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"WHAT CAN HISPANICS AND COMMUNITY-BASED
ORGANIZATIONS EXPECT FROM JTPA?"

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"What Can Hispanics and Community-Based Organizations Expect from JTPA?"

The Job Training Partnership Act (JTPA) symbolizes the "New Federalism." With this highly decentralized approach it is hoped that state and local governments, in conjunction with the private sector, will develop employment and training policies specifically tailored to meet the needs of the local eligible population. However, there are certain segments of the eligible population that may require special attention, such as the Hispanic community. With regard to JTPA and the Hispanic worker, I would like to discuss three factors:

FIRST - Participation: Will Hispanics participate equitably and get their share of services under JTPA?

SECONDLY - Services: What services do Hispanics need, what services will they get, and what will be the quality of those services under JTPA?

AND LASTLY-The role of community-based organizations: How can community-based organizations which have traditionally performed outreach and provided services to special populations under CETA continue to provide such functions effectively under the new Act, and why is it important to Hispanic participation to be sure they do so?

PARTICIPATION

Hispanics are a growing part of the U.S. population, accounting for at least 6.4% of the population. Hispanics are the fastest-growing population group and their marginal status in the economic mainstream is a grave concern. Hispanic unemployment continues to be an extremely serious national problem. For our minorities and disadvantaged citizens, high unemployment rates aggravate already difficult employment barriers. The November unemployment rate for the White population was 7.3%; in sharp contrast, however, the unemployment rate for the Hispanic population was 12.3%, and for the Black population, 17.3%.

Since the Hispanic population is the fastest-growing group in America, it should not be surprising to know that by 1990 it is projected that Hispanics will comprise at least 8% of the persons of working age. While the overall youth population in the nation is declining, the Hispanic youth population is increasing. Half are under age 24 and almost one third are under age 15. In 1980, more than one in ten Hispanic women had children. In contrast, only 68.5 births per 1,000 White women were recorded in 1980 and only 84 births per 1,000 Black women.

The fact that the Hispanic population is increasing faster than any other group in the nation presents a challenge to policy makers. It is evident that Hispanics will be an increasing proportion of the future labor force, and the taxes paid by future Hispanic workers will be critical to support

the Social Security system. Thus, a long-term benefit for society in general requires a federal employment and training policy which effectively addresses the needs of the Hispanic community and assures equitable access to training programs to prepare Hispanics for the hi-tech and skilled mainstream jobs of the future. As the Hispanic population grows in importance, the need to improve their labor market position will become more critical. In order to know how Hispanics might fare under JTPA in terms of participation, it is useful to know how they fared under CETA.

CETA PARTICIPATION

In 1980, 27 percent of the Hispanic population was eligible under the rules of Title II of CETA. Almost 4% of eligible Hispanics compared to about 3% of Whites and 5% of Blacks were enrolled in Title II in 1980. Furthermore, in FY76-78, Hispanics were underrepresented in Title II by a maximum of 30%. The statistics reveal that only a small fraction of eligibles receive CETA training. This is because funding levels have never been high enough to allow all those eligible to participate. Therefore, choices have to be made. When looked at in the aggregate, Hispanics seem to be fairly represented in CETA, especially if you account for the fact that Hispanics have certain characteristics like youth and low income which are associated with high participation rates. However, Hispanics were underrepresented nationally in CETA. Clearly, this is of major concern for groups interested in improving the labor market prospects for Hispanics.

The reasons for this underrepresentation are not clear. Possible contributing factors include the geographic distribution of Hispanics, language barriers, discrimination, lack of access to services, or individual decisions not to participate. The lack of full participation does raise a red flag to program operators and to community-based organizations that at the local level it is important to take measures to ensure Hispanic participation.

Ensuring participation has become even more critical now because JTPA lacks the CETA targeting language which required prime sponsors to serve significant segments of client groups in proportion to their representation in the client population as a whole. This means that it is going to be up to local groups to provide information about the Hispanic population in their service delivery areas and to ensure that Hispanics are recruited and served by program operators.

