

READER'S DIGEST

or ten percent of it and tuck it away in a savings account."

3. *Use direct deposit for automatic savings.* Susan Tiffany, editor of the Credit Union National Association magazine, *Everybody's Money*, finds it easier to save when the money goes directly into her savings account. "The decision to save is taken out of your hands," she explains. "What you don't see, you don't miss."

4. *Throw stumbling blocks in the path of spending.* Most of us save too little because we spend too much on impulse items. Control that urge to splurge. Keep a list of all the things you really need—coats for the kids, a new refrigerator, tires for the car. But wait to buy until those items go on sale. If you're drawn to something not on the list, give yourself a week to think it over.

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Like It Is

Life expectancy would grow by leaps and bounds if green vegetables smelled as good as bacon.

Bad news travels fast. Good news takes the scenic route.

The virtues of hard work are extolled most loudly by people without calluses.

Middle age is when you wish you could have some of the naps you refused to take as a kid.

One of life's simple pleasures is parking on someone else's dime.

The only thing that's more discouraging than waiting two months for a dental appointment is getting one the next day.

—Doug Larson, United Feature Syndicate

Co-sponsored by Dan Quayle and Ted Kennedy, the Job Training Partnership Act was supposed to offer hope to the disadvantaged. Instead it has become . . .

The Federal Job-Training Fiasco

BY JAMES BOVARD

IN Tahlequah, Okla., federal Job Training Partnership Act (JTPA) funds paid part of the salaries of college students hired by the Big Cheese Pizza restaurant. "I thought it was crazy," admits manager Mark Choitz. "But the local McDonald's manager told me she had used the job-training program to lower labor costs."

In Queens, New York, Hebrew National Kasher Foods Inc. became mired in a labor dispute. The company told its workers they would have to relocate or lose their jobs, and shifted its operations to Indianapolis.

There it received JTPA funds to train 49 new workers. Not only did Hebrew National agree to pay them only half what its New York workers had received, but during the training period, taxpayers subsidized up to half those salaries.

In Los Angeles, the Gay and Lesbian Community Services Center runs employment and job-training programs primarily to match homosexual job seekers with homosexual employers. These vocational services have been subsidized by JTPA funds to the tune of \$3.1 million.

The Job Training Partnership

Act received considerable fanfare in 1982 when President Reagan signed it into law, promising that it was "not another make-work, dead-end, bureaucratic boondoggle." One of the act's co-sponsors, Sen. Edward M. Kennedy (D., Mass.), proclaimed, "We are offering new hope and opportunity for young people seeking their first job."

The program was supposed to replace the discredited, scandal-plagued Comprehensive Employment and Training Act (CETA) and to enlist the cooperation of the private sector in an effort to help society's disadvantaged. "This legislation will remove the federal government from involvement in the details of the program's operations," claimed then-Senator Dan Quayle (R., Ind.), widely regarded as the "Father of the JTPA."

While the JTPA is more effective than CETA, all too much of its \$21 billion has been misused. Unfortunately, the JTPA has more often than not proved to be an exercise in corporate welfare, local-government ineptitude and federal indifference. The victims are not just taxpayers, who will finance the JTPA to the tune of \$3.6 billion this year, but the nation's unskilled and unemployed.

Useless Subsidies. The JTPA pays employers up to 50 percent of workers' wages for as long as six months, transferring the cost of training unskilled workers from private firms to the federal government. Local governments and Private Industry Councils (PICs),

made up of business, labor, educational and community representatives, direct the job-training efforts. To assure efficiency, a majority of each PIC, including the chairman, are business people.

Though created to train the unskilled, the JTPA has too often lavished taxpayer dollars on businesses to do what they would have done anyway. When the Radisson Hotel chain opened a new hotel in Toledo in 1987, the local PIC supplied \$142,000 in job-training funds. According to human resources director Cathy Clapfish, "We interviewed people, we found the ones we wanted—and then we checked their JTPA eligibility. If the person qualified for on-the-job training subsidies, it was just a bonus for us."

Technically, companies are eligible for job-training subsidies only if they employ needy or unskilled individuals who would not otherwise be hired. But the Office of Inspector General at the Department of Labor concluded that 60 percent of the subsidized workers would have been hired even without JTPA handouts. The Inspector General also found that almost half of all subsidized trainees are fired or quit as soon as the federal payments expire.

Federal law explicitly prohibits using JTPA funds to entice factories to relocate. But PICs around the nation sometimes use the money to influence companies to lay off existing workers and move to their area.

Other companies receive JTPA

windfalls simply by threatening to relocate. In Houston, Compaq Computer Corp. announced that it was considering other cities in its expansion plans. Area PICs, the Texas Employment Commission and local community colleges rushed in with a \$4-million job-training and recruitment package. "There has been no change in training procedures," admits Compaq's Nora Rice. "Because the JTPA is an easy government program to work with, we feel we should take advantage of it."

