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ABSTRACT

Recognizing the inadequacies of the theoretical framework upon which the Concentrated Employment Program (CEP) was constructed, an effort was made to develop a more useful set of assumptions by which the program could be appraised more critically. Summarized in this document are the outcomes of attempts to construct an analytic framework within which both the ghetto labor market and the appropriateness of CEP can be assessed. Part One contains a critique of the existing assumptions underlying the CEP and suggests some alternative models of the behavior of ghetto labor markets. Part Two describes the Boston CEP as it was developed from April 1967 to March 1968 and appraises it within the framework established for the basic CEP model. Conclusions and policy recommendations based on analyzed results include: (1) Current programs have paid too little attention to the effect which low-wage, low-quality employment has upon the labor market behavior of the disadvantaged, and (2) Federal manpower policies need to be reoriented toward the demand side of the labor market. (Author/SN)

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RESEARCH AND
DEVELOPMENT
FINDINGS NO. 12

LOW-INCOME LABOR MARKETS AND URBAN MANPOWER PROGRAMS: A CRITICAL ASSESSMENT

U. S. DEPARTMENT OF LABOR
J. D. Hodgson, Secretary

Manpower Administration

1972

FOREWORD

This report summarizes the findings of an 18-month study of the Concentrated Employment Program in Boston, Mass., undertaken by three doctoral students at Harvard University. Drs. Peter B. Doeringer (Harvard) and Michael J. Piore (Massachusetts Institute of Technology) also participated in the project. The original focus of the study was to have been program evaluation, but this was supplanted by a more important objective—examination of the low-wage labor market. The result is an imaginative and pioneering exploration of the dynamic relationship between manpower programs and the economic and social environments in which they operate.

The theoretical material presented and the analysis which follows make a significant contribution to the understanding of the low-wage labor market. At the same time, the authors emphasize the deficiencies in our present knowledge of the process by which both disadvantaged workers and less preferred enterprises adapt to the labor market.

In applying their concepts of the low-wage labor market to appraising manpower programs, the authors conclude that current programs have paid too little attention to the effect which low-wage, low-quality employment has upon the labor market behavior of the disadvantaged. Quite appropriately, in my view, they call for a reorientation of Federal manpower policies toward the demand side of the labor market. The findings of this study demonstrate the importance of comprehending the structure of labor markets when fashioning manpower programs.

Peter B. Doeringer
Cambridge, Mass.
March 1969

CONTENTS

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INTRODUCTION

Throughout the 1960's, government agencies became increasingly involved in efforts to combat high rates of unemployment in central-city ghettos. A variety of manpower programs were developed to provide job training and referral services to "disadvantaged" workers, the "hard-core unemployable."

In 1967, a new Federal attempt to improve the effectiveness of those programs began when the U.S. Department of Labor inaugurated the Concentrated Employment Program (CEP), in several cities and rural areas, to coordinate and intensify ghetto manpower programs. The formulation of the program assumed:

1. That the primary cause of urban unemployment and low-wage employment lay in the specific handicaps of individual workers on the "supply side" of the labor market;

2. That existing manpower programs had little impact principally because of their fragmentation and that the existing patchwork of Federal, State, local, and private programs could not be efficiently coordinated to tailor services to individuals' specific needs; and

3. That the effects of existing manpower programs were being so diffused through the economic system that it was difficult to appraise program impact and benefits within particular low-income neighborhoods.

With those assumptions as a foundation, CEP planners emphasized the unity and comprehensiveness of a proposed manpower services "delivery system" in which services such as placement and training would be coordinated by a single agency. These services would be focused on a narrowly defined, low-income "target population."

All CEP's were to share four common features: "(1) Enlisting the active support and cooperation of business and labor organizations in local communities; (2) providing a wide range of counseling, health, education, and training services on an individual basis; (3) developing employment opportunities suited to each individual in the program; and (4) providing the follow-up assistance necessary to assure that a job, once obtained, will not quickly be lost."[1] Within this general framework, it was expected that each CEP program would evolve differently, in response to local conditions.

Recognizing the value of these early CEP experiments for the design of future programs, the Labor Department commissioned this study of the CEP in Boston, Mass., in the summer of 1967. The initial plan, to evaluate CEP and to distinguish between those programs which were unique to Boston and those which could be generalized to other cities, was modified as the evaluation proceeded.

It became apparent that the analytic assumptions concerning the behavior of the ghetto labor market on which CEP was based were both inadequate and misleading. Before we could usefully evaluate this single program, we had to attempt to construct a more useful set of assumptions and theories about the ghetto labor market by which CEP could be appraised.

In this report we seek to suggest an analytic framework within which both the ghetto labor market and the appropriateness of the CEP can be assessed. The evaluation of the Boston CEP, as administered by Boston's community action agency (ABCD), is offered as an illustration of the relationship of CEP-type manpower programs to the ghetto labor market; many aspects of the Boston experience are presumably relevant to similar programs in other cities.

[1] *1968 Manpower Report* (Washington: U.S. Department of Labor), p. 195.

62-372 O - 72 - 2

The first part of the report contains a critique of the analytic assumptions behind the CEP and suggests some alternative models of the behavior of ghetto labor markets. In the second part, the Boston CEP is described as it developed from April 1967 to March 1968, and the program is appraised within the framework established in the first part. In the final chapter, several research and policy recommendations implied by the results of the study are outlined. The appendix provides a statement of research methodology and an explanation of the sampling procedures referred to in the text.

THE LOW-INCOME LABOR MARKET

The Concentrated Employment Program (CEP) represents an extension and refinement of earlier manpower programs. It assumes that the principal causes of ghetto employment problems are individual handicaps, insufficient and inadequate schooling, poor work habits, lack of vocational training, and so forth. The program's design presumes that services which successfully overcome these handicaps will increase the productivity of disadvantaged workers and will enable them to compete effectively with other workers. A corollary assumption is that substantial changes in the "demand side" of the labor market are not necessary to achieve such results.

This description of the ghetto labor market is summarized by the "queue theory" of the labor market, a theory we have found in the course of this study to be inadequate in several respects. In particular, it overemphasizes the relevance of education and skills to employment and fails to recognize the importance of voluntary unemployment, high turnover rates, and the quality of jobs available to ghetto workers.

In this chapter, the following topics are explored: (1) The queue theory and its application to the ghetto labor market; (2) the validity of that application to the ghetto labor market in Boston; and (3) alternative perspectives from which the operation of low-income urban labor markets might be more usefully analyzed.

The Queue Theory of the Labor Market

The queue theory sees the labor market as a "giant shapeup" in which workers are ranked by employers according to their potential net productivity or desirability.[2] The most educated, skilled, and reliable workers are concentrated at the head of the queue and are the first to be hired. Employers hire down the queue until their individual labor demands are met. Aggregate demand, by determining total employment, establishes the dividing line between the employed and the unemployed. At any point in time, the least preferred workers at the back of the queue are most likely to be unemployed, and when working, have the least job security. These are the "last hired, first fired."

Workers, particularly those other than white, living in low-income urban areas are described as being concentrated at the bottom end of the hiring queue. They have the most serious individual problems with respect to educational attainment and vocational skills. These problems may be compounded by additional difficulties such as poor health, geographical separation from areas of rapidly expanding employment opportunities, and inadequate transportation facilities.

To alleviate the problems of unemployment and low-wage employment, the queue theory suggests measures to improve the relative position of the ghetto labor force on the hiring queue. Educational programs,

[2] See the Report of the National Commission on Technology, Automation and Economic Progress, *Technology and the American Economy*; February 1966, p. 23, and Lester C. Thurow, "The Determinants of the Occupational Distribution of Negroes," in *The Education and Training of Racial Minorities* (Madison: The University of Wisconsin, Center for Studies in Vocational and Technical Education, 1968).

Stated in its simplest form, the queue theory asserts that workers are ranked in the labor market according to the relationship between their potential productivity and their wage rates. Employers then seek to hire the most productive workers from the queue, leaving the less productive workers unemployed. Thus, the characteristics of the unemployed are determined by total labor demand, the wage structure of the economy, and the relative worker productivities.

skill training, orientation to work, health care, and transportation are the customary instruments of this approach. Thus, urban manpower strategies are developed in terms of identifying the symptoms of poverty in a particular city, analyzing the skills which are in short supply, and selecting the mixture of manpower programs best equipped to bring the advantaged and disadvantaged labor markets into balance.

The queue theory accepts the traditional division of the labor force into groups of persons who are: (1) Regularly employed, (2) temporarily employed or unemployed for economic reasons, (3) perpetually unemployed unless the full employment "gap" is permanently narrowed, and (4) outside the labor force, or would participate in it on a transient basis depending upon the availability of work. According to these definitions, unemployment is almost exclusively a demand phenomenon and is therefore considered to be involuntary.

Evidence in support of the queue theory stems from microeconomic studies of the hiring behavior of employers and from aggregate data relating employment and income to fluctuations in overall economic conditions. For example, the income and employment gains made by blacks relative to whites during periods of economic prosperity are often cited.[3]

The Ghetto Labor Market

Low levels of education and training can limit productivity and do affect the attractiveness of workers to prospective employers, as predicted by the queue theory. Nevertheless, instability on the job appears to be a more serious cause of ghetto unemployment than lack of skill.

It appears that many ghetto workers are not perpetually out of work and unemployable. Although 85 percent of those entering ABCD's employment centers are unemployed, almost all have recent work experience. Youth in transition from school to work are virtually the only applicants without a record of past employment.

Of the 450 applicants in the September 1967-March 1968 sample, 86 percent recorded previous work experience.[4] Among these, the median lag between the end of their last job and their first visit to the employment center was only 6 weeks. Only 29 percent of those with work histories had been unemployed 15 weeks or more, and this included a number of women who were returning to the labor force after some years.

Unstable work histories—frequent job changes and movements in and out of the labor force—characterized many ABCD applicants. Among those in the sample, the median tenure on their last job was only 21 weeks, or about 5 months; a third of the applicants had spent 3 months or less on their last job. Only 23 percent had remained on their last job 18 months or more. For the same group of applicants, the median time spent between each of their last four jobs was 15 weeks, and many applicants indicated that they were not actively seeking employment during much of this time. These figures suggest a pattern of working on a job for a few months and then dropping out of the labor force for some time before re-entering. This pattern of rapid turnover applied even to applicants with relatively adequate education and skills training.[5]

Causes of Worker Instability

One of the major findings of this study is that this pattern of high turnover in the ghetto is largely determined by the quality of employment available to the disadvantaged labor force.

[3] See, for example, Thurow, "The Causes of Poverty," *Quarterly Journal of Economics*, February 1967; Thurow, *The Economics of Poverty and Discrimination* (Washington: The Brookings Institution, 1969) and W. H. Locke Anderson, "Trickling Down: The Relationship Between Economic Growth and the Extent of Poverty Among Families," *Quarterly Journal of Economics*, November 1964.

