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## **MEDIA ADVISORY**

## STUDY FINDS POSITIVE WAGE EFFECTS OF JOB CORPS PARTICIPATION

ALEXANDRIA, VA, MAY 5, 2015 – A statistical analysis of Job Corps data strongly suggests positive average effects on wages for individuals who participated in the job-training program.

Results of the analysis recently were included in an article in the <u>Journal of Business & Economic Statistics</u>, a professional journal published by the <u>American Statistical Association</u>. The study was conducted by Xuan Chen of Renmin University of China and Carlos A. Flores of California Polytechnic State University.

Job Corps is the country's largest and most comprehensive federally funded job-training program for disadvantaged youth.

Specifically, the study found the average wage effect for program participants is between 5.7% and 13.9% four years after graduating from Job Corps. Additionally, the study found the wage effect was greater—between 7.7% and 17.5%—for non-Hispanics.

For the study, Chen and Flores analyzed data from the National Job Corps Study, a randomized experiment funded by the U.S. Department of Labor to evaluate the effectiveness of the program. In this experiment, eligible individuals who applied to Job Corps for the first time between November 1994 and December 1995 were randomly assigned to a treatment group and a control group.

"Our findings suggest that Job Corps has positive effects not only on the employability of its participants, but also on their wages, implying that Job Corps is likely to have positive effects in their human capital [accumulation during enrollment in Job Corps]," the authors wrote in the *JBES* article. "It is very important to consider the potential benefits of Job Corps and other training programs on wages when evaluating their effects."

Assessing the effect of this and similar federal training programs on wages is of great importance to policymakers, especially as they consider renewing and funding a program.

**Note to Reporters and Editors:** For a copy of the *JBES* article, send an email to <u>jeffrey@amstat.org</u> with "JBES Job Corps" in the subject line.

About the American Statistical Association

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