No Audits, No Jobs. Throughout the country, PIC board members have become involved in conflict-of-interest situations. In 1986 the Fort Worth PIC's chairman was a commercial realtor. He arranged for the PIC to buy a building that was being leased by the Fort Worth Consortium SDA (service delivery area), an operational unit of the JTPA that receives policy guidance from the PIC. The PIC paid \$590,000 for a structure appraised at \$175,000. The chairman, who personally guaranteed the loan, was on the board of directors of the local bank that financed the property. To pay the mortgage, the PIC raised the SDA's lease to more than fair-market value. An audit by the Office of Inspector General stated: "Since the PIC had no other regular source of income, all costs of ownership of the property were financed with JTPA funds, through the lease payments the SDA made to the PIC."

Comments Indiana University associate professor Mark A. Crouch, "If you set up a welfare system that left it up to the recipients to decide how much money they should get, people would be outraged. But JTPA supporters see nothing wrong with letting business people govern this program in the same way."

The Inspector General found that local PIC contracts routinely do not allow for adequate auditing of grants, do not provide complete statements on how the money will be spent and do not set forth qualifications for trainers.

In Massillon, Ohio, a \$100,000 JTPA grant went to William McCullough, president of W. D. McCullough Corp., to train displaced workers. Only two of the 32 unemployed workers "trained" by McCullough to become engineers' aides actually found employment. "They guaranteed us jobs," complains Gene Dulkoski, a laid-off coal miner from Cadiz, Ohio. "But at the end, we never got jobs. They didn't give us leads or anything."

Local PICs spend JTPA funds on activities that have nothing to do with training. The SDA-One PIC of southwestern Virginia put up \$8000 to operate a tourist center at Big Stone Gap. JTPA funds totaling \$15,800 enabled the mayor of Brazil, Ind., and his son to visit Japan and Taiwan to fish for business investment. So far, no new job opportunities have been created as a result of the trip.

Politicians also get into the

act. Under orders from Gov. Richard Celeste, the Ohio Bureau of Employment Services awarded \$1.5 million in JTPA funds to Celeste campaign contributors. One result: the Buckeye School of Horsemanship, owned by a Celeste campaign contributor, used \$311,000 in JTPA funds to train 85 recruits to be horse groomers. Most of the "training consisted of shoveling manure and cleaning stalls," reported Gary Webb in the Cleveland *Plain Dealer*.

From 1984 to 1986, pressure from friends of the governor got Wooster Business College \$825,000 in JTPA funds. Paid \$168,000 to place its students in jobs, the school's Job Club simply clipped out "Help Wanted" ads from local newspapers and handed out photocopies to the students. (The school is now under new ownership.)

Working by Rapping. JTPA's waste is greatest in the summer when it expends \$700 million on youth programs. In Chicago, teenagers are paid to listen to sex- and drug-education talks; in northeast Wisconsin, to sit in classrooms to make up the detention time they did not serve during the school year.

Washington, D.C., has one of the largest summer job programs in the nation, with nearly 18,000 youths receiving JTPA checks. Brags Mayor Marion Barry, Jr., "All of the jobs benefit our youth by providing them with marketable skills and enduring personal values."

Over 600 D.C. youngsters were paid to attend Marion Barry's

Youth Leadership Institute. "We consider attending to be work, the same as a job," said administrator Janet Rosser. On one morning last July, youngsters "worked" by having a rap session about sex in order to learn "conversational skills." It was an exercise in chaos, with participants shouting, jumping up, throwing paper clips and punching one another. In the afternoon the kids were paid to "work" at volleyball, swimming and basketball.

Numbers Game. The Department of Labor, headed by Elizabeth Dole, is responsible for administering the JTPA. Recently she claimed, "Nearly two-thirds of those who go through the JTPA are placed in jobs." But JTPA's placement numbers are often statistical hocus-focus. If a person who spends six months in JTPA-subsidized training holds a job for a single day, the system claims that it has succeeded.

The Washington, D.C., PIC contracted with the company Finnie & Associates, a human resources consulting firm based in West Virginia, to run a job-search-techniques program. The firm enrolled 501 job seekers in 1986 and part of 1987, including lawyers, engineers and others with advanced degrees. Only 170 got jobs, for a success rate of 34 percent. The local PIC claimed a 100-percent placement rate. How? Only enrollees who "completed training" were counted in calculating the placement rate—and only those who got jobs were

declared to have completed training.

The JTPA has not significantly boosted the pay of its graduates. Most earn less than \$5 an hour. The Inspector General concluded that for those trainees employed 18 months after completing their JTPA programs, the JTPA has resulted in only a 49-cent-an-hour increase in pay for adults and an 84-cent-an-hour raise for youths. Though the program was launched partly to help people become independent, the Inspector General found that the number of job-training graduates receiving public assistance decreased only slightly—by five percent for adults, with no change for youths.

Stonewalling. I filed a Freedom of Information Act (FOIA) request at the Labor Department's Employment and Training Administration, which runs the JTPA. The request was shuffled from one bureaucrat to another until I was allowed to view documents unrelated to those I had requested. When I complained about this, the agency's FOIA officer said with a laugh, "Gee—that's too bad."