While these studies demonstrate gains for those other than whites, they are not completely convincing, either from a methodological viewpoint or in terms of their empirical results. For example, although the disparity in years of education between whites and others has been sharply reduced in recent years, the disparity between white and minority incomes has not. Moreover, some of the apparent gains in income are attributable to the employment gains associated with the closing of the full employment gap and cannot be sustained once full employment is reached. Even if these minorities and other disadvantaged workers had the ability to make continuing economic gains relative to whites through the normal processes of an expanding economy, as envisioned by the queue theory, estimates are that equality in income and occupation would be achieved only after a long period of time—several decades. See Lester C. Thurow, "The Determinants of the Occupational Distribution of Negroes," in *The Education and Training of Racial Minorities* (Madison: The University of Wisconsin, Center for Studies in Vocational and Technical Education, 1968).

[4] Unless otherwise noted, "sample" refers to a random sample of 450 applicants to ABCD between September 1967 and March 1968. See appendix for details on sampling methodology.

[5] These figures contrast vividly with national data on job tenure. In January 1966, for instance, males 18 years and older had spent a median of 5.5 years on their current jobs. See Harvey Hamel, "Job Tenure of Workers, January 1966," *Monthly Labor Review*, January 1967, pp. 31-37.

While access to employment did not seem to be a problem for most ABCD applicants, the quality of employment was extremely low. Most jobs were low paid and were often menial service or laboring positions. For example, the mean hourly wage rate on the last four jobs for all applicants was $1.83. An attempt to classify these jobs by status (independent of wage rate) further suggested that the employment opportunities for the disadvantaged labor force were largely confined to the lowest rung of the occupational ladder.[6]

Followup reports indicated that most turnover was voluntary. (See table 1.) Many applicants mentioned low wages, poor working conditions, and lack of advancement opportunities as reasons for quitting the jobs which they had obtained through ABCD. These workers apparently knew that such menial jobs were always available and that accumulation of an erratic work history would not be a barrier to obtaining such jobs in the future.[7]

TABLE 1. REASONS FOR TERMINATION ABCD FOLLOWUP SURVEY[1]

Reason	Number	Percent
All reasons	96	100
Further training (including school, skill training, and military service)	34	35
Dissatisfaction with job	20	21
Personal health	19	20
Family reasons (child care, health, etc.)	6	6
Laid off	4	4
Withdrew from labor force (retired, underage, no longer seeking employment)	13	14

[1] This followup sample was randomly drawn and is based upon 96 responses made 4 to 8 weeks following placement by ABCD. The sample suffers from considerable underreporting, but the magnitudes of the voluntary terminations and job dissatisfactions are consistent with the general impressions of the followup interviewers.

Ghetto Labor Markets: Demand

While some of the demand conditions in the ghetto labor market undoubtedly derive from the type of labor available in the ghetto, others arise autonomously from the nature of product-market competition, the low profit levels, the inelasticity of product demand with respect to quality, and from the low skill content of jobs. These factors may produce or perpetuate instability and low levels of skill among ghetto workers.

The availability of low-wage, low-status jobs and high turnover contribute to a perceived state of excess labor demand in Boston's low-income labor market.[8] This excess demand, combined with the disincentives for staying on secondary jobs, suggests that voluntary turnover on these jobs is rational. High mobility rates should be expected when benefits from staying on a job are negligible and opportunities to work at similar jobs are plentiful.

Low-wage employers have few incentives to create a stable work force. For example Piore suggests that the average annual earnings, even of permanent workers, in low-wage establishments may not exceed the payroll tax ceiling for employer contributions to various social insurance programs.[9] Thus average and marginal tax rates are identical for each employee and are independent of job tenure. Similarly, an unstable labor force can frustrate union organization, a result such employers may value. Finally, fluctuations in product demand may make the development of a stable work force impractical or inefficient.

For these reasons, less preferred employers often adopt strategies toward the labor market which are compatible with labor turnover and which may even be inimical to worker stability. During periods of high labor demand, *desired* manning levels within these enterprises tend to exceed *actual* manning levels for sustained periods of time. Adjustments in compensation and improved working conditions are adopted only in

[6] Jobs were ranked by socioeconomic status by an index adapted from O. D. Duncan, "A Socio-Economic Index for All Occupations," in *Occupations and Social Status*, A. Reiss et al (New York: The Free Press, 1961), pp. 109-138.

[7] Another major impediment to stable employment may be health problems, which ranked third among the causes of voluntary terminations in the ABCD followup sample. Many of the ailments cited were of a low-grade, chronic variety, such as nosebleeds, headaches, and respiratory problems, many of which are aggravated by the work environment. No attempt was made in the context of this study to pursue the health question professionally, and it is recognized that the interview responses may have concealed other reasons for terminations. It appears that, apart from general health surveys, there is too little research in the area of work-related illnesses among low-income populations.

[8] While job vacancy series are not available to support this statement, at least since 1967 both ABCD and the State employment service have had a continuing pool of unfilled jobs at wage rates near the Federal minimum. A similar situation in New York City was reported in *The New York Times*, October 19, 1968, p. 53.

[9] See Michael J. Piore, "Public and Private Responsibility in On-the-Job Training," in *Public-Private Manpower Policies*, eds. Arnold R. Weber et al. (Madison, Wis.: Industrial Relations Research Association, 1969), pp. 101-132.

response to labor scarcities.[10] Overtime, speedups, and deteriorations of product quality are substituted for additional employees.

If ghetto workers were more stable, an imbalance might exist between the behavioral requirements of labor demand and the behavioral characteristics of labor supply. To the extent that the requirements of jobs available to ghetto residents are independent of labor supply, the ghetto labor market has to equilibrate through adjustments of the supply side to the "inelastic" demand. Demand conditions may therefore be an independent cause of instability in ghetto labor force behavior.[11]

Ghetto Labor Markets: Supply

Various segments of the disadvantaged labor force respond differently to low-quality employment. Cross classifying the termination rates of ABCD placements by age and wage rates, for example, showed that adults tended to be more stable than younger workers, and that turnover tended to decrease on better paying jobs, as can be seen from table 2. These findings, consistent with other surveys of labor mobility, are customarily explained by factors such as the financial responsibilities and greater job security associated with age, and the relationship between wage rates and job satisfaction.[12] As table 2 suggests, however, the termination rates vary little by age in jobs paying over $1.75 per hour.

TABLE 2. TERMINATION RATES AMONG ABCD PLACEMENTS, SEPTEMBER 1967, BY AGE AND WAGE RATE
(N = 115)

To explore further the dimensions of the turnover problem, a multivariate model was developed for analyzing the work histories of ABCD applicants. In the absence of an ideal measure of turnover, the dependent variable employed in the model is length of tenure on previous job.

The independent variables are: (1) Wage rate of previous job, (2) age, (3) years of education, (4) sex, (5) race, (6) marital status, and (7) birthplace. The general model is specified as follows:

$$T = a + b_1 W + b_2 A + b_3 E + b_4 S + b_5 N + b_6 M + b_7 B + u$$

where

T = Weeks employed on previous job[13]
W = Hourly wage rate of previous job
A = Last two digits of year of birth
E = Years of schooling
S = Dummy variable for men
N = Dummy variable for other than white
M = Dummy variable for married
B = Place of birth[14]

The model was applied to the sample of ABCD's clients for whom work history data were available during the period September 1967 through April 1968. The results of this analysis are shown in table 3.[15] Equation 1 pertains to the entire sample, equations 2 and 3 to the data grouped by age.

TABLE 3. ESTIMATED COEFFICIENTS OF VARIATION IN WEEKS OF TENURE ON PREVIOUS JOB[1]—ABCD HISTORY SAMPLE, SEPTEMBER 1967–APRIL 1968

(t value in parentheses)

Basis of estimate	Constant	Hourly wage rate of previous job	Last two digits of year of birth	Years of schooling	Dummy variable for men	Dummy variable for other than white	Dummy variable for married	Place of birth[2]	Degrees of freedom	Explained variation
Equation 1, Pooled sample . .	72.64 (6.08)	4.83 (1.57)	[3] −1.23 (7.49)	.34 (.47)	− 7.34 (1.82)	.64 (.15)	3.34 (.82)	1.22 (1.32)	[4] 309	[3] .1955
Equation 2, Young workers . (16-25)	54.01 (2.34)	−2.98 (.78)	[5] −.86 (2.23)	[5] 1.56 (2.14)	−3.15 (.93)	[6] −7.59 (1.73)	2.68 (.54)	[3] 2.14 (2.35)	178	.1030
Equation 3, Adult workers . . (26-68)	74.98 (4.21)	[5] 10.43 (2.33)	[3] −1.06 (3.61)	−1.19 (1.00)	[5] −12.71 (1.98)	[5] 14.14 (2.09)	1.89 (.31)	1.45 (.09)	157	[5] .1310

[1] See text for explanation.
[2] See text footnote 14.
[3] Significant at 1 percent level.
[4] Computer program capacity required reduction in sample sizes.
[5] Significant at 5 percent level.
[6] Significant at 10 percent level.

The model has low explanatory power and is least satisfactory in explaining job tenure among young workers, but several variables are significant. In all three equations, age has a distinct influence upon job tenure. Since the marital status variable is insignificant in all equations, it seems that other factors associated with age—increasing labor market experience, greater job security, pension rights, and so forth—outweigh the financial responsibilities of marriage in determining employment stability.

Sex is significant only in equations 1 and 3. Surprisingly, adult women can be expected to have longer to habits of stability or it may discourage turnover by opening opportunities for employment in satisfying jobs.

It may also be that the educational system acts as a screening device, distinguishing stable workers from those prone to "dropping out," be it from school or work. Youth leaving school may be inherently unstable workers or they may be reacting to an accurate perception of the limited employment opportunities available to central-city high school graduates.[17]

Wage rates are positively related to job tenure only for adult workers, a finding inconsistent with the data on turnover rates presented in table 2. While it is likely

equation can be used to explain wage rates as well as job tenure. Moreover, the causality between wage rates and job tenure presumably works in both directions.[18] Also, there may be insufficient variation in the wage variable in the sample of younger workers.

The effect of race differs sharply for younger and older workers. Young other than white workers average 7 weeks less job tenure than their white peers, whereas the adults in that group can be expected to have 15 weeks more job tenure than whites. The shorter job tenure of other than white youth is customarily attributed to involuntary turnover, but the Boston data indicate that in a prosperous economy much of the turnover may be voluntary, and it is concentrated among the young.[19]

The job tenure of young workers is affected by place of birth. Youth born in Puerto Rico, Cuba, and, to some extent, the South (many of whom are other than white) tend to have greater job tenure than their counterparts born in Boston. This supports the impressions of several employers that recent in-migrants to Boston prove more reliable on the job.

