared to 29 percent of workers in firms with 500 to 2,000 employees. Overall, only 20 percent of the workers in small businesses ever get any training at all (Committee for Economic Development, 1990).

THE POLICY DEBATE

As a presidential candidate, Bill Clinton advocated a federal mandate requiring employers with 50 or more workers to spend 1.5 percent of their payrolls on company training. Firms in many foreign countries are already obliged to make this level of investment; German firms, in fact, spend even more. In the Clinton scenario, employers not meeting this target would pay an equivalent amount into regional training funds. These funds would provide training to disadvantaged workers whose skill development employers would probably not otherwise underwrite. It is estimated that a 1.5 percent level of investment

would generate \$63 billion in new economic activity and 2.5 million new jobs over a three-to-five year period (*Business Week*, February 22, 1993).

Organizations such as the American Society for Training and Development and the National Alliance for Business agree in principle that firms must substantially raise their training expenditures in order to remain competitive in the global economy. However, business looks askance at the \$21 billion per year in added training costs that a federal mandate would require. Instead, groups such as the Commission on Workforce Quality and Labor Market Efficiency (1989) and the Committee for Economic Development (1990) have proposed that a federal tax credit be legislated as an incentive to expand business investments in training. They point to a federal tax credit for research and development which resulted in new investments that equaled the amount of the credit. If a tax credit for training had the same impact, and if it covered 20 percent of the costs of new training, then employer spending on training could potentially be increased by six billion dollars to a total of \$36 billion per year (Committee for Economic Development, 1990).

To date, there has been no legislative proposal from the Clinton administration concerning employer-sponsored training, although Labor Secretary Robert Reich is said to remain convinced of its importance as a policy focus. Employer-sponsored training remains, nonetheless, a central part of the national conversation on economic development. The business press keeps a keen eye on the training initiatives of leading-edge companies like General Electric and Motorola; and states such as California, Illinois, New Jersey, and Texas are taking concrete steps to provide financial help to corporations for worker training.

IMPLICATIONS FOR ASIAN PACIFIC AMERICANS

Until the equity implications of employer-sponsored training are better understood, the lack of any major policy proposal on the table at the moment may be just as well. About 55 percent of the total U.S. labor force works for small businesses with fewer than 50 employees. These firms would not be touched by a 1.5 percent payroll scenario, but their current level of investment in human capital development is

low. Companies that do provide employee training tend to select the best-educated workers for development. As a result of training, these highly-educated workers, already well rewarded in terms of wages, become even more economically advantaged relative to workers with lower educational attainment. Minorities and women — including highly-educated minorities and highly-educated women — do not receive training to the same degree as men. A policy that would increase the level of company training in workers without attending to the possible impact on equal employment opportunities would thus have the effect of exacerbating wage differentials related to race, gender, and education.

In terms of educational attainment and occupational background, Asian Pacific Americans fit the profile of those who should be the prime beneficiaries of company training. Among working-age Asian Pacific Americans, 63 percent have a bachelor's degree as a terminal degree, 31 percent have a master's or professional degree, and 6 percent have a doctoral degree. More than 30 percent are employed in professional occupations. Yet the economic condition of highly-educated Asian Pacific Americans suggests they are not the recipients of employer-sponsored training to the degree that would be expected. Put another way, a low level of access to employer-sponsored training may account in part for the earnings differentials between highly-educated Asian Pacific American men and highly-educated white non-Hispanic men, as well as between highly-educated Asian Pacific women and all highly-educated men. The relatively low proportions of Asian Pacific men and women employed in managerial positions, despite high proportions being employed as professionals, may also be connected to their level of access to company training.

Research on the relationship between company training and the promotional and earnings inequities that characterize the work of Asian Pacific professionals is needed to inform future policy development affecting employer-sponsored training. There is a general paucity of policy research on employer-sponsored training, and the specific study of the company training of Asian Pacific professionals may be completely uncharted territory. Data on, and the analysis of, the observable behaviors entailed in company training may provide some clues as to how to break

the "glass ceiling." The role of race in corporate America would also be illuminated.

Concluding Remarks

Learning is a value in itself. It can, however, be used as a lever, a means to another end. Asian Pacific Americans have used the lever of learning to make their way in the U.S. labor market. The schooling of highly-educated Asian Pacific workers has paid off in earnings and occupational status. The long queues of Asian Pacific immigrants awaiting access to English classes and job training programs represent the same confidence placed in the lever of learning as a means of overcoming disadvantages to find good jobs and earn decent wages.

