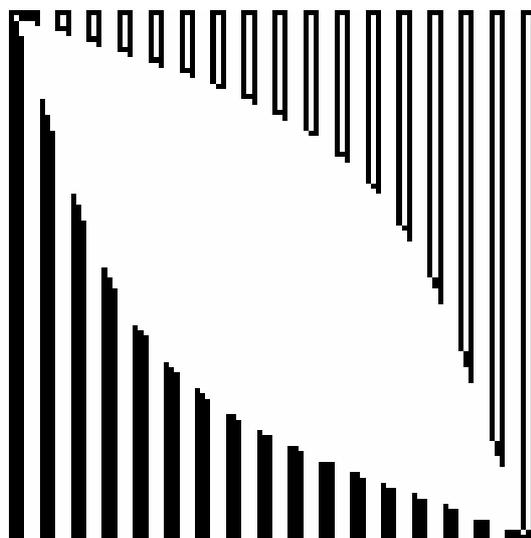


THEMATIC REVIEW ON ADULT LEARNING



UNITED STATES

COUNTRY NOTE

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1. INTRODUCTION

1.1 Objectives and organization of the thematic review

The main purpose of the thematic review on adult learning (TRAL) is to understand adults' access and participation in education and training and to enhance policies and approaches to increase incentives for adults to undertake learning activities in OECD countries. It is a joint activity undertaken by the OECD Education Committee (EDC) and the Employment, Labour and Social Affairs Committee (ELSAC) in response to the need to make lifelong learning a reality for all, to improve learning opportunities of lowskilled adults and sustain and increase employability.

A total of 17 countries participated in the two rounds of the thematic review. All related documents, Background Reports and Country Notes are publicly available on the OECD adult learning website (<http://www.oecd.org/edu/adultlearning>) and constitute a valuable source of information for international comparison. A comparative report providing an analysis of adult learning participation and policies as well as good practices and recommendations in the first 9 reviewed countries was published in 2003 (OECD, *Beyond rhetoric: Adult learning policies and practices*, Paris).

Countries participating in the second round of the thematic review have chosen between two options: A full-scale review covering adult learning in a comprehensive view or a focused review addressing adult learning of the low-skilled adults. From the nine countries participating in the second round, four have opted for the full-scale review (Austria, Hungary, Mexico, Poland), and five for the focused review (Germany, Korea, Netherlands, the United Kingdom and the United States).

The thematic review methodology includes national analysis and cross country comparison. Countries prepare a descriptive Background report on the status of adult learning in the country. It is followed by an OECD review team visit to the country that enables the reviewers to analyse adult learning on the basis of the Background report, discussions with representatives of government, administration, employers, trade unions, practitioners and site visits.

After each country visit, the team rapporteur, with the help of the review team, prepares a Country Note analysing the main issues concerning adult learning and policy responses in the country under review. The note addresses, *inter alia*, the four major themes that can contribute to improve participation in learning by low-skilled adults: public policy regarding low-skilled adults, how to make learning more attractive to low-skilled adults, different ways to improve quality and effectiveness of learning and how to promote greater policy integration and coherence in adult learning. A final Comparative Report addresses the different issues and policy responses in a comparative perspective, including the insights gathered from the participating countries.

1.2 Country participation in the review

The review visit to the United States took place from 26 to 30 October 2003. The list of authors of the background report and the members of the OECD review team are presented in Annex 1. The programme of the visit and the participants at the various meetings, are included in Annex 2. The review team would

like to express their deepest appreciation to Michael R. Jones, the national co-ordinator, and other members of the Department of Education involved in the review, to the authors of the background report and to the wide range of officials and individuals involved in the visit. Their participation and commitment in the various aspects of the visit and their provision of information on specific issues, contributed greatly to the present analysis of the status of adult learning in the U.S.

1.3. General organization of the country note

As the U.S. is one of the “focused review” countries, this Country Note concentrates on adult learning of the low-skilled. It appeared nevertheless necessary to provide a general description of the challenges faced by the U.S. in a section on *the context of adult learning* (Section 2). That section also includes a description of the actors involved in adult education, the organization of financing and some statistical data about participation.

The rest of the report is divided into two main sections. The American configuration displays a significant numbers of *good practices and promising innovations*, going back to the concern for adult education expressed in the Second World War with the famous GI bill. More recently, the evolution of immigration, the speed of technical change and the mobility of labor across sectors, not to forget information and communication technologies, have put the American configuration under pressure and triggered many innovations (Section 3).

Nevertheless, no adult education system is devoid of *disequilibria and difficult challenges*. Consequently, Chapter 3 addresses questions such as: How to coordinate Federal and State education policy? How to make compatible at the local level the partially conflicting objectives of the Education Department, Department of Labor, Department of Health and Human Services? Is workplace literacy sufficiently developed? How useful and relevant is monitoring and evaluation? Can political and administrative accountability be combined with a more subtle assessment by the academic community of the impact of adult learning on individuals?

A short *conclusion* puts the American case in *international* perspective and points out both the similarities and differences with the conclusions from the first round of the thematic review. In accordance with the core objective of the OECD project, this section includes some good practices that could be emulated elsewhere and briefly sketches what American authorities in charge of adult education could learn from other national experiences.

The main conclusions are summarized in the following synopsis (Table 1).

Table 1. **Synopsis of the main conclusions of the country note**

| Challenges | Strengths and exemplarity |
|---|---|
| <p>1. Long-run deterioration of the position of low-skilled workers in the labor market.</p> <p>2. Unequal access to education by low-skilled workers and citizens.</p> <p>3. Large diversity of needs for adult education and training: immigrants, dropouts, ethnic minorities.</p> <p>4. Probable under-investment in adult education for the low-skilled.</p> <p>5. Difficult assessment by the federal Education Department of the global impact of federal funding, the merits of alternative pedagogical methods, and the relative performance of educational units</p> <p>6. Geographical dispersion of populations, education and training units, responsibilities.</p> <p>7. Difficult coordination between the States, mainly responsible for education, and the Federal administration: How efficient is the “one stop” shop concept?</p> | <p>1. Clear perception that literacy, basic and secondary education pay on the job market: higher wages, less unemployment, the (partial) success of the GED as a second-chance offering.</p> <p>2. A three-fold strategy:</p> <ul style="list-style-type: none"> • Innovative use of ICT. • Integration of training in “one stop” centers. • Projected institution of an individual education account. <p>3. Design of specific federal programs: ABE, ASE, ESL, EL/Civics with specific funding and pedagogical methods.</p> <p>4. Quality of academic research, availability of panel data, evaluation through National Reporting System (NRS).</p> <p>5. Variety of research on adult learning. Role of states initiatives</p> <p>Potential synergy between administration and academic research.</p> <p>6. Within a complex system, large decentralization and multi-tier contracts between Department of Education, States, localities and providers.</p> <p>7. Variety of methods to improve coherence in the adult education system:</p> <ul style="list-style-type: none"> • Federal legislation instituting programs. • Negotiation between Education Department and States officials • Integrated National Reporting System. |

2. THE CONTEXT OF ADULT LEARNING

The challenges addressed to adult learning cannot be disentangled from the far-reaching structural transformation of the U.S. economy. Any policy in this area has to take into account the current institutional distribution of competences and the large diversity of the actors in adult education. Given this context, the relative importance of the various programs sponsored by the Department of Education can be assessed and deliver a first diagnosis about the functioning of the current system.

2.1. Challenges for literacy and adult learning

Most OECD countries have recognized the need for a redesign of their adult education systems, given the trends in competition, innovation and globalization. The U.S. is not an exception, but displays some specific traits.

Three major transformations of the contemporary American economy

The first challenging structural change concerns *competition* that has become more severe due to the conjunction of three major changes. First, via *trade liberalization*, the domestic product market has come under the pressure of foreign competitors, especially for the standardized goods exported from low wage countries of Asia. Thus, most of the typical Fordist jobs have been threatened, either slimmed down or drastically rationalized and redesigned: low-skilled workers who benefited from good wage have been directly affected by this change. Since the mid-80s, *foreign direct investment* has been booming and the American multinationals have delocalized a significant fraction of typical manufacturing employment toward Mexico under NAFTA and more recently toward Asia and China. These two factors have contributed to a decline in the bargaining strength of American low-skilled workers. Finally, the rise of *shareholder value* and the pressure to deliver high and stable rates of returns have triggered strategies in order to adjust the wage bill: drastic employment reduction, replacement of regular workers by temporary workers, more selectivity in the hiring process in the direction of more educated employees.