A full explanation of the influence of race and birthplace upon job tenure is beyond the scope of this study. Nevertheless, several interesting hypotheses could be advanced concerning the aspirations of other than white youth, the value of job security to recent in-migrants to a city, and the possibility of cultural differences in attitudes towards work and job changing.[20] We suggest, for example, that in the younger worker equation, results regarding race, education and birthplace may mean that young persons born in the ghetto quickly develop pessimistic forecasts of their employment prospects and that rapid turnover represents their response to that perception of demand

Studies of skilled and semiskilled blue-collar workers have noted that a social group formed at the workplace is often the primary reference group for stable workers.[21] The norms of this group are positively related to the behavioral requirements of the workplace. To be sure, some activity is devoted to "beating the system" and to outsmarting supervision, but in general, the values and mores of the social group at the workplace are consonant with the qualities that make for a productive worker. Thus, a pieceworker who can easily turn out his daily quota and adjust the mixture between work and leisure in his own way obtains the envy of his peers without antagonizing the production objectives of his employer.

Where work groups are unstable and jobs are of a low quality, work is neither inherently satisfying nor organized in a way which encourages social activities. The social life in the ghetto, therefore, provides substitutes for the satisfactions of work, and the street competes with the workplace as a social institution. Steady work is often not the prestigious way to "make it" in the ghetto, and the successful hustler can gain high esteem from the street-corner social group. This group, unattached to a workplace, in many ways competes with the function of workplace groups.[22]

The episodic life style is more compatible with low-wage employment, welfare, and hustling than with stable employment. Recent studies have suggested that most welfare families do not remain continuously on welfare for long periods of time.[23] Rapid turnover on the AFDC rolls resembles turnover in employment, suggesting that AFDC may serve as "backstop" income during intervals when the head of household is between jobs, or that jobs may serve to "supplement" welfare income, especially when the husband has only "tech-

less demeaning than menial labor and is also one of the more glamorous activities for ghetto youth.[24] Because of the risks involved, hustling activity for most individuals appears to alternate with periods of work, although occasionally the two can be pursued simultaneously. When the "heat is on" from the police, or when drug supplies are tight, or simply when new contacts and a "new scene" are desired, intermittent work behavior complements hustling activities rather well.

In summary, when the concept of employment is extended to include hustling and welfare, the percentage of the adult-ghetto population engaged in income-earning activities at any point in time increases, and the incentives for rapid turnover in legitimate employment are more fully apparent.

Alternative Theories of the Ghetto Labor Market

The observations in the preceding section on the ghetto labor market strongly indicate that the queue theory is not an entirely satisfactory tool for understanding the dynamics of that market. The members of this project were unable to develop a consensus regarding a suitable replacement for the queue theory, but several possibilities are presented below.

The Dual Labor Market Theory

Piore suggests an alternative model of the urban labor representative of enterprises containing such jobs. Primary jobs are free of those characteristics and constitute the preferred employment opportunities in the economy.

Although primary and secondary employment are usually found in different establishments, examples of secondary jobs can be found in the job structure of some primary employers. These include janitorial and laborer jobs with no promotion opportunities and temporary jobs in which incumbents hold inferior rights of citizenship at the workplace.

Piore focuses upon instability as the pivotal characteristic of the secondary market. Low wages and lack of training and promotion opportunities, he argues, derive from instability. The former compensate for the cost of high turnover and absenteeism among secondary workers; the latter results from the fact the workers do not remain on a given job long enough to acquire skills or to justify an employer's investment in training.

The initial source of instability may be attributable to a variety of factors including: (1) Discriminatory practices which reserved stable jobs for native whites, relegating to Negroes and immigrants those jobs most sensitive to employment variation; (2) the legacy of the agricultural practices in the Southern United States and in Eastern and Southern Europe; and (3) the concentration of unstable jobs in the inner city as stable, preferred employment opportunities moved to the suburbs. But whatever its initial source, the instability is now perpetuated by the interaction between supply and demand. The instability of the labor force deters employers from attempting to stabilize employment opportunities. Because the jobs are unstable, unstable life styles are encouraged and these act to reinforce behavioral patterns antagonistic to stable employment.

model further emphasizes the extent to which instability of supply represents a rational response to the kinds of jobs available to ghetto workers. Accordingly, secondary workers would become more stable on the job only if preferred jobs became generally available to their peers; they would not respond to efforts to provide them with prevocational training or to change their attitudes about work.

The Two-Queue Theory

Doeringer suggests that the ghetto labor market, and to some degree, labor markets in general, can be understood more clearly in terms of two queues.[26] First, there is the hiring queue, not neatly ordered by worker productivity and relative wage rates, but consisting of broad groups defined by quantifiable variables such as education, age, and test scores, and by subjective interviews. Second, there is the job vacancy queue, in which employers are ranked by reputation—defined by workers' informal evaluations of wages and working conditions.

[26] Peter B. Doeringer, "Manpower Programs for Ghetto Labor Markets," *Proceedings of the Twenty-first Annual Meeting of the Industrial Relations Research Association*, 1968.

The labor market integrates these queues in two stages. In the first iteration, workers and jobs are matched according to their relative positions on these poorly defined queues. Once an employment relationship has been established, a second—and much more precise—iteration occurs on the job as employers and workers appraise one another. If either party is considered to be unsatisfactory during the probationary period, the employment relationship is terminated and the supply and demand queues are reassembled. Through this recycling process, the least acceptable workers and the least attractive jobs must be continually rematched.

Whether or not a two-sector model of the labor market, as suggested by Piore, is appropriate for analyzing ghetto employment problems depends upon the extent to which the two markets are connected. If labor market mechanisms—assisted by manpower programs, equal employment opportunity legislation, and aggregate demand—operate to encourage the transition of workers from secondary to primary jobs, then the dual labor market model is less useful than a model which emphasizes labor market continuity along a spectrum from less preferred to more preferred jobs. The two-market model is more suitable if the labor market contains severe discontinuities and job content is adjusted to worker traits rather than vice versa.

THE BOSTON MANPOWER PROGRAM

The Background of the Program

The Boston Labor Market

Over 920,000 jobs were located in metropolitan Boston in 1966, of which 34 percent were in manufacturing, 30 percent in wholesale and retail trade, 15 percent in service, and 9 percent in finance, insurance, and real estate.[27] Total employment increased about 8 percent between 1960 and 1966, although manufacturing employment was roughly constant over these years. The four largest manufacturing industries in terms of employment in 1966, accounting for nearly 60 percent of all manufacturing employment in metropolitan Boston, were electrical machinery, nonelectrical machinery, textiles, and metals-transportation equipment industries are located in the Route 128 area along the suburban fringe of the SMSA. Many of these jobs require considerable education, training, or technical expertise, and pay considerably more than the average for all vacancies. Many of the remaining job vacancies tend to be low-skilled and service jobs, usually paying between $1.60 and $2.00 per hour.[28] Table 4 shows the distribution of unfilled openings in the Boston area reported to the Massachusetts Division of Employment Security in July 1966.

The City of Boston, consistent with national trends, has been losing employment and population relative to adjoining suburban areas. (See table 5.) Employment in Boston's central city is declining absolutely in several sectors, most notably in manufacturing, and it is declining relatively in others. Only government employment may contradict this trend. While population in Boston suburbs grew 13 percent between 1958 and 1963, the City of Boston's population decreased by 8.5

TABLE 5. EMPLOYMENT BY INDUSTRY GROUP AND POPULATION IN THE BOSTON STANDARD METROPOLITAN STATISTICAL AREA (SMSA), CITY OF BOSTON, AND SUBURBS, 1958-63

Area and industry	1958	1963	Percent change
EMPLOYMENT			
Manufacturing			
Boston	90,215	82,512	- 8.5
Suburban fringe	210,787	210,736	[1]
SMSA	301,002	293,248	- 2.6
Wholesale trade			
Boston	38,342	33,195	-13.4
Suburban fringe	24,179	31,618	+30.8
SMSA	62,521	64,813	+ 3.6
Retail trade			
Boston	67,828	55,974	-17.5
Suburban fringe	88,890	98,140	+10.4
SMSA	156,718	154,114	+ 1.7
Selected services			
Boston	31,303	31,985	+ 2.2
Suburban fringe	22,070	29,359	+33.0
SMSA	53,373	61,344	+14.9
POPULATION[2]			
Boston	708,819	648,675	- 8.5
Suburban fringe	1,725,837	1,952,116	+13.1
SMSA	2,434,656	2,600,791	+ 6.9

[1] Less than 0.05 percent.
[2] Interpolated.
SOURCE: *U.S. Census of Manufactures, U.S. Census of Business, U.S. Census of Population,* Massachusetts *Census of Population.*

percent. Gross population shifts were even greater, as middle-income white families were replaced in increasing numbers by low-income black and Puerto Rican families in the central city.

TABLE 6. SKILL DISTRIBUTION OF THE LABOR FORCE, BOSTON CITY AND SMSA, 1960

Skill level	Number of workers in—		Boston as percent of SMSA
	SMSA	Boston	
Skilled	643,956	158,869	24.7
Unskilled	312,003	102,262	32.8

SOURCE: Boston Model City Application to U.S. Department of Housing and Urban Development, 1967.

Employment Survey of November 1966 reported that the subemployment rate for this area was 24 percent and median income was $4,432.[29] Unemployment averaged 6.8 percent and was concentrated among the less skilled. (See table 8.) This rate was more than double the citywide average of 3.1 percent.

Among employed persons in the area, 7.4 percent were working part time, but looking for full-time employment, over three times the national figure. Of those working full time, 8.5 percent were earning under $60 per week. About 10.7 percent of adult men were both not working and not looking for work, compared with a 7.1-percent "nonparticipation" rate for the same group in the Nation as a whole.

TABLE 7. YEARS OF SCHOOL COMPLETED BY RESIDENTS OF BOSTON AND BOSTON SMSA, 1960

Years of school completed	SMSA	Boston	Boston as percent of SMSA
None	37,768	15,651	37.8
1 to 4	41,414	16,724	40.4

TABLE 8. DISTRIBUTION OF UNEMPLOYMENT BY OCCUPATION, SELECTED BOSTON NEIGHBORHOODS, NOVEMBER 1966

Occupation	Percent of unemployed
Total	100.0
Laborer	16.8
Service worker	19.0
Operative	19.7
White collar	15.3
Craftsman	5.1
Never worked	13.1
Not reported	11.0

SOURCE: Sub-Employment in the Slums of Boston, *op. cit.*

(ABCD) for a Concentrated Employment Program (CEP) in the city's low-income areas. The working assumption was that unemployment in Boston's low-income neighborhoods consisted primarily of individuals who were "unemployable" because of a collection of individual handicaps such as inadequate education, ill health, and poor work habits. Unemployment was therefore attributed to problems of supply, and remedies were directed toward individuals rather than labor market institutions.

ABCD was not without experience in the manpower area. It was already involved in five storefront employment centers and had a $2 million training program funded primarily through the MDTA and the Ford Foundation. CEP, with some exceptions, was an extension of previously developed manpower programs. No attempt has been made, therefore, to distinguish CEP from ABCD's overall manpower services as reflected in its manpower budgets for 1966 and 1967.

The ABCD manpower program offered three basic referral options: (1) Direct job placement, (2) programs combining work orientation with vocational training, and (3) work-experience programs.

1. Job placement activities were handled on a decentralized basis within each NEC. Referrals were drawn from a central pool of job vacancies, compiled by the State employment service and a staff of ABCD job developers. The referral system was kept current by a teletype system connecting each NEC with the central job pool.