The stonewalling is deliberate. The National Association of Counties, which helps local officials administer JTPA programs, has published a handbook on media relations that advises JTPA staffers on how to deal with national news critical of the JTPA. Its advice: "An old but true quote in media is, 'The more you stir it—the more it stinks.'"

Finally, last October, I was granted an interview with Secretary Dole, who waxed enthusiastic about the JTPA as "the most successful job-training program we've had in this country." But when I asked some specific questions, she told me I would have to talk to Roberts Jones, an assistant secretary. Dole assured me that Jones would be glad to answer any questions she could not. But repeated requests for an interview with Jones went unanswered.

If Congress or the Administration wants to clean up the job-training mess, they must:

- Stop using JTPA money for factory relocation. "The federal government has created a heavy subsidy for businesses to fire people in one place and hire them in another," says University of Chicago professor Gary Orfield.

- Not pay companies to train workers they would hire on their own. The Toyota manufacturing plant in Georgetown, Ky., has received \$6 million in JTPA subsidies and has the potential to receive \$4 million more in the next two years. "Eligibility for JTPA subsidies in no way helped any person qualify for a job at Toyota," says Sam Heltman, a Toyota vice president.

- Abolish or completely revamp summer youth programs. "The programs instill a false sense of what work is," says Robert L. Woodson, Sr., president of the National Center for Neighborhood Enterprise. "This makes it more

READERS DIGEST

difficult for kids when they try to get a real job."

- **Enforce conflict-of-interest laws.** The U.S. Comptroller General warned the Labor Department in 1985 that it must improve federal and state fiscal oversight to meet the requirements of the federal Financial Integrity Act. Inexplicably, Labor has failed to increase its monitoring of the program.

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Definitions, Please

GRAPEVINE: The only communications system in no danger of being replaced by electronics.
—Louis Hasley in *Catholic Digest*

DIER: A plan for putting off tomorrow what you put on today.
—Ivern Ball in *The American Legion Magazine*

HOSPITAL: A place where a patient's friends meet to tell him their symptoms.
—Vernon Hagelin in *The Furrow*

BANKER: A person who lends you his umbrella when the sun is shining and wants it back the minute it rains.
—Mark Twain

COMMUNISM: The longest and most painful route from capitalism to capitalism.
—Quoted by Serge Schmemmann in *New York Times*

PESSIMIST: Someone who can look at the land of milk and honey and see only calories and cholesterol.
—*Quote Magazine*

Giddyap! As Joe and Ruth were making a slow climb up a long, steep hill in their old VW bus, they eased up behind a tractor trailer. The truck was making even slower progress, so Joe pulled out to pass. As soon as the VW hit the head wind, however, it no longer had the power to get by. After several attempts, Joe reached a straight stretch of road and a chance to make his do-or-die dash. When the bus was neck and neck with the tractor trailer, Ruth burst into laughter. Baffled, Joe looked up at the truck driver, who had slipped off his belt and, arm out the window, was wildly whipping his vehicle.
—Contributed by Aleta Sonnenberg



A GRADUATE STUDENT in English at the University of New Orleans, I began teaching freshman composition classes at the same time my mother returned there to work toward her history degree. One day, as my mother sat with some new friends in the student union, a young man began to complain about his English teacher's unreasonable demands.

"Who do you have?" my mother asked.

"Miss Criswell," the fellow answered. "Have you had her?"

"Why, yes," my mother replied. "I had her 28 years ago, and I can assure you she gave me a pretty rough time too."
—Contributed by Dana Criswell

I WAS STUMPED by a multiple-choice question on my sociology exam at Ferrum College in Virginia. As I gazed around the room, puzzling over the answer, my professor made his way over to my desk and asked, "What's the matter, Miss Quinn? Have we forgotten the words to 'Eeny meeny miny mo'?"
—Contributed by Carol Quinn

MY ROOMMATE WAS TRYING to convince her father she needed a sweat suit for jogging around campus. "Why can't you just run in your other clothes?" her father reasoned. "You *have* to run in a sweat suit,"

ILLUSTRATION: TERRY BIRNELL

she explained. "Otherwise no one knows you're exercising—they just think you're late!"
—Contributed by Kathi-Sue Rausch

BY THE TIME I was a senior at the College of William and Mary in Williamsburg, Va., I was used to seeing lots of tourists on our campus who had come to visit the restoration of Virginia's Colonial capital. One day, during a class in the historic Wren Building, we could hear people in the hall oohing and aahing about the place as our professor was lecturing. Suddenly a woman threw open the door of our classroom and exclaimed, "Look, honey! They actually have people sitting in here to make it look like a real classroom."
—Contributed by Christine A. Flint

HARVARD MAGAZINE reports there's a joke that's been going around Stanford University:

Q: How can you tell if a Harvard student has been using your computer?

A: The display screen is covered with correction fluid.

MY COLLEGE-BOUND DAUGHTER had to fill out a dorm questionnaire about personal drinking habits. In our traditional Jewish family, my husband