A second and parallel transformation has taken place in the domain of the *technological paradigm* and the *organization of the firms*. The previous American mass production methods have been challenged by lean production borrowed from Japanese automobile firms, and this shift has directly affected the competences and skills required from assembly line workers. The fact that these methods deliver better quality products at lower costs has played a role too in the hiring and training process of manufacturing firms. At the same time, the percentage of the American non-farm workforce employed in manufacturing has fallen from 28% in 1970 to 13% in 2001. Clearly, the bulk of employment is now within the tertiary sector, and heavy manual tasks have been replaced by more demanding intellectual jobs. Analyzing a situation, responding to signals, ability to respond to uncertainty make work more abstract. This trend toward the *abstraction of work* is now recognized as more important than the mastering of computers and technologies. Finally the opportunities opened by *information technologies* reinforce the need for a redesign of skills and competences, but also imply the danger of creating a *digital* and consequently *educational divide*.

The last two decades have experienced a third structural change: the *labor market institutions* have evolved in the direction of *decentralization, segmentation, individualization*, i.e. a strong differentiation of work and wages across individuals. First, the U.S. *minimum wage* policy has enabled firms to reshape their labor forces towards low-skill, low-wage jobs. In 1974, the minimum wage in the U.S. expressed in 2001 \$ was \$7.18 whereas it was \$5.15 in 2001. This 28% decline in the real minimum wage has influenced firms: facing competitive pressures, it was attractive to cut the real wage of the lowest-paid workers instead of retraining them (Appelbam *et al.*, 2004). Second, the deregulation of the *wage-setting process* away from collective bargaining has generated large wage differential across States, therefore triggering the relocation

of manufacturing and service jobs to less demanding locations. This downward wage flexibility has made less attractive the training and retraining of incumbent workers in favor of recruiting more competent young employees and temporary or migrant workers for the more standardized jobs. The slow but seemingly irreversible *decline of union density* is a third feature to be inserted into the picture: the related erosion of their bargaining power and the fact that “voice” has been replaced by “exit” make a *defensive flexibility* strategy – reducing employment, trimming wages, increasing labor intensity – more attractive than a more promising but difficult *offensive flexibility*, which combines employment stability with investment in education and training and organization of a life long career.

Definite adverse consequences for low-skilled workers

In the American context, the burden of adjustment to these structural changes has fallen on three specific population groups.

The higher cognitive content of most contemporary jobs has hurt individuals with poor education, especially *dropouts* from high school and to a lesser extent individuals without college education. These two groups represent nearly 40% of total American population (Appelbaum *et al.*, 2004). Even if the rate of school dropouts has been declining through time, this phenomenon is quite preoccupying in terms of productive capacity, economic competitiveness and social cohesion.

A rather specific feature of the U.S. is the extent of *immigration*. In March 2000, 10% of the population was foreign-born and an additional 10% had at least one parent who was foreign-born half of these individuals were from Latin-America (primarily Mexico and Cuba), and one quarter were from Asia (Elliott, 2003). Most of these new entrants on the American job market have a low educational level and experience difficulties with the English language and this is a barrier to their access to well paid jobs and citizenship. This feature explains why the Department of Education has designed special programs directed toward this population.

A third group suffering from the structural transformation of the American economy are the *ethnic minorities*, especially Latinos and African Americans. Data on enrolment in the Federal programs show that minorities are overrepresented in adult learning. This is mainly due to their high school dropout rates and their later interest in second-chance education.

The three groups share the same type of low educational attainment, and this is a major handicap on contemporary labor markets. The level of education has always been a key factor explaining wage differentials. Back in the 1970s, workers without a high school diploma had an hourly wage that was about half the remuneration of individuals with advanced degrees. Starting in the early 1980s, individuals with college or advanced degrees have experienced an increase of income, whereas high school dropouts suffered a decline. In 2001, they earned less than a third of the wage paid to the most educated (Chart A.1). The situation is different for low-educated women who did not experience any wage decline. Thus, *gender and initial education* levels are the key determinants of the widening of inequality in the U.S. during the last two decades. These features have shaped education strategies of successive American administrations. The program “no child left behind”, for example, is designed to improve the quality of initial education in order to prevent the emergence of a major source of inequality. In addition, the Workforce Investment Act (1998) can be seen as a second chance program targeted at the existing low-educated population.

2.2. Historical background and role of government

The historical background

The American Constitution does not attribute responsibility for education to the Federal level. By contrast, education is mainly a competence of the individual States. Therefore, Federal bills related to education have always been indirect by nature, associated to major events in American history (Box 1).

Back in the mid-19th century, the Department of Education was created in order simply to collect relevant information on schools and redirect this knowledge to the State themselves in charge of designing effective school systems.

The well-known GI bill after World War II intended to help veterans complete their college education interrupted by the war. The same device was used for the Korean and then the Vietnam War. A second source of Federal involvement has been the perception of challenges faced by American society as a whole. For example, the fear of a scientific gap triggered the National Defense Education Act (1958). Similarly, the perception of rising inequality in terms of access to education is at the origin of the Workforce Investment Act.

Box 1. A long history of federal involvement in education

| | |
|------|---|
| 1867 | Creation of Office of Education in order to collect information on schools and teaching that could help the States establish effective school systems |
| 1890 | Second Morrill Act – Office of Education administers support for land-grant colleges and universities |
| 1917 | Smith-Hughes Act – Federal aid to schools for vocational training |
| 1941 | Lanham Act – made possible the financing of school districts in communities affected by military or other federal installations |
| 1944 | “GI Bill” – authorized post secondary education assistance (sent 8 million WWII veterans to college) |
| 1958 | National Defense Education Act (NDEA) – Loans to college students, improvement of science and mathematics instruction, foreign-language and vocational training |
| 1965 | Elementary and Secondary Education Act adopted. Higher Education Act authorizes assistance to disadvantaged children and college students in financial need |
| 1980 | Congress establishes the Department of Education as a Cabinet-level Agency |

Adult Education Legislative History

- Adult Basic Education was established as Title II B of the Economic Opportunity Act of 1964 [P.L. 88-452]
- Adult Education Act of 1966 [P.L. 89-750] put the effort in the Office of Education
- Adult Education Act amendments [P.L. 90-576] changed the age from 18 to 16 or older
- Adult Education Act amendments [P.L. 91-230] added Adult Secondary Education (ASE)
- Adult Education Act amendments [P.L. 95-561] identified levels of functional competency
- Adult Education Act [P.L. 100-297] provided authorization for FY 1991-1995; amended by the National Literacy Act of 1991 [P.L. 102-73] which established NIFL
- GEPA continued the authorization for FY 1996 and the Appropriations Acts continued the authorization from FY 1997-1998
- Adult Education and Family Literacy Act [Title II of P.L. 105-220] enacted August 7, 1998, took effect July 1, 1999, and provided authorization for FY 1999-2003.

The respective role of Federal and State authorities

This emerging role of the Department of Education does not imply that it is now the major player in the field of adult education. Basically, the States still are the main organizers in this field. The distribution of competences between the federal and state level is crucial to understanding the strengths and weaknesses of the current American system. The budget of the Department of Education is rather modest

since it represents only 2.9% of the total Federal spending. Furthermore, this Department finances only 2/3 of the Federal spending for education, since the Department of Labor and the Department of Health and Human Services do intervene in the area as well. Basically, 90% of education spending occurs at the State and local level or by private sources. Given the modest leverage associated with federal financing, the Department of Education has a dual role. On one hand, it administers a limited number of Federal programs; on the other hand it initiates and/or organizes the national dialogue on the improvement of the education system (Box 2). The Department's activities are aiming at the promotion of both *equal access* and *educational excellence*, using two incentives: the organization of competition among States by benchmarking of performance, and the access to financing through federal programs.

Box 2. Federal, State and local roles

Education is primarily a State and local responsibility in the United States. It is States and communities, as well as public and private organizations of all kinds, that establish schools and colleges, develop curricula, and determine requirements for enrollment and graduation. The structure of education finance in America reflects this predominantly State and local role.

| | | |
|--------------------------------|-----------------|------|
| Department of Education budget | \$63.2 billion | 2.9% |
| Total Federal Budget | \$2 200 billion | 100% |
| Total spending for Education | \$770 billion | 100% |
| States and Private | | 90% |
| Federal sources | | 10% |
| Department of Education | | 6% |
| Other departments | | 4% |

Objectives: promote equal access to education and educational excellence

National dialogue
on the improvement of education

Administration of
federal programs

Source: U.S. Department of Education <http://www.ed.gov/overview/fed/role.html?src=ln>

The funding of education is organized according to two main mechanisms. Some funds are allocated in conformity with census results, using a statistical measure of the needs associated with various groups of population. A second source of funding is based on incentive mechanisms: the most efficient States are supposed to receive more funding to reward their compliance with the objectives negotiated between the responsible state administrative agency and the Department of Education.

