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U.S. and Foreign Strategies
For Preparing Noncollege
Youth For Employment

Statement of
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Joint Economic Committee



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SUMMARY OF GAO TESTIMONY BY FRANKLIN FRAZIER
ON U.S. AND FOREIGN STRATEGIES FOR PREPARING
NONCOLLEGE YOUTH FOR EMPLOYMENT

The United States has a worldwide reputation for providing its young people extensive opportunity to attend college. But it falls short in employment preparation of many noncollege youth. Many children are not ready for school entry or fall behind in school and are not adequately helped to catch up. High school students receive little orientation to job requirements or opportunities, and little assistance in making an effective transition from school to work. After leaving school, government training programs reach only modest proportions of needy youth; private training programs also have shortcomings.

The foreign countries we reviewed--England, West Germany, Japan, and Sweden--have national policies aimed at developing a well-qualified noncollege work force. Specific practices vary by country and often entail problems of their own, but the following approaches shared by some or all of the four countries may hold promise for improving U.S. education and training:

- Foreign school officials expect all students to do well, particularly in the early years. A notable practice in Japan and Sweden is to allocate comparable resources to all schools.
- Schools and employers systematically guide youth in their transition from school to work. Almost all Japanese high school students obtain jobs through school recommendations to employers. Most West German noncollege youth enter an apprenticeship program.
- Germany and England develop competency-based national training standards and certify skill competency.
- Large proportions of jobless out-of-school youth receive assistance. England guarantees work experience and training to all such 16- and 17-year-olds. In Sweden, the guarantee applies to all teenagers.

Recognizing that there are always limitations on how readily practices can be transferred, and that significant change may require additional resources, the following warrant consideration by the U.S. federal, state and local governments:

- Strengthen the commitment to have all children attain the academic skills necessary to perform effectively in postsecondary education or the workplace.
- Develop closer school-employer linkages, particularly to expand apprenticeship-type programs and to help youth obtain suitable entry employment.
- Encourage development of skill training standards and competency certification.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to share with you the results of GAO's study, completed and released last month, on employment preparation of noncollege youth in the United States and four foreign countries--England, Federal Republic of Germany, Japan, and Sweden.¹ Together with the House Education and Labor Committee, you had requested that GAO review the education and training strategies of the United States and several economic competitor nations to identify foreign practices that may hold promise of improving the education and training of noncollege youth in the United States.

For our study, we reviewed literature on the U.S. and foreign training strategies, consulted with experts, and spoke with knowledgeable people in the foreign countries. We focus on U.S. weaknesses and foreign strengths. Doing so is not intended to denigrate U.S. strengths nor to imply that foreign systems are trouble free.

SHORTCOMINGS IN U.S. EDUCATION AND TRAINING OF NONCOLLEGE YOUTH

The United States has a worldwide reputation for providing its youth extensive opportunity to attend college. However, our country falls short in significant respects in employment preparation of many noncollege youth, most notably in equipping them with necessary literacy skills and providing them an effective transition from school to work.

A great deal of attention is being paid to the need for improving U.S. education and training, particularly as a means of maintaining international competitiveness. Your subcommittee's previous hearings have pointed to the concern that young workers' deficiencies in academic and job skills impede our nation's economic growth, productivity, and ability to compete with other advanced high-skill nations. Similar concern marks reports by the Departments of Labor, Education, and Commerce, the Massachusetts Institute of Technology, the Hudson Institute, and the William T. Grant Foundation,² to name only a few.

¹Training Strategies: Preparing Noncollege Youth for Employment in the U.S. and Foreign Countries (GAO/HRD-90-88, May 1990).

²Commission on Workforce Quality and Labor Market Efficiency. Investing in People: A Strategy to Address America's Workforce Crisis. U.S. Department of Labor, 1989; Dertouzos, Michael, Richard Lester, Robert Solow, and the MIT Commission on Industrial Productivity. Made In America: Regaining the Productive Edge. The MIT Press, 1989; Johnston, William, and Arnold Packer. Workforce 2000: Work and Workers for the Twenty-first Century. Hudson Institute, June 1987; U.S. Congress, Joint Economic Committee. "The Education Deficit," A Report

Employers largely agree that entry level workers should read at least at the eighth grade level. But some 20 percent of young American adults function below that level. Employers point out, too, that the increasing technological content of many entry jobs requires 11th or 12th grade reading and computation skills. GAO projects that by the time they reach age 25, about nine million of the nation's 33 million youth now aged 16 to 24 will not have the skills needed to meet employer requirements for entry positions--5.5 million dropouts and 3.8 million high school graduates who lack high school competency.