2. The principal training component was an institutional program run in "orientation centers." ABCD operated two of these centers, one in South Boston (opened in August 1967), and one in Dorchester (opened in October 1967). Opportunities Industrialization Center, Inc. (OIC) received a subcontract for the operation of a training center in Roxbury. The two ABCD centers provided 2 weeks of basic orientation–remedial education and discussion of the "world of work"–and 13 weeks of prevocational training in a variety of skill areas such as clerical, typing, key punching, light electronics assembly, drafting, and welding. Each orientation center had its own staff for job referral and counseling.

Smaller ABCD programs included literacy training for Spanish-speaking persons and MDTA funding for employers supporting on-the-job training. In addition, ABCD referred some applicants to Job Corps camps.

3. Work-experience programs at ABCD consisted of the Neighborhood Youth Corps, Foster Grandparents Program, and the Adult Work Crew. The Neighborhood Youth Corps program was similar in format to earlier

Centers and the activities of the most important training and work-experience programs are described.

Magnitudes and Trends[30]

The volume of ABCD's manpower activities has been large. Between September 1966 and March 1968, 17,408 applicants were processed, approximately 14,000 (80 percent) of whom received referrals directly to jobs or to special programs. While a number of applicants received multiple referrals, at least 20 percent never received any referrals. The principal reasons for not referring persons were that they were unavailable for a job or program referral, were under age, physically or emotionally handicapped, or considered otherwise unreferrable, or were seeking part-time or temporary jobs which were not available in the ABCD job pool.

Fifty-five percent of referrals resulted in placement. Of these placements, 58.3 percent were in jobs; 41.7 percent were in training or special work programs, as can be seen from table 9. These data should be interpreted cautiously, however, because followup checks indicated that 15 to 20 percent of recorded job placements were inaccurate.[31]

As the ABCD program evolved, the volume of referrals and placements increased [illegible] ntation centers were opened and more Neighborhood Employment Centers were added. After September 1967, the program's growth settled down to a somewhat slower pace. (See table 10.) Over time, the weekly average of applications, referrals, and placements all remained in roughly the same proportions.

Although characteristics of ABCD applicants have been diverse, many could fairly be described as "disadvantaged." As can be seen from table 11, over half were other than white, many were young, and most had low levels of education. Most applicants were unemployed, and many had worked previously in low-wage jobs. The data in table 11 show that the characteristics of ABCD applicants changed relatively little over the period from September 1966 through March 1968. The major trends in applicant characteristics over time were the increase of Cuban and Puerto Rican applicants, a direct result of opening a Neighborhood Employment Center in South End, Boston's principal Spanish-speaking neighborhood.

[30] Data pertain to ABCD manpower activities, including CEP. ABCD's first NEC opened in Roxbury in September 1966, while CEP did not commence until April 1967.

Unless specifically noted, all data in this section were obtained from weekly and monthly manpower reports published regularly by ABCD.

[31] That is, the applicant accepted the job, but did not report for the first day of work.

TABLE 9. TOTAL VOLUME OF ABCD ACTIVITIES IN CONCENTRATED EMPLOYMENT PROGRAM, SEPTEMBER 1966-MARCH 31, 1968

Type of activity	Number	Percent of program placements

TABLE 10. AVERAGE WEEKLY VOLUME OF ABCD ACTIVITIES IN CONCENTRATED EMPLOYMENT PROGRAM, SELECTED PERIODS, SEPTEMBER 1967-MARCH 1968

Type of activity	4 weeks September	4 weeks November	weeks January	4 weeks March	Percent increase September-March
[illegible]plications	478	430	553	594	20
New applications	220	193	218	257	14
Referrals	212	209	272	275	30
Placements	116	108	125	136	18
Ratio placements/referrals	.54	.52	.46	.49	- - -

TABLE 11. CHARACTERISTICS OF ABCD APPLICANTS, SEPTEMBER 1966-MARCH 1968

Characteristic	September 1966-August 1967	September 1967-December 1967	January 1968-March 1968
Percent men	57	62	62
Percent minority group[1]	59	60	[2]64
Percent unemployed	80	85	77
Median years of schooling	10	10	10
Percent with fewer than 8 years of schooling	10	[2]18	[2]20
Median age	24	24	24
Percent less than 21 years old	[3]40	32	34
Mean hourly wage of previous or present job	[3]$1.84	$1.92	$1.94

[1]Includes Negroes, Puerto Ricans, and "other"; excludes Orientals.
[2]Reflects rising numbers of Puerto Ricans through South End Manpower Corporation (SEMCO).
[3]Reflects large numbers of school-age applicants during the summer months.
SOURCE: Information coded from intake interview forms; see appendix.

Concomitantly, the proportion of applicants with 8 or fewer years of school increased.

suggest training possibilities where necessary, and to direct those with special problems to other relevant social service agencies for treatment. In practice, counselors concentrated on the first two functions to the exclusion of the third, although they occasionally

that decision.[33] These were brought before a "disposition conference" of the entire professional staff of the NEC, an institution used with varying frequency and varying success in the different centers. At its best, it was a weekly consultation of professional colleagues to determine the "optimal" referral for a particular client. At its worst, it was a hastily called meeting in which the NEC director discussed a variety of issues, of which the applicant's problems may have been the least important.

In general, referrals tended to be to jobs more often than to programs. As shown in table 12, 60.5 percent of the ABCD applicants were referred to jobs for the period September 1966 through August 1967, and 10.5 percent were referred to programs. Another 6.1 percent were referred to both jobs and programs, and the remaining 22.9 percent were never referred. In a second period (September 1967-December 1967), job referrals fell slightly, to 54.8 percent, while program referrals rose to 16.5 percent and nonreferrals remained at approximately the same level (21.6 percent). In the third period (January 1968-March 1968), job referrals fell again—to 44.5 percent, while program referrals rose to 27.4 percent and the number of nonreferrals remained steady at approximately 21 percent. The rising proportion referred to programs probably reflected the establishment of several orientation centers, as well as the growing concern for training in the manpower system as a whole.

Within the general context, however, the composition of placements varied widely among individual centers. At least one center displayed a strong bias toward placing applicants in vocational training programs; another tended to emphasize sheltered work experience, and another, direct job placement. Table 13 summarizes the composition of placements for five of the larger extreme. Parker Hill-Fenway placed proportionately more applicants in work programs than did any other center. Parker Hill-Fenway, Jamaica Plain, and Roxbury allocated relatively few placements to the training category (approximately one-quarter of total placements). But the latter two offset low training rates with high job placement rates.

The manpower philosophy of the NEC director appears to have been closely related to NEC placement policy. The Dorcester center, which strongly emphasized training programs, was run by a highly service-oriented, "nonauthoritarian" director who encouraged his staff to adopt a professional (i.e., objective and applicant-oriented) approach, relying on the efficacy of training programs for job upgrading.[34] In contrast, the center most likely to assign its applicants to work programs was run by a seemingly "authoritarian" and unprofessional director who emphasized adherence to rules and orders, and who believed that many applicants were best served by supervised work situations. Since the characteristics of applicants to those centers were extremely similar, it appears that the director's attitudes exerted an important influence on placement decisions.

Training Programs

Between January 2, 1968, and March 29, 1968, some 4,300 new applicants entered NEC's, according to ABCD records.[35] During this period, 1,042 were placed in work-experience or training programs. About 50 percent of the latter placements were made to the orientation centers, 27 percent to the Neighborhood Youth Corps,

TABLE 12. ABCD REFERRALS OF APPLICANTS, BY TYPE, SEPTEMBER 1966-MARCH 1968

Type of referral	September 1966-August 1967	September 1967-December 1967	January 1968-March 1968
Total: Number	250	250	200
Percent	100.0	100.0	100.0
Jobs	60.5	54.8	44.5
Programs	10.5	16.5	27.4
Jobs and programs	6.1	7.1	7.1
No referral	22.9	21.6	21.0

TABLE 13. COMPOSITION OF ABCD PLACEMENTS IN FIVE NEIGHBORHOOD EMPLOYMENT CENTERS, SEPTEMBER 1966-MARCH 1968

Type of placement	Roxbury		Dorchester		Jamaica Plain		Parker Hill-Fenway		South Boston	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	1,039	100	733	100	698	100	434	100	375	100
Direct job placement	590	57	323	44	412	59	213	49	186	50
Training	270	26	305	42	169	24	110	25	117	31
Work programs	179	17	105	14	117	17	111	26	72	19

Adult Work Crew, and 96 in New Careers. (See table 14.) Only the orientation centers, Adult Work Crew, and New Careers programs are considered in this study.

The Orientation Center Concept

ABCD's skill-training component consisted of three orientation centers, two operated directly by ABCD and a third operated by the Opportunities Industrialization

served only as preemployment orientation to entry-level jobs.

At the end of the 15-week course, graduating trainees met with vocational counselors and placement interviewers. Job referral and placement for trainees was identical in substance to that provided by the NEC's, as described earlier.

TABLE 14. PLACEMENTS OF NEW ABCD APPLICANTS, JANUARY [illegible]

The trainees placed in training-related jobs were also supposed to be assigned a trainer-coach from their orientation center. The trainer-coach's function was to visit trainees at least twice each month at their workplace to provide immediate support and counseling, to mediate problems affecting the trainee at the workplace, and to help new employees better understand employer needs.

Dorchester and South Boston Orientation Centers

The second class of trainees from Dorchester and South Boston were selected for our analysis. The Dorchester class entered the orientation program on January 15, 1968, and graduated on April 22, 1968. A total of 165 applicants were enrolled in six skilled areas, and detailed characteristics were obtained from ABCD files for a sample of 130. The second class in South Boston enrolled 35 applicants; detailed information was obtained for a sample of 22 trainees.

Seventy percent of the trainees were men, compared with 63 percent in the NEC applicant group during approximately the same period. Six of nine skill areas offered were mainly for men.

TABLE 15. CHARACTERISTICS OF ABCD TRAINEES AT THE DORCHESTER AND SOUTH BOSTON ORIENTATION CENTERS, JANUARY-APRIL 1968[1]

Characteristic	Value

The socioeconomic and work-experience characteristics of these trainees are described in table 15. Their median age was 22; 78 percent were not working at the time of their first visit to an NEC; 13 percent were working at part-time jobs; and the remaining 8 percent left full-time employment to enter the orientation program. By these measures, trainees were not significantly different from NEC applicants as a group.

However, the trainees differed significantly from the NEC sample in regard to prior labor force experience, arrest records, migration patterns, and years of schooling. While 18 percent of the applicant group were new entrants into the labor force, only 8 percent of the trainees had no previous work experience. Trainees averaged 0.9 more full-time jobs in the last 5 years than nontrainees and had spent 9.5 more weeks on their last job. (See table 16.) Trainees had somewhat less schooling, though they tended to be natives of Boston or New England more often than nontrainees, and to have lived in Boston longer.