Given the diversity of regional needs and the choices made by State agencies, it is no surprise to note large disparities in financing. For example, the State of Kansas finances only a quarter of total spending, whereas California usually contributes over 90%. A second disparity comes from the distribution of funds to local programs according to differentiated application processes. Statistical data for the fiscal year 2000 confirm this large disparity in absolute and relative spending across States (see Chart A.2 and Table A.3).

2.3. The main actors involved in adult education

Many other actors are involved the provision of education. Once the strategy has been decided at State level, the application process among localities takes place. Then, the local programs have to be selected, such as local public schools, community colleges, community-based organizations, and correction institutions. A second and subsequent set of choices is about the sites that will provide the education and

training courses. These are quite diverse in the U.S. as in most other OECD countries: churches, community centers, businesses, schools, one stop centers.

Finally, the individuals are facing a rich but complex system with multiple layers and overlaps between funding streams, programs, providers. This is a quite common feature for adult learning system but the federal nature of the American political system adds to the complexity.

2.4. The low-skilled target population

Various statistical sources give a rather clear picture of the population to be targeted, since they largely converge towards a core of low education attainment on the one hand, and low scoring on literacy tests concerning prose and quantitative skills, on the other (Charts A.3-5). Concerning educational attainment, in 2000, according to US Census data, 7.3% of the U.S. population aged 18 and over had completed less than grade 9 and 13.3% had followed grades 9-12 but received no diploma.

As to literacy levels, the 1992 National Adult Literacy Survey has investigated the prose, document, and quantitative literacy skills of United States adults. A major and rather surprising finding was that over 20% of United States adults (*i.e.* between 40 and 44 million among 191 million adults) scored at level 1 on the NALS's prose, document and quantitative literacy scales. More recently, the International Adult Literacy Survey has shown that while the distribution of literacy skills within many European countries (as measured by the difference in scores between the 5th and the 95th percentiles) was relatively small, this discrepancy was large in the United States (Sum, Kirsch and Taggart, 2002).

Low literacy is unequally distributed in the total population. Nearly 2/3 of the individuals who scored at level 1 had *left school without a diploma*. 1/3 of *incarcerated individuals* and again 1/3 of persons 65 and older scored at that level. One-quarter of *immigrants and disabled persons* also scored at this level. These features explain the design of the most widely used federal programs.

2.5 The major Federal programs in adult education

A bird's eye view of the programs of the Department of Education

In view of the skill and literacy deficiencies noted above, the strategy of the Department of Education aims at providing a better distribution of education. Two programs are designed for high school *dropouts*. Adult Basic Education is targeted towards individuals with skill levels equivalent to instruction in grades 1 to 8, whereas Adult Secondary Education prepares individuals to a high school diploma or the General Educational Development (GED) exams (Box 3). The Department of Education monitors but does not organize the GED exams. The competency-based external degree program (EDP) implies a recognition of the skills acquired in the course of a professional career.

English as a second language targets the *immigrants* who have limited English ability, but often master other languages. This discrepancy corresponds to a kind of *bimodal distribution* of educational level of immigrants. Foreign-born individuals are less likely to have completed secondary school (67% versus 87% for American born individuals) but just as likely as native born persons to have a bachelor degree or more, with 26% of each group falling into this category (Schmidley, 2000: quoted by Elliott, 2003). The program EL/Civics combines English as a second language with civic education in order for the learners to become informed parents, workers, and community members.

Box 3. **Definition and content of education programs for the low-skilled**

Adult Basic Education (ABE):

Instruction for individuals at the lowest skills levels; equivalent to instruction in grades 1 to 8.

Adult Secondary Education (ASE):

Instruction for individuals who are working toward a high school diploma or preparing for the General Educational Development exams; equivalent to instruction in grades 9 to 12.

English as a Second Language (ESL):

Programs to help individuals who have limited English-speaking ability improve their competence in the language.

English Literacy/Civics Education:

Programs that combine ESL instruction and civics education, which is defined as “. . .contextualized instruction on the rights and responsibilities of citizenship, naturalization procedures, civic participation, and U.S. history and government to help learners acquire the skills and knowledge to become active and informed parents, workers, and community members” (Federal Register, 17 November 1999).

General Educational Development (GED) exams:

The GED exams include norm-referenced tests in writing, social studies, science, reading, and mathematics. Individuals who successfully pass all five tests earn a GED credential, which is generally considered the equivalent of a high school diploma.

External Degree Program (EDP):

Assessment program that allows students to earn a high school diploma by demonstrating competency in life skills.

Source: Elliott (2003), p.51

The distribution of learners and volume of training

These programs have enrolled more than 2.6 million participants during the years 2000-2001 (Table A.1). The more widely used program concerns English literacy (42%) followed by adult basic education (37%). The average hours of attendance by participant are rather modest: 134 hours for ESL, 103 for ABE, and only 87 for ASE.

A significant fraction of the participants is unemployed (nearly 1 million) whereas employed participants are equally numerous. A more modest component relates to correctional education and individuals on welfare (1/4 of million each). The profile by age exhibits a strong decline of participation after 44 years and a significant concentration on the population between 19 and 24 years, probably corresponding to high school dropouts. The bulk of the program take place for the working population between 25 and 44 years.

In terms of race and ethnicity, the Hispanic and Latino population represent the majority (approximately 1 million). White participants are around 800 000, followed by African-Americans and Asians.

3. GOOD PRACTICES AND PROMISING INNOVATIONS

The two national background reports (Elliott, 2003; Duzer *et al.*, 2003) and the visits organized for the OECD review mission have been completed by a brief survey of the academic literature. Also, the discussions with many of the actors of the U.S. adult education system pointed out interesting programs and pedagogical and institutional innovations that can be of some interest for other OECD countries involved in the thematic review.

3.1. General Educational Development (GED): a path breaking innovation

The GED is the outcome of a process of innovation and recurring adaptation to evolving educational needs and priorities. Initially, the tests were designed, in 1942, to evaluate military service members' knowledge at the end of training courses. At the end of WWII, the GI bill signed by President Franklin Roosevelt instituted special rights for those soldiers who had been unable to complete their education due to their enrolment in the armed forces. This created a new role for Federal intervention. The same rights were granted to the veterans of the Korean War (1952).

The GED could have remained restricted to military personnel. However, the investment in course testing was soon extended to the civilian population. In 1959, the number of adult non veterans taking the GED tests exceeded the number of veterans taking them. Furthermore, since the knowledge requirements of modern society are more and more demanding, the minimum score required for passing GED tests were raised. In 1988, the content of the tests was redesigned for a third generation. With the emergence of ICT, the Centre for Adult Learning completed a guide for distance learning. The American Council of Education (ACE), in charge of administering the GED, proposes this test for at-risk school students. Conversely, after the National External Diploma Program (EDP) had become part of ACE (1990), it was later sold to the Madison area college in Wisconsin (Box 4).

This periodic readjustment of the GED probably explains the permanence and success of this second chance education, invented for a very specific purpose, but then extended to the whole U.S. population. The number of official GED testing Centres is doubled from the 1950s to the 1960s and further increased during the 1970s. The absolute number of GED candidates has been roughly constant since the early 1980s but the reason for completing the tests have changed. Whereas in the 1950s only 1/3 of the candidates planned further study, today 2/3 of them declare to have this objective. Similarly, the average graduation age until the 1970s was around 29 years old while graduates today are much younger (on average 25 years old). Nevertheless, there is a near constancy of the average years of schooling at around 9.9 years. This means that the GED exam mainly addresses those dropouts who were unable to complete K-12. At around 500 000, the number of credentials issued has been nearly constant since the 1970s (Chart A.6). The diffusion of GED exams outside the U.S. is another evidence of the success of this half-century old innovation. This history of GED points out a rather general conclusion:

| |
|--|
| Lesson 1: The <i>success</i> of an adult education program depends upon the <i>continuity</i> and <i>clarity</i> of the objectives to be pursued and the <i>periodic adaptation</i> of the <i>accumulated knowledge</i> to <i>changing needs</i> . |
|--|

Box 4. A brief history of adult learning and educational credentials

| | |
|------|--|
| 1918 | Emerging Council on Education created, later renamed American Council Education (ACE) |
| 1942 | Construction of tests to evaluate service members' educational achievements: end of course tests, field tests, technical competence, general educational development (GED) tests |
| 1944 | GI Bill of Rights signed by President Franklin Roosevelt |
| 1945 | ACE establishes the Commission on Accreditation of Service Experience (CASE) |
| 1952 | Veteran Readjustment Act (1952 GI Bill) after Korean war |
| 1959 | The number of non veteran adults taking the GED tests exceeds the number of veterans taking them |
| 1966 | Veteran Readjustment Benefits Act (1966 GI Bill) |
| 1971 | First Spanish-language GED tests |
| 1981 | Increase in the minimum scores required for passing GED tests |
| 1988 | Third generation of GED tests |
| 1990 | National External Diploma Program (EDP) becomes part of ACE |
| 1996 | Completion of "Guiding Principles of Distance Learning in a learning society" by Center for Adult Learning |
| 2000 | ACE sells the National External Diploma Program to the Madison Area Technical College in Wisconsin, but continues to administer the GED testing program. |

Source: American Council of Education (2001).

