

*From the Department of Labor . . .*

# The Manpower Development And Training Act Of 1962

## The New Government Program for Training the Unemployed and How Business and Industry Can Help

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The MANPOWER DEVELOPMENT AND TRAINING ACT of 1962 recognizes the urgent need to train the unemployed as an important means of reducing unemployment. The approach to the reduction of unemployment by a national, broad scale, well-defined program of occupational training also recognizes the need to look ahead at the future occupational requirements of the Nation.

The Act seeks to deal with the most difficult and long-standing problems of unemployment we have in this country. It deals with problems among the long-term or so-called hard core unemployed, problems among the young people, and certain groups among the employed—all, however, having one common denominator—lack of skill which would enable them to get a job or to maintain a job.

The upgrading or updating of the skills of the unemployed or under-employed is also provided for in this legislation in recognition of the rapidly changing needs of the Nation's industrial complex and the need to maximize the use of the Nation's human resources.

Economic developments of the past decade and a half have supported the underlying principles of the Act. During this period, many factors have had an unsettling effect upon the Nation's workforce, including major shifts in consumer demand for goods and services, emerging new industries, and new industrial techniques and processes.

Existing Federal legislation in the field of occupational training has been aimed primarily at training of youth. Only a few States have had programs which could offer more than a token

solution to the problems of the experienced, often long-term, unemployed adults. In recognition of this situation, the Area Redevelopment Act (Public Law 87-27) provided opportunities to train unemployed and underemployed persons. However, the scope of the training provisions of this Act are limited by geographic and financial considerations.

### **Major Features of the Act**

The Manpower Development and Training Act of 1962 (Public Law 87-415) authorizes a \$435 million nationwide program to train the unemployed and to upgrade the skills of the underemployed.

The Act authorizes Federal funds for necessary research, for training programs and training allowances. Training costs and training allowances for the unemployed will be financed entirely by Federal funds through 1964, but in 1965 will be financed on a 50-50 Federal-State matching basis. Distribution of expenditures among the States will be determined for each State according to criteria established in the law.

### **Research**

An important feature of this Act is that it provides an overall national training program flexible enough to meet the varied needs of the workforce. In the past, many training programs have been inflexible and not related to current or future employment opportunities. Therefore, one of the basic provisions is that the Secretary of Labor will develop and provide information on the many aspects of the Nation's manpower requirements

and resources. Included in such information and reports will be studies of manpower requirements, manpower resources, utilization, mobility, and the effects of automation and other technological developments on manpower.

In addition, information is to be made available on labor supply and demand in the various skills, the occupational outlook, number and location of job opportunities, and employment trends in the Nation, regions, and areas.

### **Training Plan**

Broad and diversified training programs are to be set up to qualify persons for employment who cannot reasonably be expected to secure full-time jobs without such training. Training programs will be set up for a variety of occupational fields, and for many occupations. They may range from very simple occupational training, requiring short training time, to training in professional and technical areas. There is no time limit on the length of any training program except that the period should be reasonable and consistent with the occupation for which a person is being trained. However, training allowances are provided for only 52 weeks.

Training programs are to be conducted in the same manner as vocational educational programs authorized under earlier Federal legislation, especially the Smith-Hughes and George-Barden Acts, that is, through public educational agencies or institutions. This kind of training will be under the direction of the Secretary of Health, Education, and Welfare. Arrangements will also be made to use private educational or training institutions.

Approved on-the-job training programs can also be set up by States, by private and public agencies, employers, trade associations, labor organizations, and other industrial and community groups. In approving a training program of this nature, the Secretary of Labor will establish training standards concerned with the adequacy of (1) the content of the program, (2) the length of the training period, (3) the facilities and training records, and (4) compensation to trainees. When these programs require supplementary classroom instruction, appropriate standards will be established by the Secretary of Health, Education, and Welfare and the Secretary of Labor.

Operations of the training programs under the Act extend from July 1, 1962 through June 30, 1965.

### ***Selection of Trainees***

Persons selected for training will be unemployed or underemployed workers, workers in farm families with less than \$1,200 annual net family income (considered unemployed for purposes of the Act), or youth 16 to 22 years of age. Training may also be given to underemployed persons who otherwise cannot reasonably be expected to secure appropriate full-time employment or to employed workers who need to upgrade or update their skills. Priority in referral to training will be given to the unemployed. Membership or nonmembership in a labor organization will not be considered in the selection of persons for training or for job placement following training. Also, persons will be selected for training without regard to age, sex, creed or color. Before selecting a person

for training there must be a reasonable expectation of employment in the occupation for which training will be given.

### ***Training Allowance***

The Act provides for the payment of weekly allowances to persons who are unemployed, have a minimum of three years experience in gainful employment and are either heads of families or heads of households. Youth over nineteen but under twenty-two years of age may be paid a training allowance at a rate not exceeding twenty dollars a week when such allowances are necessary to provide training. Payments will be made during training for a period of not more than 52 weeks. In general, the amount of the allowance will be in an amount equal to the average weekly unemployment compensation for a week of total unemployment within the State. The allowance for a person who is employed while taking on-the-job training will be reduced by an appropriate amount.

Transportation and subsistence expenses for separate maintenance may be paid when the training facilities are not located within commuting distance from the regular place of residence.

Training costs and training allowances for the unemployed are to be financed entirely by Federal funds through 1964. In 1965, financing will be on a 50-50 Federal-State matching basis.

### ***Training Procedures***

The Secretary of Labor is authorized to enter into agreements with the States covering payment of training allowances; selecting, counseling, testing, and

other functions. Similarly, the Secretary of Health, Education, and Welfare will make agreements with the States to develop curricula and provide training facilities, equipment, and instructional staff for vocational training courses.

The Act requires that States maintain their existing levels of vocational training from their own funds. It encourages the maximum use of existing training placing trainees; developing programs for on-the-job training, and for various programs, methods, and facilities. But it also permits much needed expansion of these programs, as well as the development of improved, new and diversified programs designed to provide the unemployed or underemployed the opportunity for training or retraining in skills which are or will be in demand in the labor market.

### ***Industry and the MDT Act***

In our free enterprise system, industry will continue to play a major role and to have a major responsibility for developing and expanding the supply of trained and skilled manpower. Most occupational training—outside the professional and some technical skills—has been and will continue to be acquired through on-the-job training or other forms of training within industry.

Industry can be particularly effective *now*, by helping to (1) identify shortage skills, (2) identify workers who could benefit by training or retraining, (3) identify and develop training for new jobs within a plant or industry, (4) provide information to community training facilities as to skills and knowledges re-

quired for entry into the occupation for which training will be given, (5) provide job opportunities for trainees completing training under the Act, and (6) help evaluate the effectiveness of training programs established under the Act.

Industry needs to take a long look ahead at their manpower requirements and should consider the development of specific training programs needed now, as well as in the future. Evaluations should be made of present occupational training facilities within the firm and determinations made as to additional facilities that are needed, whether within the company or the community.

On-the-job training, supplemented by technical courses offered in the schools and technical institutes, will help provide needed skill development by our work force.

### ***Conclusion***

There are no ready solutions or easy solutions to the manpower problems of either today or tomorrow. The Manpower Training Act of 1962 does, however, offer major assistance, through the Federal Government, to bolster the efforts already being made by industry and communities throughout the Nation. The Act is a powerful new measure developed to help alleviate long-term unemployment and to prepare workers to meet the challenges of technological change. Government, industry, labor, and community groups working together, will make it possible for the unemployed, youth, and underemployed to become productive citizens and for our skilled manpower to meet the Nation's needs.