TABLE 16. DIFFERENCES IN CHARACTERISTICS OF ORIENTATION CENTER TRAINEES AND APPLICANTS[1]

Characteristic	Trainees	Nontrainees	Level of significance of difference
Percent with arrest records .	22	10	.02
Mean number of full-time jobs in last 5 years .	2.9	2.0	.01
Mean weeks on last job	44.9	35.4	.01
Mean years of			

Substantial differences appear, however, when separate training programs are examined, as can be seen from table 17. The clerical, welding, upholstery, and data-processing courses tended to have older enrollees and these courses, except data processing, were differentiated by sex. Training programs offered in the South Boston Orientation Center enrolled higher percentages of whites, reflecting the center's location in a predominantly white neighborhood.

Although the average years of schooling did not vary much from one course to another, the percentage of enrollees who had graduated from high school did. Over half those enrolled in data processing were high school graduates, compared with 29 to 33 percent in the clerical, drafting, and welding courses. Even in welding, which emphasized manual skills rather than general educational preparation, the training courses were building upon a work force with substantial formal schooling.[36]

[36] It is impossible to determine whether the relatively high percentage of high school graduates in welding reflected tighter screening by the welding instructors or increased competition by applicants anxious to enter the highest paying trade in the program.

More than 85 percent of the persons in every training course had some previous work experience. Average tenure on their most recent job was 45 weeks, a pattern which was uniform across skill areas, although previous wage rates were not. The lowest average wage rate was for women in the clerical course ($1.50 per hour), and the highest rates were for men in the printing, welding, and automotive courses ($2.23 to $2.33 per hour). The overall work histories of the men trainees reflected better paying jobs and more stable employment than those of the overall applicant group.

Training Arrangements with Private Employers

In addition to the courses mentioned above, nine special classes, with a total enrollment of 209, were operated in Dorchester during this period. Most of these courses were developed under special arrangements with cooperating enterprises, had been in effect too short a

TABLE 17. CHARACTERISTICS OF TRAINEES AND TRAINING OUTCOMES IN THE DORCHESTER AND SOUTH BOSTON ORIENTATION CENTERS, JANUARY-APRIL 1968[1]

Characteristic	Total	Dorchester					South Boston	
		Clerical	Drafting	Welding	Automotive	Upholstery	Data processing	Offset printing
Number of enrollees	152	37	14	26	17	36	16	6
Graduates:								
Number	99	28	7	17	14	22	10	1
Percent	65	76	50	65	83	61	63	17

time for any meaningful appraisal, or had been relocated during the training cycle.

Perhaps the best example of the training courses designed in close cooperation with particular employers was a small welding program in Dorchester. The program curriculum, training equipment, and instructors were all provided by a local employer who guaranteed jobs to all graduates who could meet his welding standards, physical qualifications, and requirements for a security clearance. The company was operating a vestibule training program for 15 trainees, tailored to its own needs, in facilities provided by ABCD. Several similar programs used the center's physical plant and some ABCD personnel for classes which were independent of the regular ABCD offerings.

Work-Experience Programs

The two work-experience programs made available to ABCD as a result of CEP were Adult Work Crew and New Careers programs. The Adult Work Crew is a prototype of the low-skilled public employment program which would be feasible for the Government if it were to serve as the employer of last resort. The more complex New Careers Program contemplated experience gained in a low-skilled entry job leading eventually to paraprofessional employment in a nonprofit public or private agency.

The Adult Work Crew

The Adult Work Crew Program attempted to provide employment for those chronically unemployed poor who were unable, because of age or other reasons, to secure appropriate employment or training assistance under other programs.[37] Employment projects were suggested to provide meaningful work experience and training to unemployed adults in activities which would improve the social and physical environment of the community and rehabilitate the participants so that they could reenter the labor market.[38]

Between August 1967 and March 31, 1968, approximately 400 persons had at least 1 day's employment in the program. The applicants were referred by welfare boards, parole boards, and word-of-mouth recommendations. Initially, Adult Work Crew had to actively recruit on the streets, but this outreach was replaced by other sources of referral.

A sample of 78 Adult Work Crew participants representing all participants who entered the program between January 1 and March 31, 1968, was selected. Table 18 compares these participants with a sample of 200 persons who entered the Neighborhood Employment Centers during the same period. Several differences between the two groups are apparent. The median age of the Adult Work Crew participants was 42, while that of the other sample was 28. This age difference probably explains the median amount of full-time employment of 17 years for the Adult Work Crew, as compared with 3.1 years for the sample of 200. Virtually all Adult Work Crew participants were unemployed, compared with 77 percent unemployment in the ABCD sample. The number of arrest records was also much higher for the Adult Work Crew group, probably a conscious result of the recruiting process.

Adult Work Crew jobs were developed by the program staff rather than by the general ABCD job development system. A few people were placed in clerical positions, but most of the jobs were manual, such as custodial jobs in State hospitals or government agencies and outdoor employment with the park department. In most cases, the Adult Work Crew participants performed the same duties as their coworkers, although their jobs supplemented the customary manning levels in the cooperating organizations.

Participants received money for 1 week's food, lodging, and travel expenses and were paid $1.60 per hour for 20 hours per week. Literacy training and remedial education were available to participants, and time spent in class during the day was compensated. Each participant was visited daily by a supervisor. As of October 1968, the Adult Work Crew had placed approximately 120 people.

New Careers

The New Careers Program was to provide training and employment in entry-level subprofessional positions in nonprofit organizations. Eligible projects had to: (1) Prepare participants for career jobs in public service as subprofessional personnel; (2) offer an opportunity for permanent full-time employment; and (3) provide

[37] Boston CEP Proposal, 1967, p. 36.
[38] Ibid.

TABLE 18. SOCIOECONOMIC CHARACTERISTICS OF WORK-EXPERIENCE PROGRAM PARTICIPANTS AND NEIGHBORHOOD EMPLOYMENT CENTER APPLICANTS

Characteristic	Adult Work Crew	New Careers	Neighborhood Employment Center Applicants
Median age	42	34	28
Percent men	100.0	40.5	61.9
Median years of schooling	9.8	11.0	10.4
Percent high school graduates	38.9	49.3	41.8
Race (percent):			
Negro	40.3	78.2	46.4
White	57.1	19.2	32.6
Oriental	1.3	1.3	4.7
Latin	11.3	1.3	14.7
Employment status (percent):			
Unemployed	94.6	62.3	
Working full time	1.4	24.7	15.3
Working part time	4.1	13.0	7.1
Work experience:			
Median years of full-time employment	17.0	10.5	3.1
Median number of full-time jobs in last 5 years	2.4	2.4	2.5
Median wage of last job	$ 2.00	$ 1.95	$ 1.90
Median number of weeks unemployed in last year	18.8	13.2	14.8
Marital status (percent):			
Single	42.9	17.7	49.7
Married	43.0	39.2	32.3
Widowed	6.5	3.8	3.6
Divorced	10.4	19.0	4.1
Separated	26.0	20.3	9.2
Percent with arrest records	14.9	15.2	7.8
Percent with physical disabilities	18.0	15.2	4.2

opportunity for advancement through a structured channel of promotion. Participating agencies provided the training and counseling necessary for upward mobility and advancement. The projects deemed most desirable were those which developed occupations providing new or improved services to the poor, offering access to unfilled positions in public service, and easing workloads on professionals already in a field.[39] Standards set for the program required that trainees be at least 22 years of age, have a family income below the poverty line, or be unemployed.

The New Careers Department was established in ABCD in July 1967, although the first programs were not implemented until September 1967. Funds were available for 200 training slots during the first year, and up to 196 trainees have participated at any one time.

Specific projects were usually negotiated with the agencies before the trainees themselves were selected. The agency was allowed to reject referrals, but had to agree to pay every trainee from its own funds after the first year. The program paid each trainee $3,500 and provided $100 per trainee for education and training. New Careers participants have been employed in paraprofessional occupations in a wide variety of institutions. These include hospitals, settlement houses, redevelopment agencies, child-care centers, and a community-run credit union. (See tables 19 and 20.)

Applicants applied directly to the program or were referred by one of the Neighborhood Employment Centers. Criteria for accepting applicants did not seem to have been clearly defined. Trainees had to fulfill the age and income requirements established by the Department

[39] U.S. Department of Labor, *Standards and Procedures for Work-Training Experience Programs under the Economic Opportunity Act of 1964, as Amended*, Section II, pp. 5-7.

TABLE 19. NEW CAREERS PLACEMENTS IN ABCD PROGRAM, BY TYPE OF EMPLOYING AGENCY, JANUARY 1968-MARCH 1968

Type of agency	Number of agencies	Number of placements
Total	30	146
Private community service agencies	22	67
Hospitals and health service agencies	5	51
Local government agencies	2	9
ABCD credit union activity	1	19

TABLE 20. NEW CAREERS PLACEMENTS IN ABCD PROGRAM, BY OCCUPATION, JANUARY 1968-MARCH 1968

Occupation	Number	Percent
Total	146	100.0
Community aide	57	39.0
Technical and clerical aide	54	37.0
Health or rehabilitation aide	18	12.3
Education or training aide	9	6.2
Administrative aide	8	5.5

of Labor, demonstrate a minimum level of literacy, and pass a physical examination. Beyond this, the staff claimed it sought people with a strong desire for personal advancement and a wish to help others, information evidently ascertained through personal interviews.

A sample of 84 New Careers participants consisting of all who entered the program between January 1 and March 31, 1968, was selected. Comparisons of this sample with the sample of 200 NEC applicants during the same period revealed several differences. (See table 18.) New Careers participants were older, a result of the minimum age requirement of 22, and more of them were Negroes and female heads of households.

Almost 25 percent of the participants were employed full time prior to entering the program. Another 13 percent held part-time jobs. Furthermore, New Careers participants had slightly better educational backgrounds and were more fluent in English than the average NEC applicant. Their work histories indicated relatively greater previous success in the labor market than that of other ABCD applicant groups, although the differences were slight in some cases. They had fewer jobs, had been unemployed fewer weeks in the last 5 years, and reported higher wage rates on their last job ($1.95). In general, New Careers participants seemed to have had somewhat more education and work experience than participants in other programs.

PROGRAM APPRAISAL: RECRUITMENT, REFERRAL, TRAINING

It is customary for manpower program evaluations to accept the assumptions underlying the program for purposes of appraising its effectiveness. Because we question both the assumptions and the objectives of CEP, we have tried to follow the theoretical analysis developed earlier in considering the independent effects of the Boston program upon the labor market behavior of its clients.[40] In the following discussion, we are particularly concerned with the program's impact on turnover and the success of its referral and training components in directing applicants toward "preferred" or primary employment which is not customarily available to them.

Outreach and Recruitment

Comparisons between ABCD applicants and a selected population of Boston ghetto inhabitants, though not conclusive, suggest that ABCD has avoided "creaming" and that it has succeeded in reaching persons who are conventionally defined as "disadvantaged." However, conventional indexes such as skill and education levels may not be the most useful yardsticks by which to measure labor market disadvantage. The prevalence of turnover in the ghetto labor market suggests that this variable might provide an alternative index for measuring disadvantage.