3.2. Special programs for non-English speaking adults: An effective response to immigration?

If the GED exam addresses the permanent need for a second chance, the program could not respond to the large increase of immigrant populations, with various degree of schooling, but who do not master English speaking, writing, and reading. This is a working population that expects better jobs and higher pay, once they are able to function effectively in an English-speaking society. The distribution by age is wider and pedagogical methods need to be adapted to the very specific needs and constraints of this immigrant population.

The merit of *English as a second language* (ESL) is precisely to have designed a rather standardized and cheap approach to English adult learning. Given the size and trend of the immigrant population in the U.S., the experience of the Department of Education might be useful for many OECD member countries. First, the courses are divided into 6 levels (from beginning literacy to high advanced). Each level is assessed by tests that open the advanced to a higher level. There exist a large variety of pedagogical methods, including the use of ICT.

Nevertheless, all the traditional barriers to adult learning are not necessarily removed: lack of time, family constraints, long working hours, problems of transportation. This may explain why on average, only 34% of ESL students complete a given level, and that over a quarter of the enrolled dropped out before completion (Table A.2). The rate of completion is higher for the intermediate ESL level than for advanced ESL (39% versus approximately 25%). This could imply that the rate of return – which ultimately determined the attractiveness of the program – is larger for intermediate learners than for, respectively, the beginners and advanced learners. Some econometric studies confirm that the rate of return on labor markets of reading proficiency is declining with the level attended (see Box 11).

The visit by the OECD review team of various adult education centers in Arlington (Virginia), Baltimore and Philadelphia has confirmed these statistical findings. The enrolled individuals of ESL programs are strongly motivated by better pay, but they generally face quite drastic constraints. The high drop-out rate before completing an ESL level does not necessarily imply the failure of pedagogical methods or the lack of motivation of either learners or teachers. It must rather be attributed to the difficult life of adult learners outside of school. This diagnosis hints at a second provisional conclusion.

Lesson 2: *New needs* call for new programs, but pedagogical innovation and motivation alone may not be sufficient to overcome *economic and social barriers* to adult learning.

3.3. Family literacy programs: a new strategy for stopping the vicious circle of low literacy?

The difficult times many immigrants have in learning English point out that the economic environment may exert negative externalities upon the success of adult learning. Conversely, a low adult education level is both a hindrance to success on the job market, and to the education of children. This is a *first vicious circle* of adult learning: the less privileged are often blocked in a poverty trap. But this is not the only barrier. For instance, many dropouts keep bad memories of school and are reluctant to join any adult education programs since they feel unable to overcome the reasons for previous failures. This past dependency may trigger a *second vicious circle*. There is still another negative spill-over from low education: parents may transmit to children an educational handicap, directly because they cannot help and control the homework of their children, indirectly if they live in poor district with low quality public education facilities. Last but not least, low income or reliance on welfare benefits may strongly limit the funds allocated to the education of children. Thus, an intergenerational transmission of low education may exacerbate a *third vicious circle*.

These are precisely the issues that *family literacy classes* address (Box 5). In economic terms, they aim at creating positive externalities between parents and children in order to block the intergenerational transmission of low literacy and numeracy. From a practical point of view, since parents and children learn at the same instructional setting, the issue of childcare is removed. The fact that parents learn how to help their children learn may partially remove the dual learning barriers that parents and children tend to experience when they learn separately. This is a tentative solution to the pedagogical side of a low-education trap.

The visit by the review team of a family literacy program in a depressed area of Philadelphia suggests that the related educational facility should be located in the very centre of these underprivileged districts. The success of both parents and children would mean a reversal of the trajectory followed by many inner-city residents. The same strategy prevails in the Baltimore area with the experience of the Learning Bank: why not put a clean, attractive and high-tech educational centre in the middle of one of the more depressed districts? No evaluation of these quite recent projects is available but they seem promising. There is nevertheless a missing link: how to favor the accession to better jobs by parents, by a direct contact between the learning centre and businesses, in order to set in motion a virtuous circle between better education, increased self-confidence and job finding? Creating institutional links between the pedagogical centers and economic activity seems the necessary complement to genuine pedagogical innovations.

Lesson 3: In order to overcome the *low education – low income nexus*, adult learning should try to *integrate positive externalities* via pedagogical innovation and explicit institutional coordination between learning centers and enterprises.

Box 5. Objectives and content of Family Literacy classes

These programs address the intergenerational nature of literacy. The classes encourage parents to recommence learning, which in turn has a direct impact on their children. The curriculum includes: basic reading, writing and math skills; GED test preparation; job readiness; computer literacy; and methods to help children with homework and provide a stimulating learning environment for them.

The aim is to promote self-sufficiency and to stop the transmission from one generation to another of low literacy. Consistently, academic research concludes that the best predictor of a child's academic success is the educational level of the mother. Children of parents who have not completed high school are five times more likely to become dropouts. In the school District of Philadelphia for instance, various programs are available:

- **Head Start:** adult classes provided to parents whose children, aged 3-4, are enrolled in the school district (funding provided through the Department of Health and Human Services).
- **Healthy Start:** the Department of Health and Human Services funds basic literacy classes for mothers and caregivers and health topics are used in order to develop literacy skills.
- **Even Start:** professional teachers, parent educators and volunteer tutors work with parents and children from birth to age 7 on their educational needs.
- **Family Literacy:** the National Center for Family Literacy (NCFL) model includes 4 components
 - Parents are involved in basic skills, GED preparation and career development.
 - Children attend structural educational programs.
 - Parents and children engage in child-directed play activities in the children's class rooms.
 - Parents meet and discuss parenting and life skills concerns.

The visit of such a program by the OECD review team suggests that it is a promising method, especially when learning takes place in highly depressed urban areas. However, such impressions need to be checked by a careful investigation of the impact of these programs.

Source: Center for Literacy, www.centerforliteracy.org

3.4. Special training programs for offenders: a method to reduce recidivism?

If family learning programs innovate in terms of pedagogical methods, the Occupational Skill Training Centre of the Maryland State Department of Education gives an example of a strategy of reinsertion of offenders. It is quite traditional to teach occupational skills within prisons. Offenders have strong incentives to follow these courses since they can be exonerated from a part of their penalty and released earlier. But they may encounter serious difficulties in getting a job if the training was undertaken without a clear professional reinsertion project and significant probability of being hired by a firm.

The site visited (Baltimore Correctional Facility) displayed some interesting devices to remove this typical barrier to the reinsertion of offenders (Box 6). First, training is rather intensive and aims at mastering the full content of a profession. Second, the professions taught need to be carefully selected in accordance with the local job market. But this would not be sufficient, since the signaling mechanisms stressed by Spence (1973), based on a likely statistical discrimination against ex-offenders, will render reinsertion difficult. Therefore, the training center has developed an innovative method to promote social and economic reinsertion: the teachers are former professionals for each trade (automotive, technology, building maintenance, roofing) and they have kept contacts with the business community around the Baltimore Correctional Facility. Thus they can detect promising trainees – both in professional achievement and work habits – and personally recommend them to related businesses.

Box 6. The occupational skills training centre (OSTC), Baltimore, Maryland

This Center that opened on February 1993, provides incarcerated men and women occupational training that focuses on preparing them for fulltime employment in their chosen field of study. Over the last ten years, more than 1 100 men and women graduated from OSTC in seven occupational trades. These are:

- Automotive technology
- Building maintenance
- Air conditioning and refrigeration
- Office technology
- Printing and graphics
- Roofing
- Warehouse distribution

The courses are taught by highly qualified instructors, i.e. individuals who have spent many years in their professions before coming to OSTC. Since these instructors have kept contact with firms and entrepreneurs in their profession, they can personally recommend the most successful and reliable learners when they go out of jail. The program has a single major objective to help students master those factors that contribute the most to successfully transitioning back into the community. The following are its main elements:

- Demonstrate entry level mastery in a skilled trade
- Acquire and practice positive work habits
- Learn to follow safety rules and instructions
- Prepare professional resume, practice interview skills
- Prepare reintegration back into family and social reference groups

The courses are rather intensive (600 hours) lasting 6 or 7 months. In spite of economic difficulties in the area, a substantial number of OSTC graduates is successful in finding employment.

Source: Grasmick (2003), pp. 1-2.

