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**The Well-Being of America's Workforce:
The Role of the Department of Labor
in the Federal Effort to Alleviate Poverty**

Executive Summary

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The U.S. Department of Labor (DOL) was established in 1913 by the Organic Act of the Department of Labor in order to "foster, promote, and develop the welfare of the wage earners of the United States, to improve their working conditions and to enhance their opportunities for profitable employment." Throughout its history and to this day the focus of the Department of Labor has remained much the same: to ensure a prepared and secure workforce and a quality workplace. However, through time the structure of the department and its means for achieving those goals have changed.

The Department of Labor was created when the Department of Commerce and Labor was divided into two separate entities in 1913. The new department initially consisted of four original bureaus: the Bureau of Labor Statistics, the Bureau of Immigration, the Bureau of Naturalization, and the Children's Bureau. The Bureau of Labor Statistics (BLS) was established in 1884 to collect socioeconomic statistics and to report on matters concerning the nation's workforce; it continues to do so under DOL. The Bureau of Immigration administered laws related to aliens and as part of its role in DOL would also include a division that focused on helping immigrants locate jobs. The Bureau of Naturalization administered laws associated with the naturalization of aliens and the Children's Bureau, established just one year earlier in 1912, investigated matters revolving around the health and welfare of children.

The structure of the new department reflected its origin—a long-term campaign by organized labor to gain a voice in the cabinet and the push of the Progressive Movement, which sought to obtain better working conditions, among other things, through both private and government initiatives. Therefore, the early concerns of DOL stretched from those of the worker, including working conditions, wage/hour regulations, employment discrimination, and opportunity overall, to that of organized labor and its role in the productivity of the nation. However, prior to the 1960s the latter was viewed as a national priority; therefore, the department engaged mainly in labor-management relations and wage and hour legislation as a means of ensuring adequate industrial production.

The Department of Safety and Health Administration (OSHA) was created to oversee, assist, and, in part, fund the creation and management of state-operated safety and health programs. Once individual OSHA-approved plans were developed, federal law no longer needed to be enforced in those states.

The Comprehensive Employment and Training Act (CETA) represented the desire to place the decision-making process in the hands of local authorities and to organize all programs under one administrative structure. CETA transformed existing federal categorical employment and training programs established through the Manpower Development and Training Act of 1962, the Economic Opportunity Act of 1964, and Emergency Employment Act of 1971 into a system of block grants for cities and states that were to have "no strings attached." Essentially, they were incorporated into a form of revenue-sharing, in which funds were funneled to "Prime Sponsors" (states, counties, and cities) for the planning of local employment and training services through collaboration with local advisory councils. The effort was plagued by poor publicity, as it had a number of undeniable weaknesses, however, it had its strengths as well.

In 1978 the Full Employment and Balanced Growth Act or Humphrey-Hawkins Act, as it was more popularly known, was passed. The Act was declared a national policy promoting "full employment, increased real income, balanced growth, a balanced federal budget, growth in productivity, an improved balance of trade and price stability" and called for a greater effort by government agencies to meet these goals through planning and action within existing programs. DOL responded by further targeting the reduction of long-term unemployment, coordinating with the private sector, and assisting workers dislocated due to foreign competition.

CETA was replaced with the Job Training and Partnership Act (JTPA) in 1983, which joined private business, labor, and all levels of government in partnership with the aim of delivering the maximum amount of service per dollar spent. JTPA was designed to assist the economically disadvantaged and dislocated workers as well as others facing significant employment barriers, but unlike CETA, "it did not pay for public service employment for the jobless." The latter contributed to the Act's overwhelming bipartisan support and ease of passage. While it targeted job training to low-income unemployed, it was also geared toward placing trainees in permanent employment within the private sector, and further, in industries that appeared to be sustainable. Only 25 percent of expenditures for JTPA were allowed to be allocated to support activities; the rest went directly into job training that was largely carried out by state and local governments, with Governors serving as the monitoring authority. However, the local advisory councils of CETA were retained and worked in conjunction with government in developing plans and carrying out localized program delivery.

Welfare reform in the 1990s provided states and communities with the opportunity to target low-income families through three major initiatives: the Temporary Assistance to Needy Families (TANF) block grant, the Welfare-to-Work (WtW) program, and the Workforce Investment Act (WIA). TANF, created through the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, dramatically changed federal welfare programs by repealing the Aid to Families with Dependent Children (AFDC) program and replacing it with block grants to states, giving them vast discretion on how funds could be spent on behalf of needy families. In conjunction with TANF, the Welfare-to-Work program was established as part of the Balanced Budget Act of 1997. Under WtW, the majority of funds was to be given to states on a formulaic basis and then redistributed to local private industry councils (PICs). The remainder of WtW funds (25%) was to be administered to PICs by DOL on a competitive grants basis.

Finally, the Workforce Investment Act of 1998 repealed the Job Training Partnership Act (JTPA) and sought to establish a new structure for the delivery of labor market information and job training services supported by federal funds. It required that every state wishing to continue to receive funding for such initiatives secure approval of a plan to distribute funds to local Workforce Investment Areas in which locally elected officials and Workforce Investment Boards (WIBs) set policy and determine funding allocation.

The first forty years of DOL were highly structural, providing the organizational and legislative basis to meet the primary needs of the nation's workers. It was also a period dominated by labor union regulation and labor-management mitigation. Yet, since the 1960s the major role played by the Department of Labor has been a proactive one that has involved undertaking job training programs to increase the earnings of participants and reduce their potential dependence on the government. This effort began following World War II, when early programs focused on the displacement of workers that stemmed from automation. During the 1960s, with the civil rights and anti-poverty movements, the target population shifted to youth and minority and disadvantaged groups, which have since remained the prime focus. However, as structural changes took place in the economy that threatened the "older white middle-class worker" and what was perceived as the American standard of living, programs were extended to offer more job-to-worker skill matching and retraining initiatives.

All along, the Department of Labor's efforts have stayed true to its core objective by working toward engaging a larger part of the population in the workforce and in a manner that benefits them economically and personally. The latter has been achieved through support and counseling services, by considering worker concerns regarding happiness in the work place, and by protecting their right to a safe and healthy work environment. Yet, the department has not only shown regard for the well-being of individuals, but also of place, recognizing the importance of the interaction between the two in staving off poverty. This was particularly true during the 1960s when programs were first designed to target poor neighborhoods and larger areas of the nation, such as Appalachia, yet the engagement of place remained throughout with the spread of more localized initiatives and increases in policy flexibility that fostered context-based program design.

This progression of initiatives has largely been driven by national economic health and debate within the political community about the merits of alternative workforce support practices in achieving economic security. As a result, DOL has been left with "a grab bag of programs serving a variety of groups, including displaced workers, older workers, youth, and the disadvantaged.

This line of argument alludes to the fact that economic disenfranchisement will always occur in an open system and that the institutional mechanisms that are put in place to safeguard the economic security of the American population must continually be reconstructed to fit the changing conditions of the market. The history of DOL indicates that every effort has been made to do so, but the challenges of an increasingly global economy and the ability for government to control its impact on the well-being of the nation's workforce lay ahead.