Many students do poorly

Many children, primarily from low-income families, are not ready for school entry or fall behind in school and are not adequately helped to catch up. Significant investment is being made in Head Start for comprehensive educational, social, and other services to poor 3 to 5 year olds, as well as in Chapter I programs for remedial instruction primarily in the elementary school grades. But the magnitude of the problem is such that these programs fall short of reaching the bulk of children in need. The early lags in basic academic skills hamper progress throughout the school years and in subsequent work life.

Schools not linked to labor market

About half of U.S. youth go on to college after high school. However, many of the other half receive inadequate preparation for employment. Many high school students are not made aware of work requirements or opportunities. Nor do they see the relevance of schooling to work, and, therefore, are not motivated to do well in school. How the departing student proceeds in the labor market is regarded as the responsibility of the student or of his or her family. Few institutional bridges are available to help noncollege youth make the transition from school to work. Left to themselves, large numbers of high school graduates and

Summarizing the Hearings on "Competitiveness and the Quality of the American Workforce," December 14, 1988; U.S. Department of Labor. Employment and Training Administration. Work-Based Learning: Training America's Workers, 1989; U.S. Department of Labor, U.S. Department of Education, and U.S. Department of Commerce, A Joint Initiative. "Building A Quality Workforce," July 1988; The William T. Grant Foundation. The Forgotten Half: Non-College Youth in America, Interim Report. Commission on Work, Family and Citizenship, January, 1988.

dropouts flounder in the labor market, jobless or obtaining jobs that do little to improve their skills for future employment.

Limited post-secondary training

After leaving school, "second chance" programs, such as the Job Training Partnership Act, reach only modest proportions of youth needing employment and training assistance. We cannot quantify the numbers precisely, but JTPA, the largest second chance program, trains less than 10 percent of needy youth. For those who participate, the programs tend to devote limited attention to literacy skills, and the job skill training they provide is generally quite brief (usually less than 4-1/2 months). Other noncollege training also has shortcomings. Thus, proprietary schools with appreciable public funding enroll large numbers of young people, but the training in many schools is not effective. Apprenticeship programs generally are of high quality, but serve relatively few youth.

EDUCATION AND TRAINING STRATEGIES OF THE FOREIGN COUNTRIES

The four countries we reviewed--England, Federal Republic of Germany, Japan, and Sweden--have national policies to develop a well-qualified noncollege youth work force. These policies are based on the conviction that such a work force is vital for national economic growth and international competitive ability. Specific practices vary by country, are rooted in different traditions, and may be accompanied by problems of their own. Still, the following approaches shared by some or all of the four countries may be relevant for the United States:

- (1) We observed that educators expect all students to do well in school, particularly in the early school years. Some U.S. schools often accept that many students will lag behind.
- (2) Schools and employers working together guide the transition from school to work to a greater degree than in the United States.
- (3) Competency-based national training standards are developed and used to certify skill competency. In the United States, certificates for trainees often certify only program completion.
- (4) The foreign governments invest extensively in most jobless out-of-school youth, offering remedial education, training, or job placement. U.S. employment and training programs are available to relatively few youth.

Emphasis on all youth doing well in school. In these foreign countries, school officials generally try to give all young people an even start. Notable practices are to avoid grouping youth by ability in the early grades, devote special attention to students with learning difficulties, pay teachers relatively well, and allocate comparable resources to all schools.

Japanese educators have high expectations for all students. They assume that all youth who try hard enough can achieve, and thus encourage student effort and perseverance. Further, each student is led to value achievement of the entire class, thereby helping assure that classmates do not lag behind. Such attitudes likely contribute to a low variation in Japanese students' generally high test scores. The variation in scores is far less among Japanese than U.S. students.

In Japan, teachers have high status and respect. Most come from the top third of college graduates. Their beginning salaries are higher than those of engineers. In West Germany, secondary teacher salary scales are similar to those of judges and doctors employed by the government. Teaching in the United States does not enjoy the same status and salary treatment.

Practices of the foreign countries emphasize providing equal educational opportunity to all youth regardless of differences in socioeconomic status and academic talent. Japan provides uniform teacher salaries and per capita school funding, so that poorer areas are on par with affluent ones. Sweden provides extra resources to needy schools such as those in remote rural areas or in areas with proportionately more immigrant youth. In the United States, local annual per student funding ranges from about \$2,000 to \$6,000. And teacher salaries vary widely by state and local area.

Assistance in transition from school to work. The foreign countries try to smooth the transition from school to work for noncollege youth by providing students with occupational information and guidance while in school, combining schooling with work experience and on-the-job training, and offering job placement assistance. Employers play a significant role in this transition into employment.