A survey based on data from three States, has measured the impact of correctional education upon recidivism (Chart A.7). These data show that the frequency of re-arrest, re-conviction and re-incarceration seem to be lower for participants in correctional education programs (for instance ten percentage points lower in terms of re-incarceration rate). The follow-up of released prisoners shows mixed outcomes in terms of re-insertion into the labor market: while participants do not enjoy a higher rate of employment, they earn more in terms of annual wage (Steurer and Smith, 2003). Nevertheless, the high rate of re-arrest, still 48% for participants in correctional education, points out that many other societal factors shape the crime rate. More education alone cannot solve the whole issue of criminal behaviour. Nevertheless, this experience delivers an interesting provisional hypothesis:

Lesson 4: In order to overcome the most *dramatic educational gaps*, various *complementary approaches* have to be combined: *competence formation* and *work habits*, adequacy of training with a more or less formal track towards *social and economic insertion*.

3.5. The use of ICT to improve the attractiveness and quality of adult learning and teaching

It is no surprise that the leading role of the U.S. in the supply and diffusion of ICT has induced various strategies to use their potential for improving the organization of adult learning. The review team witnessed several projects (Box 7). There are three components in the use of ICT.

Box 7. Transformer and Learning Bank: tools to reach low-skilled populations

A major problem of adult education in the U.S. as elsewhere, is to try to involve the individuals that need it most. One strategy is to remove the usual barriers to participation: problems of transportation, lack of time, missing incentives and attractiveness for people who had bad experience at school, since many of them are drop-outs. The OECD review team witnessed two interesting experiences.

The Transformer Bus in Washington, D.C.

The State Education Agency of the District of Columbia has conceived and implemented a mobile unit, i.e. a customized bus with twelve networked computers, a scanner with color printer and last but not least a two way satellite that allows Internet access and e-mail transmission. The name of this bus THE TRANS-FORM-ER has been chosen in order to mean that education transforms people in a positive way. Thus, adult education facilities go to distressed areas to convince individuals to get involved into one or another adult training program: Adult Education, Family Literacy, GED, professional development, English as a second language, technology training, video education. The target population is diverse: people with limited initial education, adults with learning disabilities, single parents, homeless adults, institutionalized individuals, senior citizens.

This transformer has definite merits: flexibility of location, diversity of programs, stimulus to participation via high tech devices, attractiveness of computers, incentive to overcome both the digital divide and the learning gaps of disadvantaged populations. Even though the investment cost is quite high – approximately one million dollars – and the cost of maintenance is \$5 000 a year, clearly, this is an additional tool beyond the one-stop centers, which is effective at reaching and referring individuals eager to participate in adult learning.

The Learning Bank in Baltimore

The inner City of Baltimore, Maryland suffers from the fact that 32% of adults are high school dropouts and 38% function at the lowest literacy level. Maryland ranks 46th among States in funding appropriated for adult education. The funding by the State only supports a small proportion of the established need. Current funding per student is as low as \$45, i.e. the price of a GED textbook.

The objective of the Learning Bank is to implement a high-tech and efficient adult education center at the core of the most distressed area of Baltimore City and to provide a full set of education programs targeted at the lowest skilled population. In this context, intensive use of ICT and the quality and volume of staff play a key role in fostering the learning participation of a quite underprivileged population. It would be interesting to make a cost-benefit analysis of the learning bank compared with a more traditional One Stop Career Center.

Sources: State Education Agency (2003); The Learning Bank (2003).

First, ICT can be mobilized to remove some of the barriers to adult learning. Most surveys and direct interviews show that the lack of time and problems of schedule are detrimental to *adult learning participation*. If learners are able to use computers, they can have access to distance learning and organize more freely their time of learning in close accordance with family and work constraints. Similarly, the novelty and attractiveness of good software may remove some of the psychological barriers typical of low educated individuals. Last but not least, ICT equipment can be distributed to various places or even mobile units in order to reach the targeted populations where they live and work (see the experience of the Transformer in the District of Columbia).

Second, adults can simultaneously acquire literacy and numeracy as well as knowledge of various computer software, provided of course they have the basic ability to read and write. According to this vision, the *educational gap* and the *digital divide* could be overcome simultaneously. In this respect, the experience of some developing countries seem promising (Wagner, Kozma, 2003). A full-fledged assessment of the impact of ICT on adult participation in education is welcome in order to diagnose what are the best strategies.

Third, given the decentralization of adult programs, and the part time and frequently voluntary status of teachers, there is probably a large dispersion in the *quality of teaching*. The use of educational software

and distance learning may compensate some of these weaknesses, while potentially reducing the variable costs of teaching. In addition, this could be a method for improving quality and flexibility of learning schedules. Furthermore, since the educational programs are associated with normalized tests, the cumulativeness of these data could be useful for research about the most efficient methods targeted towards adults.

Thus, the large diffusion of ICT in the U.S. may open new opportunities to adult learning, while at the same time some obstacles need to be analyzed and removed (see Section 4.5 below).

Lesson 5: ICT and education: overcoming simultaneously the educational gap and the digital divide?

3.6. The External Diploma Program (EDP): recognizing professional skills to facilitate second chance education

This program addresses adults with significant work experience but who have no high school diploma (<http://www.nedp.org/>). As of June 2004, more than 34,000 adults nation wide had earned their diploma through the External Diploma Program. A profile of the typical EDP graduate established in 1990 included the following characteristics: 69 percent were women; 31 percent men. The average age was 37. The average educational level completed before entering EDP was 10th grade. Employed participants before EDP 66 percent; after EDP 71 percent. Nearly one in four indicated some disability (<http://www.nedp.org/edu/faqs.htm>). The EDP is a typical *second chance education*, and thus adopts original methods distinct from the typical preparation for GED or ESL. The strategy is to detect those academic skills that are already mastered by the adult in his everyday work and professional environment. Applicants have to demonstrate that they can display core academic competence through the highly individualized preparation of documents. There is no formal classroom work, applicants are deciding on their own pace and organize their work in close contact with an assessor.

This is not a typical academic exercise since the job and home management experience of the applicant is supposed to help satisfy EDP requirements. These skills may be demonstrated through documentation of a current occupation or trade (the more frequent configuration) or of home management experience. Of course, this program is directed towards highly motivated individuals, who already have a job, some professional competences and want to complete their education. Generally speaking, EDP is associated with the perspective of a promotion within a firm or a professional track. Even if this diploma is recognized by the Department of Education of each State, some colleges and universities may require that adults meet additional admission standards (Maryland State Department of Education, 2003).

Given the large costs of EDP – the program is tailored to each individual and calls for close monitoring – the quantitative impact of this diploma is not very important but it is a valuable component of any adult education system. The challenge is to reveal the academic skills underlying the everyday competences mobilized on the job. The OECD review team had no direct contact with any such program and it is probably difficult to assess the impact of EDP given the lack of any standardization. Nevertheless, conceptually, this is a core issue in adult learning: how to convert professional competences into recognized academic skills? On this account, the U.S. educational authorities might benefit from advances made by other OECD countries (OECD, 2003 and Section 5.3 below).

Lesson 6: Extracting academic knowledge from professional competence is useful for employed adults but costly.

3.7. The opening of special university curricula for adult teachers: in search of teaching quality

The decentralization of adult learning and the fact that professional full-time teachers are the exception raise the issue of quality of teaching. Given the increase in demand for ESL and the inflow of new teachers, professional development is required.

As in other countries surveyed by the OECD's adult learning review, specific pedagogical methods need to adjust to adult education requirements, and the U.S. had to innovate due to two specific challenges. First, the *pedagogy* cannot be the same for children and for adults. Second, the issue of learning a *second language* raises specific issues for the teachers. Therefore, the creation of a certificate program in adult education at the University of District of Columbia needs to be pointed out since it opens a new strategy: is it possible to substitute labor-intensive and pragmatic teaching by competence-intensive and scientifically-based methods in adult learning? This program awards a University degree to students and teachers that want to specialize in teaching adults. The degree program unfolds during 18 semester hours and combines theoretical foundations with practical issues. Several other states have established certifications or licenses for adult education instructors and developed or promoted educational programs to prepare individuals for these credentials. Since the program of the University of the District of Columbia and the efforts of other states are only in the beginning stages, it is difficult to assess the long-term impact of this search for quality. This is a common challenge addressed to most of the countries associated with the OECD survey on adult learning (OCDE, 2003).

Lesson 7: The certification of adult teachers could open a new strategy for quality and efficiency improvement in adult education.

4. STRUCTURAL CHALLENGES

The achievements outlined above are valuable and some of the U.S. innovations could be useful for other national adult education systems. Nevertheless, discussions with the various actors, the statistics gathered by the NRS, as well as some academic research point out certain imbalances and difficulties in the American system.

4.1. Policy coherence

Complex and unbalanced relationships between Federal and State authorities

Since education is basically a competence of each State, the role of the Education Department is quite challenging: how to promote equal access and quality and foster excellence in education with limited financing? Given the constitutional constraints, it is clear that disparity of local situations is the rule and that this multi-tier system is rather difficult to monitor and manage.