[40] Unfortunately, without general equilibrium models of the market including aggregate supply and demand variables, adjustments for the probability of trainees displacing other workers, and estimates of nonquantifiable biases in applicant selection or self-selection, such an evaluation must be incomplete.

Conventional Measures of Need

Unemployed ABCD applicants did not differ substantially, by standard socioeconomic comparisons, from unemployed members of the Boston ghetto population studied in the Labor Department's Urban Employment Survey (UES) of November 1966. The proportion of those other than white was lower in the ABCD applicant population than in the UES survey (57 versus 75 percent), but this difference could be attributed almost entirely to the more limited geographical focus of the UES. Just over half of both samples were men (55.8 percent of UES and 56.4 percent of ABCD unemployed), and while the median age of the ABCD sample (between 22 and 24 years) was somewhat lower than that of the UES sample (26 years), approximately one-third of each group were under 21. However, only 10 percent of the ABCD sample were over 45, compared with 26 percent of the UES sample.

Among the UES employed, the median years of school completed was about 9.5, compared with 10.0 for the ABCD sample. Approximately one-third of each group had finished high school, but fewer of the ABCD applicants had dropped out of school before the eighth grade.

On the other hand, the previous work histories of the ABCD applicants reflected more low-skilled employment, and, by definition, fewer opportunities to acquire on-the-job training. Among the UES unemployed, 42.4 percent had previously worked in jobs classified as "unskilled" or "service." Among ABCD applicants as a whole (including those employed at time of intake), 53 percent were classified as "unskilled" or "service"

workers. If the employed applicants are excluded from this calculation, the percentage of the poorly skilled is increased. Thus, while the ABCD population was better educated than the UES sample, ABCD applicants were less skilled.

The apparent contradiction in these two measures of disadvantage may be partly explained by the age differential between the UES and ABCD populations. For historical and sociological reasons, older workers are likely to be less educated, and the higher ABCD median education level partly reflects the relative youth of its applicants.

The differences between the two samples may also result from the presence of "unfound men" (the segment of the other than white population which does not appear in census surveys) in the ABCD population.[41] Statistics showed that the percentage of UES unemployed in the 21- to 24-year-old age group the group in which "unfound men" are most heavily concentrated—was 12.6 percent, whereas nearly twice that percentage appeared in the ABCD sample. This group of missing men is presumably weighted with unstable workers, those engaged in illicit activities, and others who cannot be located. It is also the segment of the ABCD population for which the contradiction was sharpest between high levels of education and low levels of skill. The use of skill and education levels as yardsticks of disadvantage for the ABCD population may, therefore, be a doubtful procedure.

An Alternative Measure of Need

The usefulness of turnover as an index of need for manpower services was explored by comparing the characteristics of a sample of unemployed black men, aged 21 to 26 (a group considered likely to contain the most serious "disadvantages") with those of a sample of all ABCD applicants. The two samples were very similar in education and skill levels. Median education was 10 years for both groups, and approximately 55 percent of each group had worked in unskilled or service occupations. The average median wage over the last four jobs among other than white youth was $1.76; among all applicants it was $1.74. The median average lag between the four previous jobs was 12 weeks for both groups, indicating that the most "disadvantaged" workers did not have significantly greater difficulties finding employment than other ghetto workers.

Only in turnover behavior did the unemployed black youth appear to have had a more "disadvantaged" work history than other applicants. Median average tenure on the four previous jobs was only 20 weeks for this group of unemployed youth, whereas among all applicants, the median was 44 weeks. Further, 43 percent of this group had terminated their previous jobs in less than 4 months, but only 28 percent of all ABCD applicants had had such short tenure.

It can be argued that turnover is a more useful and unambiguous measure of disadvantage than education and skills. The turnover measure is especially accurate in identifying the disadvantaged among young men. Since this may be the group to which urban manpower programs should be giving high priority, the use of conventional measures of need can lead to misplacement of program focus.

Under conventional definitions of disadvantage, ABCD seemed to have reached the target population. Using a measure of turnover as an index of disadvantage, however, it appears that ABCD attracted a number of applicants whose problems were not very substantial. About 40 percent of ABCD's applicants had an average tenure of 1 year or more on their four previous jobs. About 20 percent had remained on their four previous jobs an average of 1½ years or more per job. These applicants appeared to have already substantially resolved the difficulties of adjusting to employment and the "world of work"; they had learned how to stay with a job and could find employment which they considered tolerable. To the extent that manpower programs serve such applicants, their resources may be diverted from persons more in need of their services.

Job Development, Referral, and Placement

Job development and referral activities are the critical segment of any manpower program. Regardless of the quality of remedial programs, their success will depend upon the agency's ability to provide suitable employment opportunities for its participants.

[41] See Denis Johnston and James Wetzel, "Effect of the Census Undercount on Labor Force Estimates," *Monthly Labor Review*, March 1969, pp. 3-13. Johnston and Wetzel state that the estimated undercount in the 1960 census among other than white men in the 20- to 34-year-old age groups exceeded 15 percent.

As noted earlier, over half of ABCD applicants were referred to jobs through the Neighborhood Employment Centers during the period studied. This section discusses four questions with regard to job referrals and placements:

1. What determines who gets referred?

2. What is the quality of jobs--in terms of status and pay--to which applicants are referred?

3. What is the outcome of such referrals? What proportion and what kinds of people are hired, rejected, or do not accept the jobs to which they have been referred?

4. What kinds of firms actually hire ABCD applicants, why do they hire them, and what is their experience with the disadvantaged?

Who Gets Referred?

One of the most important objectives of the CEP program was to tailor services to individual needs. In terms of referral services, that should have meant that individuals referred to jobs were in some way more job-ready or job-needy than those who were not referred. As it turned out, there were apparently no significant differences between the two groups with respect to education and work experience. (See table 21.) The major differences between them lay in their reasons for seeking service and in their reported source of income. As a group, "nonreferrals" were likely to report that they were seeking part-time work, while "referrals" cited as their main objective full-time work. Nonreferrals were also more likely to be receiving social security or welfare payments than applicants who were referred. NEC staff evidently assigned higher priority to applicants seeking full-time jobs, possibly because part-time vacancies were scarce.

What is the Quality of Job Referrals?

Data on ABCD job referrals indicated that applicants were sent to relatively unattractive jobs in terms of pay and status. While the proportion of first referrals[42] to jobs paying $2 or less declined with time, many referrals were still near the minimum wage. For the period January 1 to March 31, 1968, 67.1 percent of first referrals were to jobs of $2 or less and 38.0 percent to jobs of $1.75 or less.

The status of job referrals also remained low. Most referrals continued to be to semiskilled operative or service jobs. Moreover, referrals for most applicants did not seem to reflect a wage increase over previous jobs. For example, the proportion of the January to March 1968 sample reporting a wage of $2 or less dropped only from

[42] Some applicants are referred to more than one job. The figures here refer only to the first job to which they were referred, hence the term "first referrals"

TABLE 21. CHARACTERISTICS OF NONREFERRALS, REFERRALS NOT HIRED, AND REFERRALS HIRED, APPLICANTS TO ABCD NEIGHBORHOOD EMPLOYMENT CENTERS, SEPTEMBER 1966-MARCH 1968

Characteristic	Group I Nonreferrals[1] (N = 226)	Group II Referrals not hired (N = 140)	Group III Referrals hired (N = 84)
Mean year of birth	1940	1939	1941
Mean years of education	10.4	10.4	10.3
Mean years full-time employment	7.9	6.2	4.9
Mean number full-time jobs in last 5 years	2.04	2.15	2.18
Mean years held last or present job	1.5	1.3	1.4
Mean wage of last job	$1.88	$1.90	$1.86
Mean number of weeks unemployed in last year	15.9	15.1	15.5

[1] Includes 98 people referred to ABCD programs.

TABLE 22. WAGE OF PREVIOUS JOBS vs. WAGE OF FIRST REFERRAL, APPLICANTS TO ABCD NEIGHBORHOOD EMPLOYMENT CENTERS, SEPTEMBER 1967-MARCH 1968

Date of referral and hourly wage	Percent earning specified wage—last four jobs (1)	Percent reporting specified wage on first referral (2)	Column 2 minus column 1
September 1967-January 1968 sample			
$2.00 or less	73.3	75.3	2.0
$2.01 or more	26.7	24.7	-2.0
January 1968-March 1968 sample			
$2.00 or less	72.5	67.1	-5.4
$2.01 or more	27.5	32.9	5.4

72.5 percent (based on the average for their last four jobs) to 67.1 percent for first referrals. (See table 22.)

The relatively low quality of jobs available to ABCD applicants seemed to reflect the low quality of jobs generally available to the disadvantaged labor force in the Boston area, rather than "defective" job development on the part of the manpower staff. Of 25 occupations listed as having critical shortages by the Massachusetts Division of Employment Security (DES) in November 1967, five had high enough educational requirements to exclude effectively most ABCD applicants, three were primarily for women, and eight were deemed by the DES unattractive and poorly paid. This left nine occupations for which men ABCD applicants might qualify, five or six of which ordinarily require some prior training. In fact ABCD instituted training courses in three such areas: Electronic assembly, keypunching, and automotive repair. However, based on the limited data as of March 1968, relatively few applicants had been referred to such jobs.

What is the Outcome of Job Referrals?

Based upon sample data for the period September 1966-March 1968, approximately one-third (34 percent) of first referrals resulted in actual placement of the applicant while another third (35 percent) resulted in rejection by employers. Approximately 10 percent of the sampled applicants failed to report for the job interview, while 21 percent refused to accept the job after it was offered.

There were no statistically significant wage or occupational differences between jobs for which applicants were hired and jobs for which they were rejected. The relatively high proportion of applicants who did not report for interviews (DNR's) or did not accept the jobs they were offered (DNA's) reinforces the assumption that the jobs were unattractive.

Nor were there significant differences with regard to age, education, or work experience between those applicants who were hired and those who were rejected by employers. Both groups were approximately 25 years old, had completed the 10th grade, had had 5 or 6 years of work experience, averaged two full-time jobs within the last 5 years and had earned $1.86 to $1.90 per hour on their last job. Thus there does not seem to have been a group of exceptionally poorly qualified ABCD applicants who were ill-equipped for the jobs to which they were referred.

Both DNR's and DNA's were in some sense a "superior" group to the "hires" and "rejects." On the average, they were older (30-31 years of age), had had more full-time work experience (8-8.6 years) in fewer jobs (1.6-1.9) and, in the case of DNR's, had received higher wages ($2 compared with $1.85 per hour). They did not, however, differ from "hires" with regard to education. Evidently the older, more experienced DNR's and DNA's did not consider the ABCD referrals attractive, despite the fact that the jobs to which they were referred paid slightly more, on the average ($2.22 vs. $1.92 per hour), than those accepted by the hires.

What Are the Employers' Characteristics and Experience?