Following are examples of how foreign countries prepare and guide youth into the work force:

- In 1983, English schools reformed their curriculum to provide orientation to the world of work and structured work experience to all secondary school students. Also, special teachers work with "careers officers" from the public employment service to provide youth with job information and placement assistance.

- In West Germany, the school-employer link involves an extensive apprenticeship, which guides almost all non-college-bound youth from school to employment. Youth begin apprenticeships at age 15 or 16 and the training usually lasts three years. The young people typically spend one to two days a week studying vocational and academic subjects in state-run vocational schools and the rest of the week receiving on-the-job training from employers. In addition to imparting specific skills, the apprenticeship system is used to socialize youth into the world of work as well as to keep up with technological change.
- Japanese noncollege youth get jobs almost exclusively through school-employer linkages. Almost all high school students seeking work are placed in jobs through their schools, which act as agents of the public employment service. Each high school has ties with employers who assign a certain number of jobs to the school for its graduates. More prestigious employers with better job offers recruit from higher ranked schools. Japanese employers usually base hiring decisions on schools' recommendations, which are based on students' grades and "behavior" such as attendance records.
- Sweden provides work orientation to all youth early in the school years. By age fifteen, students complete six to ten weeks of work orientation. Students choosing a vocational field are typically trained in school but also have practical training with an employer. A 1988 initiative adding a third year to vocational high school programs includes work experience for 60 percent of the year.

Recognized skill standards. Germany in particular, and more recently England, seek to maintain quality occupational training by testing and certification to meet national standards. Trainees who pass competency tests receive nationally recognized credentials, which employers look to as evidence of skill levels of potential hires. England's National Council for Vocational Qualifications has been working with industry to develop national skill standards. Under West Germany's apprenticeship system, committees of government, employer, and union representatives develop apprenticeship curricula, examinations, and certification procedures. The practice of establishing skill standards and certifying what trainees know contrasts with the common U.S. practice of certifying course completion and not necessarily attainment of specific skills.

Establishment of national training standards involves industry and government cooperation. Other implementation practicalities

are that standards may be costly to apply and difficult to keep up to date.

Extensive investment in jobless youth. The foreign countries generally provide extensive assistance to jobless youth. England guarantees every jobless 16 and 17 year old out-of-school youth up to two years of work experience and training, although it is in process of revising how the guarantee is implemented. Sweden guarantees education, training, or work to every jobless out-of-school teenager. Sweden's municipal authorities are responsible for following up every 16 and 17 year old not in school or working, and pursuing an individualized plan for his or her education, training, and employment. Once youth are age 18, they become the responsibility of the public employment service, which provides such services as placement in training programs and jobs.

POLICY CONSIDERATIONS

Shortcomings in preparing noncollege youth for employment in the United States and approaches identified in foreign countries suggest actions that U.S. educators and private and public officials might want to consider to improve education and training. In fact, approaches similar to those in the foreign countries are being tried in some U.S. localities. However, we do not assume that the practices in the other countries, developed out of their own traditions, are entirely appropriate or readily reproducible in our country. Also, directing more attention to youth who seek employment rather than going on to college should not detract from widely available college opportunity in the United States, a practice in which our country generally surpasses its foreign competitors.

We believe there is need for more effective leadership and a national commitment to meet work-skill problems. How well the nation does in educating and training youth who do not go on to college is a vital element in shaping our long-term ability to improve productivity, generate economic growth, and compete effectively in the world economy.

The following warrant consideration by the federal, state, and local governments to improve nationwide performance in equipping our youth:

- Strengthen the commitment to have all children attain the academic skills necessary to perform effectively in postsecondary education or the workplace. This includes changes in expectations and degree of attention to those youth traditionally doing poorly in school. Improving the image and status of teachers, adopting instruction methods and other innovations to encourage student effort, expanding early intervention programs, and

providing adequate educational resources are important ingredients.

- Develop closer school-employer linkages to upgrade the school-to-work connection. In particular, we should better orient students to work requirements and opportunities, including the importance of educational effort to work success; promote combined education and work (apprenticeship-type) programs; and more effectively assist youth to obtain suitable entry employment.
- Improve the quality and utility of school and industry training programs by encouraging development of training standards and certifying levels of competence.

We recognize that the primary responsibility for education and training rests with state and local governments. But adoption of effective strategies nationwide to improve our productive capability and international competitiveness will require strong leadership and a more active federal role. The Department of Education together with the Department of Labor should play such a role in stimulating state and local officials and industry and labor representatives to work more effectively to equip our noncollege youth to meet the nation's need for well-qualified future workers.

Mr. Chairman, this concludes my prepared statement. I and my colleagues would be pleased to respond to any questions.