One of the merits of decentralization is that supply can be tailored to the evaluation of needs by local authorities. But the counterpart of this flexibility is the possible disparity of financing across States. Some of them add only minimum funding to the Federal subsidies, whereas some others take the lead in the financing of adult education (Table A.4). Thus the share of State funding in 2000 ranged from 25% in Puerto Rico to over 9% in California and Michigan. Furthermore, the non-Federal costs per student vary drastically from nearly \$3 200 in Vermont to \$50 in Mississippi and \$47 in Georgia. It is difficult to imagine that such a disparity coincides with the exact distribution of needs. Thus, the implicit subsidiarity principle that governs the American system does not seem to favor an equal treatment of citizens in terms of access and intensity of adult learning.

A multiplicity of programs and a myriad of providers

Section 2.2 already discussed the complexity of funding streams. Financing by the Federal Department of Education is based both on objective criteria measured by census and statistical surveys and direct negotiations with the States authorities in charge of education. Then a process of bidding and contract negotiations takes place in order to select the specific educational programs and ultimately the entities in charge of implementing them. Finally, individuals select among this offer of adult learning provided they get the relevant information about the programs available to them. At each stage and level, the administrators try to get the best results out of a given budget, but it is not ensured that the whole system can deliver the expected results, in view of the interaction between States and the Federal Government, which may themselves differ in their objectives.

The complexity of the system (Table 2) is not devoid of merits: given the fact that the same program can be supplied by various entities (schools, Community Colleges, Correction, Government agencies, faith based organizations,...), there is some competition among them and this brings with it pressure for efficiency. Similarly, the diversity of suppliers entitles a variety of pedagogical methods, time schedules, duration of courses. But these positive factors might also have adverse effects on the ability to provide a convincing assessment and therefore the global efficiency of the system is difficult to gauge.

Table 2. Programs and providers: a complex matrix organization for adult education

| | School Districts/ Public Schools | Community Colleges | Community based organizations | Universities | Corrections Other institutions | Workplaces | Government Agencies | Faith based organizations |
|------------------------------------|-------------------------------------|--------------------|-------------------------------|--------------|-----------------------------------|------------|---------------------|---------------------------|
| I. Adult Basic Education | ++ | ++ | ++ | | ++ | + | ++ | ++ |
| II. Family learning | ++ | ++ | ++ | | | | ++ | ++ |
| III. Workplace education | | | | | + | ++ | | |
| IV. English as a Second language | ++ | ++ | ++ | | + | + | + | + |
| V. General Educational Development | ++ | ++ | + | | + | + | + | + |

How to integrate the conflicting objectives of government agencies at the local level?

The flow of decisions, financing and information is still more complex when the role of the Department of Labor and the Department of Health and Human Services concerning adult education is taken into account. Thus, the objectives of the system become extremely diverse. On the one hand, for some programs of the Department of Health and Human Services, the participation to an educational or training program is compulsory for the beneficiary. On the other hand, for the Department of Labor the main objective is a quick reinsertion into the job market via training and education. The Department of Education has wider objectives: offer a second chance to individuals who left school without completing their education, favor the insertion of immigrant workers by English language programs and more generally provide the basis for an informed citizenship.

How can these diverse and *potentially contradictory objectives* be reconciled? How can the financing of all programs that contribute to adult education be better coordinated? The 1998 Workplace Investment Act (WIA) proposes the creation of One Stop Centers in order to coordinate and possibly integrate locally the interventions of the three Federal Departments (Box 8). This innovation is of course convenient for the potential users, since it reduces the costs associated with the search for information about the various programs available in response to perceived needs. Similarly, each State or locality can save installation costs, while proportioning the various programs to the demand of the population. These features clearly represent a potential improvement with respect to a totally decentralized and uncoordinated system.

Box 8. The One Stop Career Center Network: potentiality and limits

This is an innovation put forward by the Workforce Investment Act of 1998. At the origin of One Stop Centers is the diagnosis that the diversity of the agencies involved in adult education might be detrimental to the quality and effectiveness of many programs. These centers are created at the initiative of the Governor of each State, who can use funding from a variety of sources both from the federal level (Departments of Education, of Labor and Health and Human Services, among others) and the state level to support the costs of One Stop Career Center infrastructure. Given the fact that the bulk of adult education funding originates from each State, the Governor, in consultation with a State board set up for that purpose, will determine the amount of the contribution to be given to each one stop center.

Programs offered by the One Stop Centers can include the following (given that the exact mix results from state and local decisions):

- Job vacancy information and referrals. Employment and training programs for adults, but these programs do not award any diploma or degree. They aim to give access to a job to unemployed or to nurture more competences for workers threatened by lay-off.
- Youth programs for school drop-outs aiming at the equivalent of a K-12 educational level.
- Post-secondary vocational education, for individuals who have significant work experience while still having a job.
- Vocational rehabilitation programs to assist individuals with severe disabilities in obtaining and retaining employment.
- Administration of welfare benefits.

The precise share of each of these activities is set according to the composition of the State or local population, the priorities set by State authorities, and the legacy of previous links between independent local entities associated with labor, welfare or education.

Source: Career Center Network, Baltimore City, Maryland State.

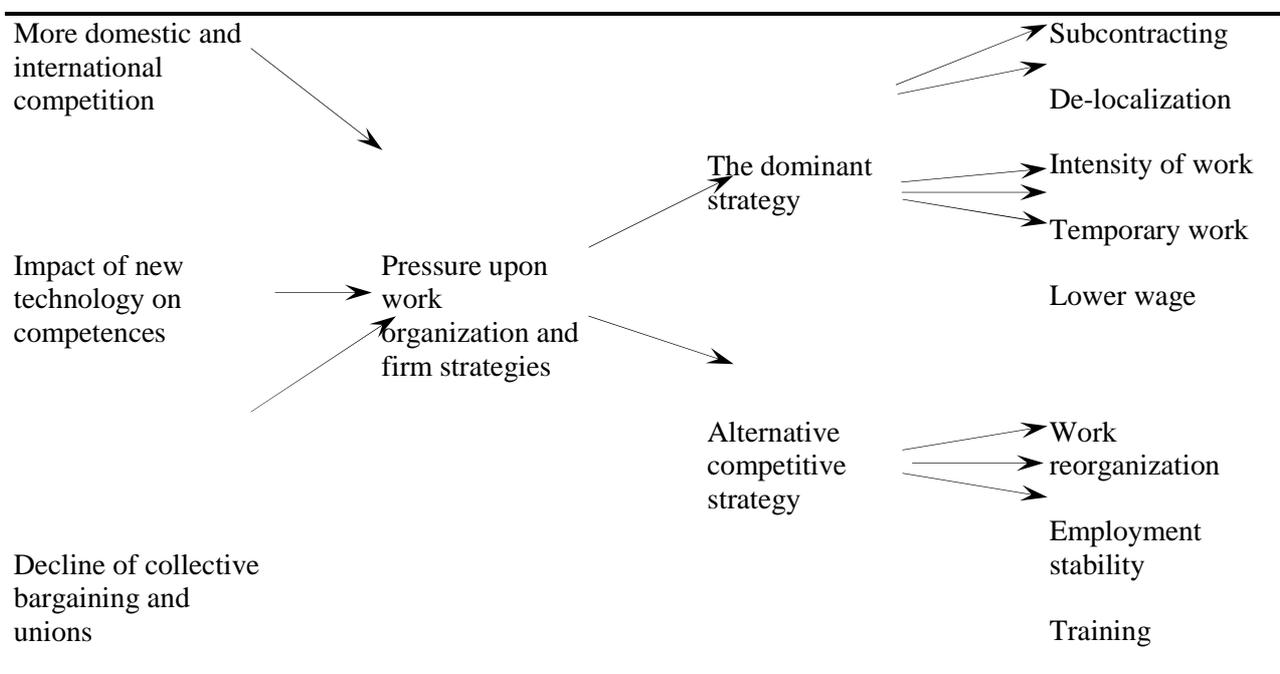
Nevertheless, it is not sure that the local manager of each One Stop Center can easily provide the full range of information and services that the user may like to find gathered at a single place. With modern technologies, the access to information can be warranted but the supply of courses probably cannot be totally integrated. More basically, the manager may face *contradictory incentives, constraints or procedures* concerning the same adult: is the education and training a simple transition from welfare to employment without any clear ambition of competence enhancement (this is probably the objective of the Department of Health and Human Services) or does the program selected aim at a life long approach of competence formation? Can short-term efficiency be made compatible with equity issues? Facing these dilemmas on an everyday basis, One Stop Centers might play an important role in detecting discrepancies and inconsistencies between various Federal programs, giving feedback to the various departments in charge and possibly proposing alternative procedures and reforms.