Between September 1966 and March 31, 1968, approximately 3,700 ABCD applicants were hired by 1,000 different employers in the Boston area.[43] Nearly

[43] Actually, ABCD had the names of more than 2,000 "willing employers" in its files, representing more than 10,000 jobs. But only 1,000 firms ever hired an ABCD referral.

half of the job placements (46 percent) were with 852 firms, each of which hired an average of 1.8 applicants during the 20-month period.

At the opposite extreme, 19 employers hired more than 20 (and in two cases, nearly 100) applicants each, accounting for approximately 20 percent (667) of placements. Ten of these employers were in wholesale and retail trades (including three department stores, three supermarket chains, and two restaurant chains), four were manufacturers, three were service establishments (heavy maintenance cleaning), and two were insurance companies. (See table 23.) All those firms employed more than 100 persons. The average starting wage offered to applicants was $1.76 (compared with an average hourly wage on the last four jobs of $1.83 for applicants sampled between September 1967 and March 31, 1968).

TABLE 23. INDUSTRIAL DISTRIBUTION OF ESTABLISHMENTS HIRING FIVE OR MORE ABCD APPLICANTS, SEPTEMBER 1966-MARCH 1968

Industry group and Standard Industrial Classification	Number of firms hiring—		
	5 to 9 applicants	10 to 20 applicants	21 or more applicants
Total	77	52	19
Construction (15-17)	0	0	0
Manufacturing (19-39)	36	19	4
Transportation-Communications Utilities (40-49)	2	2	0
Wholesale and Retail Trades (50-59)	14	6	10
Finance and Insurance (60-70)	1	7	2
Services (72-89)	21	15	3
Government (90-99)	3	3	0

Another 20 percent (694) of job placements were with 52 employers who hired between 10 and 20 applicants each throughout the 20 months. More than a third of this group were in manufacturing, 25 percent were service establishments, 15 percent were in wholesale and retail trade, 13 percent were in finance or insurance, and the rest in other scattered areas. The final 14 percent of job placements were accounted for by 77 employers who each hired between five and nine applicants during the period under consideration. These firms appeared to use ABCD referral services sporadically to fill sudden needs for new employees. When those needs declined, they no longer sought to hire ABCD applicants. Preliminary analysis of establishment information on employment by race also suggests that companies with greater experience in employing Negroes (especially Negro women, as measured by the Negro employment as a percentage of total employment) were more likely to employ ABCD referrals.

Both the above data and interviews with a sample of employers who had each hired at least 10 ABCD applicants indicated that firms most likely to cooperate with ABCD on a continuous basis tended to be those experiencing difficulties in hiring labor. For example, all the interviews held with employers hiring more than 20 applicants revealed that such firms found it difficult to attract new employees and believed that they were "scraping the bottom of the barrel."

Although no employer interviewed actually compiled data comparing ABCD applicant turnover to overall turnover, many felt that ABCD referrals were less reliable than their average workers. In fact, turnover of ABCD applicants probably was high, since followup statistics suggest that 62 percent of ABCD placements were not on the job after 1 month. There is, however, no evidence that this turnover was higher than that of non-ABCD placements in similar jobs and similar firms. It seems likely that many employers, expecting ABCD to assume sole responsibility for finding some sure method of keeping workers on the job, tended to attribute unsatisfactory results to ABCD's practices rather than to broader events in the ghetto labor market. Moreover, with the exception of two department stores, employers showed little evidence of instituting practices of their own to combat high turnover.

In the two department stores, ABCD encouraged experimentation with special training programs and "trainer-coaches" to decrease turnover. ABCD recruited applicants, contributed some staff to training programs, conducted both in ABCD facilities and on the job, and provided a "trainer-coach" to act as liaison between the trainees and the employers' personnel departments.

The results of such arrangements varied. In one store, the turnover rate among ABCD trainees was similar to that of the overall ABCD population, not a surprising finding since the jobs were relatively unskilled and low paying. At the end of three 4-week training programs (3 weeks in an orientation center and 1 week at the store), approximately half of each group of 30 trainees remained. By the end of 6 weeks of on-the-job training,

another 20 percent had dropped out, leaving approximately one-third of each group. Six months after training, on the average, 23 percent of the trainees were still on the job. This figure corresponds to the 20 percent of ABCD placements who remained on the job 6 months or more without benefit of a trainer-coach.

The second company offered higher quality jobs (accounting clerks). Although the effectiveness of the trainer-coach could not be measured, the personnel director reported that the program was so successful he planned to hire a full-time black trainer-coach to manage relations with black employees. Moreover, the company did continue to hire relatively large numbers of ABCD applicants, whereas the first company did not.

In summary, employer experience with trainer-coaches suggested that the quality of the jobs offered had a greater impact on employee turnover than did the mere presence of trainer-coaches or any other single factor.

Followup

Employment Experience of Direct Job Placements

Followup of the labor market experience of ABCD applicants is an essential instrument for both program evaluation and planning. Followup supplies the "dependent" variables for measuring the employment and earning experiences of placements, and also provides a means for determining the satisfaction of ABCD clients with its services. Client reactions are essential for identifying needed reforms of program administration and design. It was the followup department within ABCD that seemed to be most sensitive to the strengths and weaknesses of the program as a whole.

Tables 24 and 25 summarize ABCD followup statistics from September 1966 to March 31, 1968. Of the applicants actually beginning work on an NEC job, 20 percent of those contacted were still on the same job 6 months later. Recalling that only one-third of applicants referred to jobs actually begin work, we see that only 7 percent of applicants referred directly to jobs are on those jobs 6 months later.

The retention rate on jobs was directly proportional to the wages of those jobs. While the placement wage between September 1966 and March 1968 averaged $1.78, the 62 percent of the placements who left before 1 month averaged only $1.74, and the 38 percent who remained averaged $1.88. Similarly, the 80 percent of the placements leaving before 6 months averaged $1.76, compared with $1.99 for placements staying 6 months or more. Furthermore, in every neighborhood except the North End (a predominantly Italian neighborhood), wage rates were 20 to 25 cents higher for those still on the ABCD job after 6 months than for those who left between 1 and 6 months. During this period, it appears that a wage of $2 or more was required to encourage stability among the ABCD population. Only about

TABLE 24. WAGE AND LENGTH OF STAY ON NEC JOB FOR ABCD PLACEMENTS, SEPTEMBER 1966-MARCH 1968

Tenure on NEC job	Total	Roxbury	Jamaica Plain	Parker Hill-Fenway	South Boston	North End	Dorchester	Allston-Brighton
Not on NEC job after 1 month:								
Percent of placements	62	62	57	61	56	71	61	59
Average wage of NEC job	$1.74	$1.73	$1.74	$1.74	$1.64	$1.81	$1.71	$1.85
On NEC job 1 month or more:								
Percent of placements	38	38	43	39	44	29	39	41
Average wage of NEC job	$1.88	$1.79	$1.99	$1.91	$1.83	$1.95	$1.80	$1.80
No longer on NEC job after 6 months:								
Percent of placements	80	86	71	73	86	84	(1)	79
Average wage of NEC job	$1.76	$1.76	$1.77	$1.76	$1.76	$1.92	(1)	$1.57
On NEC job 6 months or more:								
Percent of placements	20	14	29	27	14	16	(1)	21
Average wage of NEC job	$1.99	$2.05	$2.03	$2.01	$1.99	$1.71	(1)	$1.93

[1] Not available.
SOURCE: ABCD Followup Reports, September 1966 to March 1968.

TABLE 25. FOLLOWUP RESULTS BY NEC, SEPTEMBER 1967 TO MARCH 1968 SAMPLE

Status	Total	Roxbury	Jamaica Plain	Parker Hill-Fenway	South Boston	North End	Dorchester	Allston-Brighton	South End Manpower Corporation	Spanish Action Center
Followup reports received:										
Number	133	21	23	11	5	8	22	20	13	10
Percent	29	20	37	27	11	42	24	37	25	44
Referred to NEC jobs:										
Number	87	12	13	8	4	6	15	12	11	6
Percent	66	57	57	73	80	75	68	60	85	60
Referrals placed on NEC job:										
Number	56	10	6	4	3	4	11	5	7	6
Percent	64	83	46	50	75	67	73	42	64	100
Mean referral wage	$1.91	$2.08	$2.09	$1.84	$1.53	$2.40	$1.80	$1.50	$1.60	$1.78
Referrals *not* placed on NEC job:										
Number	31	2	7	4	1	2	4	7	4	0
Percent	36	17	54	50	25	33	27	58	36	0
Mean referral wage	$1.94	$1.50	$1.67	$2.00	$3.25	$1.75	$2.00	$2.13	$1.60	(1)
Placements still on NEC job at time of followup:										
Number	35	4	3	2	2	0	9	5	5	5
Percent	63	40	50	50	67	0	82	100	71	83
Mean hourly wage	$2.10	$2.06	$2.00	$1.80	$1.53	$0	$1.82	$1.50	$1.60	$1.85

[1] Not available.

one-fourth of ABCD's referrals, however, fell into this category.

To assess ABCD's impact more completely, it was important to know: (a) The subsequent labor market experience of placements who had left their ABCD jobs; (b) the subsequent labor market experience of applicants who had not received or used ABCD referrals; and (c) what happened to applicants who had moved. To obtain information on these groups, and also to supplement the regular followup interviews, ABCD agreed to survey a random sample of all applicants from the period September 1, 1967, to March 31, 1968.

Table 26 shows the results for both applicants who had been placed on a job through ABCD, and the control group. Of 107 persons in both groups, 65 percent were working at the followup date. Neither sex nor race was important in explaining labor market status.

Comparison of the control group with those placed on jobs by ABCD showed 74 percent of the ABCD placements working at the time of followup, with those who were still on ABCD jobs having an average wage of $2.07; 57 percent of the control group were employed at an average wage of $2.10. The 57 percent of the control group who were working were on the jobs they had found without ABCD's aid. Since it could not be determined how long the members of the control group would stay on these jobs, their satisfaction with their employment position could not be compared with that of the ABCD placements. However, the 57 percent of the control group employed at the time of followup could be assumed to represent a far greater number on jobs at one time or another over a 6-month period. Furthermore, the control group jobs paid more. Thus, the short-run evidence does not suggest that ABCD's direct placement activities significantly improved its clients' ability to obtain and retain better paying jobs.[44]

It can be argued, of course, that wage rates and occupation are imperfect measures of job quality. However, followup report narratives, discussions with employers, and direct observation through independent onsite inspections reinforced the above conclusions. Many of the employers who were heaviest users of ABCD referrals were among the least preferred employers in the Boston labor market. ABCD placements with these employers showed high quit rates in the first week and month of employment. Despite reports from followup interviewers recommending that ABCD cease servicing these employers, placement interviewers continued to refer applicants to them. These employers included a major hotel, several hospitals, a nonferrous foundry, an electrical machinery manufacturer, and a real estate firm hiring maintenance workers.

The impact of ABCD on the long-run staying power of its applicants is not evident from the followup data discussed above. However, one preliminary data set offers evidence on longer term post-ABCD labor market behavior. A followup survey of applicants was conducted 12 to 18 months after the last visit to an NEC.[45] Information obtained from 75 applicants showed this group to be similar in age, race, and schooling to the

[44] Indeed, wage upgrading was greatest among the employed who had found jobs on their own.