There are other factors in JTPA that may negatively influence the participation of Hispanics:

1. As you know, 40% of the funds are to be set aside for youth. Since Hispanics are a youthful population, special efforts should be made to ensure that they be a particular target for youth services in areas where they make up a significant part of the population.
2. The limitations on allowances and stipends and restrictions on support services may adversely affect Hispanic participation

In JTPA. Due to family income needs, there may be a strong tendency for individuals to take any job which becomes available, rather than completing training. This is particularly true for the Hispanic community which has a high poverty rate and also a high rate of underemployment. If the disadvantaged want to participate in a training program, they will have to incur additional expenses such as transportation and child care costs, and suspend personal job search efforts. The lack of training stipends may effectively exclude many Hispanics and other minorities who most need skill training from participating in a training program.

3. Performance standards may adversely affect Hispanic participation. Performance standards are a two-edged sword. On the one hand, they may encourage program operators to "cream" by selecting the least disadvantaged individuals who are most likely to meet the placement rates. Thus, the most needy clients are likely to be excluded due to a performance-driven system that emphasizes a high return per dollar invested.
4. Outreach is especially important for certain groups and individuals. As you know, JTPA has very strict limitations on support services and administrative costs, which together cannot exceed 30% of funds available.

Most program costs are easily and readily assignable to one of these three cost categories. However, the costs associated with client outreach, recruitment and eligibility determination are not, in the statute or the regulations, assigned to any cost category. And at this point there is substantial confusion on how much latitude the states have in assigning these costs to either training, administration, or support services. Governors should try to get the cost of outreach to participants assigned to the training category so that funds are available to seek out those who may be most in need of services but least likely to find them without special outreach.

SERVICES

Closely related to the issue of participation is the issue of services. What kinds of services do Hispanics need? Before answering that question it is necessary to analyze the indicators of success in the labor market, among them the unemployment rate, yearly income, and high-school drop-out rates.

- In the last quarter of Fiscal Year 1982, Blacks had an overall unemployment rate of 20%, Whites 9% and Hispanics 15%.
- Hispanic yearly income is in between that of Blacks and Whites.
- Drop-out rates are much higher among Hispanics (45%), than among

Blacks (35%) or Whites (16%).

- Hispanics are more likely to be in blue-collar jobs than either Whites or Blacks.
- Hispanic men earn less per hour than Black or White men. All groups of women earn less than men and Hispanic women earn the least per hour among women.

Therefore, as a group, Hispanics are facing high unemployment, yearly incomes above Blacks but below Whites, high high-school drop-out rates, and low hourly earnings and they are more often likely to be in blue-collar jobs than Whites or Blacks. Thus, the indicators of success in the labor market are dismal for the Hispanic community.

Research shows that while the several Hispanic groups experience different labor market problems, the major causes are the same: 1) low levels of formal schooling and skill training, 2) lack of proficiency in English, and 3) discrimination in the labor market. Again, if we want to get an idea of what might happen under JTPA, we can look at the CETA experience in terms of the services Hispanics sought and were offered.

CETA SERVICES

Under CETA, Hispanics were more likely to be in training programs than in Public Service Employment as compared to Blacks or Whites. Hispanics were also more likely than Blacks or Whites to be in classroom training rather than on the job training. Interestingly, Hispanics more than Blacks or Whites, wanted training, both in basic skills and English language instruction. Hispanics are most likely to be in classroom training, Whites in on-the-job training, and Blacks in work experience.

Individual preference is the major determinant of who is assigned to which activity in CETA. However, for Hispanic subgroups, the percent who wanted job training and got it varied from 30% to 60%.

What are the implications of JTPA with regard to services for Hispanics, and what should community-based organizations (CBOs) be particularly concerned with?

1. Emphasis on training should benefit Hispanics since they both want it and need it. English language training is critical, but Hispanics may need combinations of programs such as English language and basic skills or vocational training. The problem with this approach is that it may be too costly, and cost per placement is of crucial importance under JTPA. Therefore, CBOs have to look for new ways to deliver training more efficiently, and service delivery areas need to find ways to ensure that Hispanics get needed services.

