

Bush Administration Proposal to Cut \$541 Million in Workforce Funding Threatens Chicago's Position in Global Economy

U.S. Legislators Must Maintain Funds to Support Job Seekers' Demand for Skills Training

CHICAGO (September 5, 2001) – Lay-offs and welfare-to-work policies are driving up local demand for skills training programs under the Workforce Investment Act (WIA) while Congressional Appropriations Committee members consider cutting \$541 million from workforce funding, a 9.5% decrease from FY 2001. The impact of such cuts, according to Chicago workforce advocates and public policymakers, is the city's reduced capacity to expand and diversify its skilled labor pool — a key criteria of Fortune 500 companies that consider re-locating here.

"If Chicago is to remain a player in the global marketplace, then it is essential that we have a skilled workforce," said Robert E. Wordlaw, Executive Director of the Chicago Jobs Council (CJC), a 20-year-old workforce policy and advocacy group. "We know that some workers let go in recent downsizings don't have the skills they need to compete. We see the demand for training is growing. The proposed cut in workforce funding is short-sighted and would hamper Chicago's long-term growth."

Of the proposed cuts, funds for dislocated worker training would drop 13% while funds for adults are targeted for a 5.3% reduction. The proposal comes on the heels of a \$242.5 million rescission for FY 2001 workforce budgets that Congress passed on July 20; dislocated worker programs were hardest hit. In Illinois, there are more than 30,000 openings in "best bet" occupations. Best bet occupations, according to the Illinois Department of Employment Security job outlook report, "combine a high growth rate with a large number of annual openings and pay well for the level of training/education."

Chicago's New WIA Programs Gaining Momentum

"Legislators need to understand that WIA overhauls the legacy systems we've used to deliver employment services to low-skilled workers, and that facilitating systems change will take more than one year," Wordlaw said. "Now is the absolute wrong time to cut workforce funding. The economy is slowing down. Chicago is becoming a serious player in the global market. But most important, more of their constituents are demanding skills training so they can find better jobs."

In just the last month, the Mayor's Office of Workforce Development (MOWD) and CJC noted that the demand for skills training by dislocated workers and welfare participants has already exceeded training requests in the last quarter of FY 2001. This week, MOWD will report the most recent statistics on local job-training activities since the City rolled out WIA-funded job training in mid-March. The report will indicate that:

- Unemployed adults, particularly those moving off welfare, are the majority of the City's job-training clients at the close of FY 2001 (76%) and maintain strong demand for job training (63%) in the first month of FY 2002.

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- Significantly more dislocated workers requested skills training — a 13% increase in first month of FY 2002 (37%) over the last quarter (24%).

"Based on these initial numbers, we know Chicago is being underserved and we expect even more job seekers to request training that is available under the WIA program," said Workforce Development Commissioner Jackie Edens. "We are preparing to meet the needs of our workforce customers."

The Chicago Jobs Council (CJC) is a membership-based organization of over 100 community-based service providers, civic groups, businesses and individuals. Through advocacy, research, public education, and capacity-building initiatives, CJC seeks to expand job opportunities for all city residents with an emphasis on those in poverty, racial minorities, the unemployed, women and others who experience systemic exclusion from employment and career mobility.