[45] There were substantial difficulties in locating this group of applicants. Presumably the more stable were located, so that the job tenure and employment estimates are overstated for the applicant group as a whole.

TABLE 26. CHARACTERISTICS AND EMPLOYMENT STATUS OF ABCD PLACEMENTS AND NONPLACEMENTS 3 TO 6 MONTHS AFTER LEAVING NEC

Characteristic	Total		Never referred by ABCD		Referred by ABCD but never hired		Placed on job by ABCD		
	Working	Not working	Working	Not working	Working	Not working	Working ABCD	Working non-ABCD	Not working
Number	70	37	10	15	22	9	34	4	13
Mean age	29	26	27	25	31	28	29	30	25
Number men	43	23	8	8	13	7	19	3	8
Number white	32	14	8	7	13	4	9	2	3
Mean years of schooling	10	10	11	11	10	10	10	10	10
Mean hourly wage rate of previous job	$2.00	$1.88	$1.81	$1.75	$1.98	$1.81	$2.00	$2.44	$2.12
Mean hourly wage of current job	$2.12	(1)	$2.17	(1)	$2.07	(1)	$2.07	$2.61	(1)

[1] Not applicable.

parent ABCD applicant population. Of the 75 surveyed, 45 percent were working at the time of followup, 28 percent were unemployed, and the others were scattered among school, training, and miscellaneous categories. Twenty-two of the 75, or 31 percent, had been placed on jobs by ABCD. Of these, eight, or 12 percent of the total sample, were still employed on their NEC job. Among the eight, six were being paid $2.10 per hour or more, and four were paid over $2.75. Not surprisingly, only two applicants with wage rates under $2 had remained on the job more than 12 months.

Tentative evidence from this sample indicated that blacks and whites have different job preferences. During the period between the last NEC visit and followup, blacks refused 14 jobs they had sought on their own, while whites refused only two. Three-fifths of the whites and 38 percent of the blacks in the sample were employed at the time of followup, but the average salary of the blacks' jobs was $2.50, while the whites' was $1.86 (the difference is statistically significant at the 1-percent level). Only three of the 16 blacks working at the time of followup were on jobs paying less than $2. Educational skill levels for blacks and whites did not differ significantly, however.

More interesting still is the relation of referral outcome to referral salary. Among all applicants not then in school, eight were referred to jobs paying at least 50 cents more than the previous job; all eight of these were hired (and were obviously willing to work) and three of them were still on their ABCD jobs at the time of followup. On the other hand, 29 of the referrals paid either less than or about the same as previous jobs; of those only five were hired, eleven rejected, and twelve did not accept or did not report for the job.

Among blacks, 11 either did not accept or did not report for the NEC jobs; six of the eleven referral salaries were lower than previous jobs, three were the same, and two were a little higher, but still low ($1.65 and $1.75). Eleven blacks were hired from NEC referrals; seven at salary increases of 50 cents or more, one at a smaller salary increase, one at the same salary, and two at lower salaries. Neither of the two decreases was still working on the NEC job.

Employment Experience of Orientation Center Graduates

Placement followup data on graduates from ABCD training programs, as shown in table 27, indicate that the percentage of trainees placed on jobs was very close to the percentage of placements for NEC applicants as a whole.[46] However, the qualifications of those trainees who were placed on jobs were somewhat superior to those of trainees whom the orientation centers did not place. This suggests that the orientation centers were more efficient than Neighborhood Employment Centers at screening out less qualified referrals.

Despite the fact that trainee placements started at an average wage no higher than the nontrainees, retention rates for the former appear to have been greater. This stability may result from the greater advancement opportunity available to some of the orientation center graduates.[47]

Stability may also be related to the trainees' previous wages. The courses from which the highest percentages of enrollees remained employed on their placement jobs at the time of the followup survey were welding, data processing, and clerical; the latter two courses enrolled applicants with the lowest previous wages. Although the wages offered to these trainees were not significantly higher than the average for other skill areas, the amount of upgrading for the clerical and data processing trainees may have encouraged greater stability.

The success of the welding course is probably attributable to the involvement of a local employer and the relatively high wages and status associated with the welding occupation. Training simulated inplant conditions, and trainees were "promoted" to an on-the-job training program when deemed ready by their instructors. Placement wages for welding trainees with this employer averaged $2.45, the highest of any skill area. However, insofar as stability was a function of screening and self-selection for the training programs, rather than of training per se, it probably could have been achieved more cheaply and efficiently than through a 15-week capital-intensive program.

It appeared that the centers were, in fact, doing a great deal of screening. Observation of several programs indicated that such short courses were often unable to achieve much vocational training. Furthermore, the "orientation to the world of work" seemed superfluous

[46] These figures should be interpreted with care. The data base was insufficient to permit unambiguous statistical analysis of the comparative benefits of the various training programs. Since the orientation centers had not been in operation long, data were available for only a small number of trainees who had "graduated" and been in the labor market more than a month. It was therefore impossible to determine whether the observed labor market experience of those trainees reflected transient or permanent effects of the training programs.

[47] Cautious optimism is appropriate here, since 6-month followup data were not available.

TABLE 27. OUTCOMES FOR GRADUATES OF ORIENTATION CENTER TRAINING[1]

Outcome	Total	Clerical	Drafting	Welding	Automotive	Upholstery	Data processing	Offset printing
Followup reports received:								
Number	106	28	9	22	4	21	17	5
Percent	54	51	45	61	17	51	77	38
Referred to jobs by orientation center:								
Number	74							
Percent	70							
Placed in jobs by orientation center:								
Number	61							
Percent	58							
Employed on ABCD jobs at time of followup:								
Number	48	15	2	11	2	7	10	2
Percent	45	54	22	50	50	33	59	40
Average hourly wage	$2.25	$2.10	$2.21	$2.40	$2.05	$2.06	$2.17	(2)
Average tenure (weeks)	6	6	6	10	(2)	3	4	4
Employed on non-ABCD jobs:								
Number	17	1	2	3	(2)	6	3	2
Average hourly wage	$2.62	$2.63	$2.25	$2.45	(2)	$2.94	$2.03	$3.20

[1] See text footnote 46.
[2] Not available.

for most of the participants, who already had considerable experience in obtaining jobs and seemed well aware of the behavior patterns desired by employers. This impression was reinforced by the observation that the placement interviewers knew very little about the actual skill accomplishment of the trainees and that when referring trainees, the attendance records, and not test scores, were emphasized.

Job development appeared insufficiently aggressive for some of the graduates. For example, enrollees who obtained employment independently of the orientation center's placement staff (28 percent) received substantially higher wages, $2.62 as compared with $2.25, as shown in table 27. Comparisons of relative advancement possibilities, however, could not be made.

It is not clear that participation in the training program was directly responsible for these results. About half of these jobs were training-related, so that the training experience of these enrollees substantially improved their credentials with preferred employers. Benefits derived from screening could have accounted for the success of the enrollees who independently obtained jobs unrelated to the training they received.

Work-Experience Programs

Adult Work Crew. Although the followup was neither extensive nor complete, it indicated that 75 to 80 percent of the Adult Work Crew participants were still on the job about 1 month after placement. The majority of dropouts occurred within the first week of employment, and virtually all had occurred by the first month. As with ABCD placements in general, major reasons for terminations were voluntary quits, illness, alcohol and drug problems, as can be seen from table 28. ABCD hired a rehabilitated alcoholic to serve as a counselor to the alcoholics in the program, but it was too early to evaluate the results of this experiment.

Table 29 presents a comparison between those persons who dropped out of the program and those who remained. The only significant differences were a much lower percentage of other than whites and high school graduates among dropouts.

Although over one-fourth of all persons ever enrolled in the Adult Work Crew were transferred to unsubsidized jobs, no followup data were available to determine

TABLE 28. REASONS FOR TERMINATION OF ADULT WORK CREW PARTICIPATION, JANUARY-MARCH 1968

Reason	Number	Percent
Total	94	100.0
Quit program	29	30.9
Illness	26	27.7
Drug or alcohol addiction	21	22.3
Moved	5	5.3
Transferred to another program	4	4.3
Criminal offense	4	4.3
Inadequate compensation	2	2.1
Death	2	2.1
Attempted suicide	1	1.1

NOTE: Total of percentages does not equal 100.0 because of rounding.

TABLE 29. CHARACTERISTICS OF TERMINEES AND CONTINUING TRAINEES, ADULT WORK CREW SAMPLE, JANUARY-MARCH 1968

Characteristic	Terminees	Continuing trainees
Number	18	60
Mean age	44	42
Mean years of schooling	8	10
Percent high school graduates	11	42
Mean number of weeks unemployed	17	18
Mean previous hourly wage	$ 1.92	$ 2.03
Percent other than white	22	46
Percent with criminal records	22	12

whether a long-term rehabilitation was accomplished. It was reported, however, that the demand for such sheltered, low-wage work exceeded the available slots, so that as an income transfer mechanism on a limited scale, this program could be judged a success.

New Careers. The data on New Careers enrollees suggest that it opened, to a relatively advantaged segment of the low-income community, jobs similar to those which already existed in the cooperating agencies. The dropout rate in this program has been low, consistent with selective recruitment into the program and the preferred quality of many of the jobs available. Since, like the Adult Work Crew, this is also a long-run program, it can only be fairly judged by its longer term contribution to the career paths of placements.

ABCD Employment. Although not formally recognized as such, ABCD itself served as a type of "New Careers" agency. It had a number of positions, such as community aides, which paid $2.50 or less an hour to persons living in low-income neighborhoods. Although no rigorous attempt was made to study ABCD as an employer, a small sample of personnel records suggests that employment in low-level ABCD positions generally resulted in economic advancement. Hourly wage rates immediately prior to working for ABCD averaged $1.83 for this group, compared with the ABCD entry wage of $2.16. Among those hires who continued to be employed by ABCD at the time the sample was drawn, the average hourly wage was $2.23

ABCD apparently behaved much as other employers, attempting to hire the "best available" workers for its jobs. However, the opportunities for promotion, the job status, and the working conditions were often better than those of most jobs in the ghetto labor market.

More generally, ABCD served as an informal recruiting agency for other employers seeking persons experienced in hiring and training the disadvantaged. There were a number of instances of work experience with ABCD providing a stepping stone to an even better job elsewhere.

Quantitative Evaluation of ABCD's Placement and Training Activities

A multivariate model was developed to test the independent contribution of ABCD's various manpower services to the employment experience of its applicants. Three types of independent variables were specified in the model in order to separate the influence of ABCD's programs from other factors determining employment and income: (1) Socioeconomic variables such as age, race, and education; (2) work history variables to reflect previous on-the-job experience; and (3) ABCD program variables.

The population analyzed with the model was that portion of the random sample of ABCD applicants and trainees for whom complete socioeconomic and follow-up information was available. This reduced sample differed in several respects from the underlying applicant population, and the biases of underreporting limit the effectiveness of the statistical analysis. The baseline