2. As blue collar jobs disappear, so will the source of much present employment for Hispanics. Therefore, it is critically important that training provided by CBOs be associated with jobs of the future.

3. Placement alone is not a good indication of success. Services must result in jobs that will increase earnings and result in more permanent and career oriented employment.

ROLE OF COMMUNITY-BASED ORGANIZATIONS

Community-based organizations (CBOs) play a crucial dual role as advocates and service providers for their constituencies. They are known to have a high success rate in reaching the disadvantaged. I have already alluded to some activities in which CBOs have a special responsibility.

1. INFORMATION: States and PIC members especially will need good information on the Hispanic population and the special program needs of different groups.

2. OUTREACH: A continuing and even more important function is to make the local community aware of available services, as well as to facilitate participation. This is critical given the lack of significant segment language and cost limitations under JTPA.

3. COUNSELING: CBOs must counsel potential clients on services which are most likely to meet their short-term and long-term needs. Even though it is encouraging that Hispanics are most likely to choose training, Hispanic women, in particular, need counseling in terms of the kinds of training they should choose. Special efforts must be made to eliminate cultural as well as traditional barriers to services which result in good jobs.

This is a tough time for CBOs. Many Hispanic and other community-based organizations may want to participate in JTPA but are effectively excluded because they lack the non-JTPA resources to absorb the administrative responsibilities required by JTPA, such as management information systems, or fiscal accounting, or do not have the capacity to provide such systems while staying within the 15% cap on administrative costs. Cash-flow difficulties with regard to placement reimbursement are also another source of problems for CBOs. As a consequence, larger established organizations like the Employment Service, school systems, and training institutes which do have sizeable administrative staff funded by other resources can absorb some of the administrative costs of a JTPA program. The limits on administrative costs may thus preclude some of the most effective recruiters and service providers such as CBOs from participating in JTPA. If CBOs are excluded from JTPA, we predict that JTPA will fail to reach the disadvantaged, thus causing Hispanic participation rates to plummet.

CBOs will have to adopt new strategies in order to survive. They will have to demonstrate the cost/benefit effectiveness of their programs. They will have to actively involve the private sector and local elected officials in the design of programs, curricular, and estimates of outcome criteria. They will have to provide good information on clients and demonstrate strong management

ability. Many CBOs may need technical assistance in order to be up to par with the stringent managerial and auditing requirements of JTPA.

CONCLUSION

The Job Training Partnership Act is an Act which may be considered landmark due to its complete departure from past employment and training legislation. JTPA illustrates a shift in duties between the federal and state governments and a reduction in local government influence over federally-funded employment and training programs. Unfortunately, JTPA's principles may adversely affect the disadvantaged. The concept of decentralization, unaccompanied by strong federal regulations, erodes federal oversight over targeting and monitoring efforts, thus endangering equal access to training programs by the disadvantaged and minorities. The restriction on training stipends may have a chilling effect on those individuals who are most in need of training but who can least afford the extra costs such as transportation and child care. The emphasis on performance standards based solely on "positive placements" may cause organizations to "cream" participants, thus ignoring the disadvantaged and long-term unemployed. Perhaps, most important, Hispanic participation is likely to plummet unless Hispanic and other community-based organizations continue to play a major role in client outreach and in the delivery of employment and training services.

If Hispanics and other minorities are to be equitably served under JTPA, factors affecting such participation must be identified and addressed early. The ability of JTPA, in its present form, to equitably serve Hispanics and other minorities and disadvantaged persons is extremely questionable; thus, JTPA needs to be monitored for its short-term and long-term impact on the Hispanic community. The original CETA legislation had some similar deficiencies, many of which were corrected through legislative amendments and increased federal regulations and oversight. If similar improvements are to be made in JTPA, careful monitoring is an essential first step and the greatest challenge that faces the Hispanic community today.