4.2 Policy priorities

Is workplace literacy sufficiently developed?

Most if not all the needs for adult education are related to the long run deterioration of the economic status and income of individuals with low educational achievements. This negative evolution is the consequence of the substantial transformation that occurred within the American economy during the last two decades (Chart 1). Competition has become more acute, technical change has unequally affected the various sectors and the erosion of the bargaining power of unions has allowed a progressive differentiation of labor contracts, work duration and wages. This seems to have been the most frequently used strategy by the leading firms that were at the origin of the “Golden Age” of rapid and stable growth. Low-skilled workers have borne a large fraction of the associated economic and social costs. Given the rather large turnover of the American labor force, many adults have never been involved in company training programs, largely because firms prefer to hire younger and more educated employees or invest in employees with varied competences.

Chart 1. **Training and education: a key component of an alternative competitive strategy**



Source: Freely inspired by Appelbaum, Bernhardt, Murname (2003).

Thus, a significant number of low-skilled adults remain un-trained and thus experience difficulties in getting jobs delivering good wages. Many of them perceive that this situation is a barrier to any progress within the internal market and puts a limit to their income. Against this background, the National Workplace Literacy Program (NWLP) was launched by the U.S. Department of Education in order to award grants to collaborative projects, *i.e.* partnership between business, labor and education, for providing workplace-based instruction in basic skills.

During the period 1988-1994, the NWLP funded approximately 300 workplace literacy projects, of which about half included English language instruction (Burt and Saccomano, 1995, quoted by Duzer *et al.*, 2003). The evaluation of this program has pointed out an important issue: the self interest alone of employers does not seem sufficient to convince them to offer instruction to their low-skilled employees (Moore, Myers, Silva and Alamprese, 1998). Some incentives by States or the U.S. Department of Education do help in promoting workplace literacy. But they might be too limited to fill the education gap.

Some authors suggest that under some conditions trade unions may be of help in the design and efficiency of training, and that the pooling of training among firms may reduce costs and benefit the portability of acquired competencies (Appelbaum *et al.*, 2003). It can also be argued (although this proposal is more controversial) that the minimum wage also has an incentive role for productivity enhancement, innovation and training.

One recommendation might be to investigate more about the pros and cons of a strategy, based upon the complementarity between organizational change, competence enhancement and stability of employment. First, by gathering all existing evaluations about these programs and trying to derive some hypotheses about the factors conducive to the success of workplace literacy. Second, by assessing whether some OECD countries have already explored promising programs that could be adapted to the specific American context.

A system that does not totally fulfill the expectations of the target population and that might leave behind some underprivileged individuals

The Department of Education officials are conscious of the problems just mentioned. They write: “based on the way adult education has developed in America, the network of basic education programs in the States and local areas is not a cohesive education system” (D’Amico, 2003, p. 4). Due to the intrinsic difficulties of adult education per se, but also the lack of coherence of Federal and States programs, the existing devices do not always adequately meet students’ needs.

- Nearly *one third* of adult education students who receive 12 or more hours of instruction *drop out* before they complete any educational level.
- Less than *one third* of adult education participants complete at least *one educational level* within the reporting period of one year.
- Only *one quarter* of adult education participants that enroll in adult basic education with the goal of attending college, actually enter into *post secondary education* after leaving adult basic education.

Modern economic theory provides some explanation concerning the difficult process of adjustment of supply and demand of adult education. Two major mechanisms are operating. First, adult education is not a typical good or commodity: an individual has first to experience the benefits of education in order to ask for more of it or alternatively be convinced by relatives or other persons demonstrating such positive benefits. Actually education is an *experience good*, the quality of which can only be assessed ex post. Furthermore, the benefits of education cover the whole life span and assume the ability to forge sufficiently clear expectations about its rate of return. Thus the less educated, who could a priori benefit the most from adult education, are not necessarily expressing a clear demand, the more so, the more they experienced difficulties and failures at school. The International Literacy Survey shows that the enrollment in training is higher for those workers who already experienced some training (Table 3). The U.S. is not an exception.

The *experience good* component of adult education may explain a form of rationing of the demand emanating from the less educated. But economic theory suggests that another and opposite mechanism exists: It is probable that the most dynamic and talented do join adult education because they can benefit from it, whereas another group may rationally decide not to join adult programs because they think they do not have the capacity to succeed. Thus, by comparison with the total population in need of further education (detected by surveys such as NALS or IALS), the effective demand for adult education is lower but this is not necessarily an evidence for rationing. The *self-selection* of participants based on expected returns could thus mitigate the *experience good* component of adult education.

What is the net effect of these two mechanisms upon the gap between the needs and the actual supply? Only quite sophisticated panel data analysis could provide an answer. Nevertheless, according to the International Adult Literacy Survey the U.S. participation rate in adult education and training is (or at least was in the mid 1990s, when the survey was held) superior to the OECD average (35% of workers versus 27%), while the annual volume is about average (Table 4). Employers seem to finance a major proportion of adult training (83% versus 73% on OECD average).

Is there a rationing of adult education in the U.S.? The jury is still out, in the absence of more detailed analyses proposed in Section 4.9. further below.

Table 3. **Some evidence about the rationing of adult education in the US and English-speaking countries: the proportion of workers who declare to wish more education**

| | All workers | Workers without previous training | | Workers with training experience | | |
|----------------|-------------|-----------------------------------|---|----------------------------------|-----------------------------------|-------------------------------|
| | | | | All workers With training | Training not financed by employer | Training financed by employer |
| United States | 26.1 | 21.9 | < | 34.6 | 43.1 | 33.6 |
| Canada | 33.6 | 30.2 | < | 41.4 | 64.3 | 37.4 |
| United Kingdom | 25.4 | 20.1 | < | 31.2 | 47.1 | 29.4 |
| Australia | 26.9 | 25.2 | < | 31.2 | 34.5 | 30.3 |
| New Zealand | 33.0 | 28.2 | < | 40.3 | 48.6 | 38.5 |
| OECD average | 25.6 | 23.3 | < | 31.5 | 36.7 | 30.5 |
| (Non weighted) | | | | | | |

Source: IALS, presented in OECD (2003), Employment Outlook, Chapter 5.

Table 4. **Adult education: participation, intensity, and financing shares between employees and employers**

| | Participation rate (% of employment) | | | Annual volume | | | Share of training financed by employer |
|----------------|---|---------------------|----------------------|---------------|---------------------|----------------------|--|
| | Total | Training courses | General education | Total | Training courses | General education | |
| United States | 35 | 33 | 3 | 22 | 18 | 3 | 83 |
| Canada | 31 | 28 | 3 | 21 | 17 | 3 | 78 |
| United Kingdom | 45 | 44 | 3 | 30 | 22 | 8 | 91 |
| Australia | 27 | 24 | 5 | 22 | 15 | 7 | 80 |
| New Zealand | 36 | 34 | 4 | 30 | 23 | 7 | 77 |
| OECD average | 27 | 26 | 2 | 21 | 18 | 4 | 73 |
| (Non weighted) | | | | | | | |

Source: IALS, presented in OECD (2003), Employment Outlook, Chapter 5.

4.3 How useful is ICT for low-literacy adult learning?

The relative advance of the U.S. in the production and use of ICT for education purposes raises some interesting issues. How powerful is ICT in overcoming the educational gap of a fraction of the American population? The large potential of information technologies for improving adult education outcomes should not hide some major obstacles that need to be overcome (Table 5).

- First, *a minimal level of literacy* is necessary in order to use computers, however user-friendly the teaching software might become. Furthermore, while the use of computers might be attractive for some of the younger population in depressed areas, it can, on the other hand, be quite intimidating for those adults that have kept bad memories of primary and secondary education.
- Second, distance-learning via Internet and computer software does not totally remove the *traditional obstacles* in terms of transportation costs and limited time for learning when adults have a fulltime job and need to take care of family and children. In this respect, the low equipment in ICT of low-skilled adults is detrimental to distance learning.
- Third, the availability on the web of a lot of information about adult education is not a complete substitute for *tutoring and counseling* in face-to-face discussion between the adult and a professional expert in adult education.

- Fourth, the use of *educational software* needs to be rationalized. On the one hand, teachers themselves need to learn how to use it and on the other, the process of selecting the best software could be organized efficiently, for example with assistance from public authorities. Hence, a possible over-investment in software by the private sector and conversely a too modest role of Federal and State authorities in the benchmarking of this abundant private supply.
- *A priori*, ICT should drastically reduce administrative costs in adult education. The information gathered during the period of an educational bill will clearly help in the assessment of the related programs and suggests alternative designs, methods and procedures. This flow of information is also useful in the negotiations between Federal and State education authorities. Nevertheless, many experts and actors interviewed by the OECD review team pointed out the *large costs* associated with the *management of the NRS*, especially for small providers and entities. Furthermore, only *aggregated information* is transmitted, whereas it could be useful (but of course more costly) to keep track of information at the individual level, in order to reconcile administrative accountability with academic research on the impact of adult education (see Section 4.6).