Yet for highly-educated Asian Pacific Americans, formal schooling is not enough to continuously advance in the new economy. As Carnevale (1991) has pointed out, "people with the most education and access to learning on the job are doing the best." Asian Pacific Americans with the "most education" may be hitting a glass ceiling in terms of access to learning on the job through company training programs.

For educationally disadvantaged Asian Pacific Americans, job training programs like CETA and JTPA have provided a limited "helping hand" to securing employment. Not made available by these programs are the long-term education and training needed to become proficient in English and other skills required by the labor market for sustained success.

Asian Pacific American youth stand at a crossroads. If they are given access to new school-to-work programs that promise to transform both learning and work, they may escape the limited career paths of their highly-educated and educationally disadvantaged predecessors. Lacking access, they may become yet another generation of Asian Pacific workers unable to develop their skills in order to add full value to, and gain full value from, the labor market.

Polls show that a majority of Americans want more government involvement in the preparation of youth for jobs and more job training for adults already in the labor market, even if it means higher taxes for employers and employees (*Business Week*, January 24, 1994; *Education Week*, January 26,

1994). The national support for larger investments in human capital provides an opportunity for Asian Pacific Americans to influence policies and programs to meet their special needs and the needs of the common good at one and the same time. In his first address before a joint session of Congress, President Clinton said "lifelong learning will benefit workers throughout their careers" under his administration. The United States, if it is to remain one nation indivisible, much less continue to be competitive in the global marketplace, must make good on this promise for all its diverse peoples.

Appendix 1: School-to-Work Programs

School-to-work programs exist in many forms. Career academies are schools within large comprehensive high schools. Students and teachers stay together for up to four years, and the curriculum is focused on a broad career theme such as financial services. It is estimated that more than 200 high school career academies exist nationwide. High schools place cooperative education students in part-time jobs with a relatively loosely structured plan for learning at work. School personnel visit the job site to monitor the training done by the job supervisor. Approximately 400,000 students in the United States are involved in cooperative education programs.

School-based enterprises are programs in which students offer goods or services for sale. Auto repair shops and restaurants are examples of school-based enterprises. About one-fifth of the nation's high schools operate some variation of such enterprises. Tech-prep programs usually combine the last two years of high school with the first two years of college in an integrated program of study. Graduates earn an associate's degree in a technical field as well as an occupational skill certificate. The Carl D. Perkins Vocational and Applied Technology Act of 1990 encourages states to establish such programs. Up to 100,000 students are said to participate in tech-prep programs across the country.

Youth apprenticeships begin in high school and include some postsecondary education. Students spend part of the time at school and part of the time at a work site. The curriculum is

quite structured and is industry-specific. Academics are learned in the context of work. Students have work site mentors and usually receive a wage. A high school diploma and a skill certificate are awarded to graduates. About 3,000 students in the United States are youth apprentices.

Appendix 2: Manpower Programs

The Comprehensive Employment and Training Act (CETA), under which workers were trained between 1973 and 1983, was designed as a comprehensive approach to worker training. It was originally intended to offer long-term training, defined as up to two-and-one-half years long, and it offered stipends to participants during training.

For economically disadvantaged adult workers, CETA provided specific occupational training, general exposure to work, job search assistance, and basic education training. Basic education training could include preparation for the GED, as well as English-as-a-Second-Language (ESL) instruction. Any of the four types of job training and services could be combined, either in sequence or simultaneously. ESL instruction could, for example, precede specific occupational training. CETA participants were enrolled in classroom training, on-the-job training, or work experience. Although training could take place over an extended period, its average duration was only 20 weeks, whether delivered in the classroom, on the job, or through work experience.

For youth, CETA offered pre-employment services and Job Corps training. For experienced, skilled workers experiencing temporary setbacks, it offered fully subsidized public service employment. In 1980, 47 percent of CETA participants were enrolled in classroom training, 13 percent in on-the-job training, and 40 percent in work experience (U.S. Congressional Budget Office and the National Commission on Employment Policy, 1982, hereafter referred to as U.S. CBO, 1982). Classroom training mainly focused on entry-level clerical work, while on-the-job training offered craft and operative work such as automotive repair or machine tooling. Work experience, although offered mainly in the context of clerical or service work, was intended to impart general work habits, not occupation-specific skills.