

# **Boston Business Journal**

## **ViewPoint: Job training works for Massachusetts**

By Eric H. Schultz, President and CEO of Harvard Pilgrim Health Care

I hear from other business leaders over and over again: The most important capital any business has is its human capital. At Harvard Pilgrim Health Care and across the commonwealth, business leaders know that a well-trained workforce is essential for our success.

Massachusetts employers are certainly fortunate to have great colleges and universities with which to partner in our effort to recruit talented individuals. We also have great community-based job-training providers that have made it their mission to find, train and secure employment for people who can fill important jobs that may not require post-secondary education — positions that are essential to the success of our companies.

These community-based job training providers send businesses well-trained candidates that meet all our hiring specifications, saving us time and money on recruitment. Furthermore, a groundbreaking study by independent research firm Root Cause has demonstrated that job training also provides enormous benefits to participants as well as significant cost savings to the commonwealth. The report was commissioned by the Job Training Alliance, an affiliation of workforce organizations, and funded by SkillWorks, a job-training advocacy group backed by the likes of Bank of America, BNY Mellon and the Boston Foundation, among others.

Perhaps the most important indicator of the success of job training is that the vast majority of unemployed individuals who complete a training program find employment shortly after graduation. The report found that 76 percent of graduates from 12 participating job training programs were employed within a year after graduation. These results are all the more impressive given that nearly all of the participants had significant barriers to employment, such as limited English, inconsistent work histories and lack of computer and occupational skills.

Job training pays enormous dividends for individuals who find work following completion of their programs. On average, formerly unemployed individuals who found work following completion of a training program earned \$13.95 per hour — a wage significantly higher than the current or even future Massachusetts minimum wage. Job training also benefits those already employed in low-wage, dead-end jobs. Participants who were employed at the time of their training saw a 65 percent increase in earnings following completion of their training, for an average wage of \$14.20 per hour. The total wage increase for all participants who completed job training was a whopping 625 percent.

The effects of job training and employment assistance extend well beyond immediate impacts for the worker. A quality job will not only enable an individual household to accrue wealth, but it will also generate increased revenue to the state, with the net result being decreased use of public benefits and increased savings to government. Not only did those studied see significant increases in the wages they earned, government saw a 515 percent increase in taxes paid and perhaps just as notable, a 67 percent reduction in public benefits.

Business leaders know that job training yields a great return on the investment. People gain new skills and better paying jobs, employers have access to skilled workers who meet their hiring needs, and the commonwealth and the taxpayer have fewer people to support through the state's social safety net. When we have a well-trained workforce, everyone wins.