

## How sectoral employment training can advance economic mobility for workers who face barriers to employment

J-PAL North America publication highlights the promise of sectoral employment programs in combating US wage inequality.

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Sectoral employment programs, which train job seekers for employment in specific industries considered to have strong labor demand and opportunities for career growth, offer a promising pathway to higher-wage jobs for workers who may face barriers to employment, typically those without college degrees.

For many U.S. workers, it has become increasingly difficult to gain employment in jobs that offer living wages, opportunities for career advancement, or economic mobility — especially for workers without a college degree. Rising wage inequality has reinforced significant and persistent racial gaps in earnings stemming from structural barriers to opportunity faced by people of color in the American job market.

In the face of rising income inequality over the past several decades, policymakers and workforce development organizations have made supporting workers' ability to access high-quality jobs a priority. Sectoral employment programs, which train job seekers for employment in specific industries considered to have strong labor demand and opportunities for career growth, offer a promising pathway to higher-wage jobs for workers who may face barriers to employment, typically those without college degrees. But rigorous research is necessary to truly understand how effective these programs are and through what mechanisms they generate impacts.

J-PAL North America's new publication, "Sectoral employment programs as a path to quality jobs: Lessons from randomized evaluations," summarizes an academic paper that examines four randomized evaluations of sectoral employment programs and describes the mechanisms behind their success. This analysis finds that sectoral employment programs generate consistently large, positive impacts on worker employment and earnings. These benefits are largely driven by workers gaining access to higher-wage and higher-quality jobs after participating in the training programs.

The magnitude and consistency of the findings point to sectoral employment programs as a promising tool to advance worker prosperity. Key findings include:


- **Increased earnings:** Sectoral employment programs generate substantial earnings increases in the year following training completion. These earnings persist in the evaluations with longer-term follow-up evidence. Earnings gains from high-performing sectoral employment programs are among the largest found in evaluations of U.S. training and employment services programs.
- **Higher levels of credential and certificate attainment:** Sectoral employment programs substantially increase training and career services received and educational credentials and certificates attained, particularly those related to targeted sectors.
- **Pathways to new jobs:** Earnings gains from access to sectoral employment programs are driven by an increased share of participants working in higher-wage jobs after training, rather than increased employment rates or increased hours worked. This is likely from participants gaining employment in the targeted sectors.

The most effective sectoral employment training programs include a combination of the following key features: upfront screening for applicants on basic skills and motivation; occupational skills training targeted to high-wage sectors and leading to an industry-recognized certificate; career readiness training (also sometimes referred to as soft skills); wraparound support services for participants; and strong connections to employers.

This publication is meant to serve as a resource for policymakers, practitioners, and researchers who are working to reduce barriers to high-opportunity employment, improve earnings for workers, and minimize the growth of wage inequality. To that end, J-PAL North America is partnering with WorkRise, an Urban Institute initiative, to [host a discussion](#) of this publication, other research on sectoral employment programs, and key open questions on Wednesday, March 9 at 2:30 p.m. ET. Speakers include Jukay Hsu, co-founder and chief executive officer at Pursuit Fellowship, a sectoral employment program; Maurice Jones, chief executive officer of OneTen, an organization whose mission is to hire, promote, and advance 1 million Black Americans into family-sustaining careers; and Lawrence Katz, the Elisabeth Allison Professor of Economics at Harvard University and co-scientific director of J-PAL North America. The panelists will offer insights into the role sectoral employment programs can play in improving economic mobility and closing racial equity gaps in the labor market.

The publication also outlines ongoing questions about how to effectively scale programs, support displaced and discouraged workers, and deliver economic mobility to workers across the country. J-PAL North America is seeking to answer these and other key questions on supporting workers through its [Worker Prosperity Initiative](#). Readers interested in discussing the evidence review, pursuing opportunities to rigorously evaluate questions related to sectoral employment and worker prosperity, or learning more about J-PAL North America's labor work can visit the [J-PAL North America website](#), subscribe to the [Worker Prosperity Initiative newsletter](#), or contact J-PAL North America Labor Sector Lead [Toby Chaiken](#).

J-PAL North America is a regional office of the [Abdul Latif Jameel Poverty Action Lab](#) (J-PAL), a global research center based at MIT.

 [Report: "Sectoral employment programs as a path to quality jobs: Lessons from randomized evaluations"](#)