Thus, while ICT is contributing to the transformation of American adult education, it is not sure that a fully satisfactory, efficient and equitable configuration has already emerged. However, the steady decline of information costs opens up significant opportunity for improving the management of the system.

Table 5. **The expected contribution of ICT to adult learning**

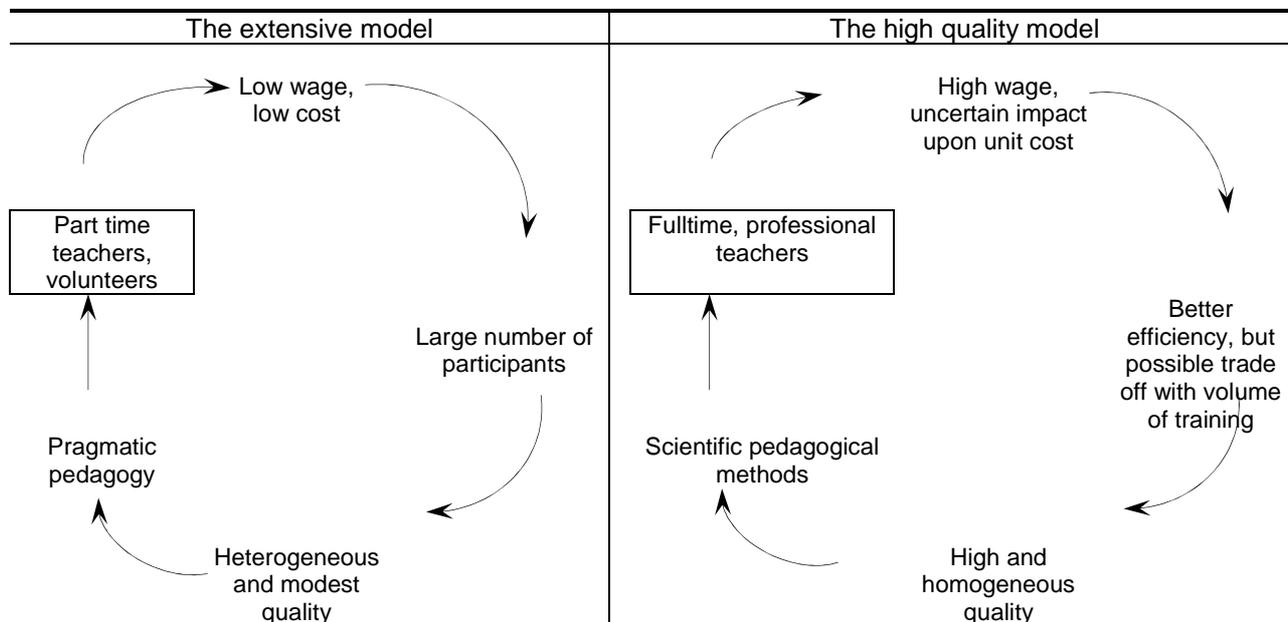
| Factors governing | Potential for improvement | Problems to be overcome |
|-----------------------------|--|--|
| Participation | <ul style="list-style-type: none"> • Reduction of the cost of attendance (transport, child care) • Better control of learning schedule • Attractiveness of ICT for some drop outs | <ul style="list-style-type: none"> • Low equipment in ICT of low-skilled adults • Time pressures, and trade-offs between learning and working • Some adults may experience a digital divide |
| Information | <ul style="list-style-type: none"> • Fast and more extended access to information on programs, providers, pedagogical methods | <ul style="list-style-type: none"> • Still a need for tutoring and counseling |
| Pedagogy | <ul style="list-style-type: none"> • Removal of some barriers via computer learning • Incentives for innovation and experiment • Record of individuals' performance | <ul style="list-style-type: none"> • Adequate training of teachers • Too many competing methods, but weak selection processes |
| Management of | | |
| - Providers | <ul style="list-style-type: none"> • Reduction of administrative costs • Optimization of methods, courses | <ul style="list-style-type: none"> • The management of the NRS is costly for small providers |
| - State authorities | <ul style="list-style-type: none"> • Better information, better management | <ul style="list-style-type: none"> • Possible conflicts between the various objectives put forward |
| - Dept. of Education | <ul style="list-style-type: none"> • More sophisticated management of relations with States • Design of incentives based on performance | <ul style="list-style-type: none"> • Access to individual and panel data should be welcome • Possible distortion in the use of Federal funds, due to NRS indicators |

4.4 Can credentials for adult teaching trigger higher quality and efficiency?

Given the diversity of adult education suppliers, the variety of local and regional needs, the role of volunteers in the functioning of the system and finally the lack of standardization of pedagogical methods,

the likely outcome is a large dispersion of quality and unit costs. Ideally, the system should optimize quality, costs, and accessibility. The present system is built on low costs, due to the modest remuneration of teachers and the limited volume of hours per participant. This can be labeled as an *extensive model*, by contrast to the ideal of a *high quality model* (Chart 2).

Chart 2. The systemic change associated with the search for a high quality system



Is the shift from the present system to a more professional one desirable and easily implemented? One may express some doubts.

- In order to lower the unit costs for the progression of an adult from one level to another (for example in ESL programs), the efficacy of the professional teachers would need to improve more than their relative remuneration compared with part-time teachers and volunteers. Given the labor-intensive nature of pedagogical activities – including computer-aided teaching – such a pattern is rather unlikely. Thus, the shift towards a *high quality system* would *not necessarily improve* the *costs/benefits balance*. If an improvement of quality was associated with an *ex post* increase in unit costs, then the volume of adult education would probably be reduced, given the limited size of Federal and State budgets allocated to this policy domain (Table 6).
- A second difficulty is about the obstacles to a smooth and orderly *transition* from an extensive to a high-quality adult education. The current system does not provide much stable full-time employment for teachers, and before deciding that professional full-time teachers it would first need to be proven that these deliver better results for a given amount of funding than part-timers and volunteers. The complementarity of the various components of the present system implies a further obstacle: all components would need to be simultaneously changed in order to push the system out of the present equilibrium, which is clearly based on a very different complementarity: non-professional teachers, low costs, moderate quality, but a large volume of participation.

These mechanisms cast some doubts about the probability of a self-propelling virtuous circle that would develop from the certification of teachers and the development of full-time jobs. Such a favorable scenario would occur only if the rate of return of improved quality exceeded the wage differentials between professional teachers and volunteers.

Table 6. The challenges to having quality adult education

| Informational lacunae | Systemic Issues | Organizational conditions |
|---|--|--|
| <ul style="list-style-type: none"> Limited research examining relationship between instructional content, teachers quality and learners' skill development | <ul style="list-style-type: none"> Not all States have credentials for instructors | <ul style="list-style-type: none"> Few opportunities for stable fulltime employment for teachers |
| <ul style="list-style-type: none"> Extreme diversity of objectives, actors, programs and outcomes of adult education | <ul style="list-style-type: none"> Possible conflicts in the definition of quality | <ul style="list-style-type: none"> Limited fiscal resources at the State and Federal levels |
| <ul style="list-style-type: none"> Evolving content standards in basic skills | <ul style="list-style-type: none"> Difficult balance between improving initial education and life long learning | <ul style="list-style-type: none"> The organizations of basic education and adult education differ (different pedagogy, teachers' status) |

Source: Derived from Alamprese Judith, Abt Associates (2003).

4.5 Monitoring and Evaluation

Is the National Reporting System (NRS) adequate as a monitoring tool?

In light of the challenges addressed to the managers of the U.S. adult education system, the existence and content of the National Reporting System is especially important. The Department of Education has to fulfill two different tasks. First, it provides research-based on evaluation of the Workforce Investment Act order to check the *efficacy of Federal funding*. Second, by collecting a large set of information and interacting with States education authorities, the Department *benchmarks* various programs, organizations, training entities, and eventually pedagogical methods. Does the current set-up of the NRS fulfill these expectations?

A priori the limited number of Federal programs should favor their accountability. Nevertheless, given the diversity of adult needs and of initial levels of education and skills, the same program may have quite different returns. Evaluation is made still more difficult by the fact that each State decides the volume of its own funding to complement the Federal contributions and selects itself a series of providers that, in turn, proceed to hiring teachers, adopting pedagogical methods and selecting applicants. Also, the broad indices of the NRS (progression in ESL levels, job starts, employment retention, a second chance for entering high school) do not take into account the observed and non-observed characteristics of the participants of the programs.

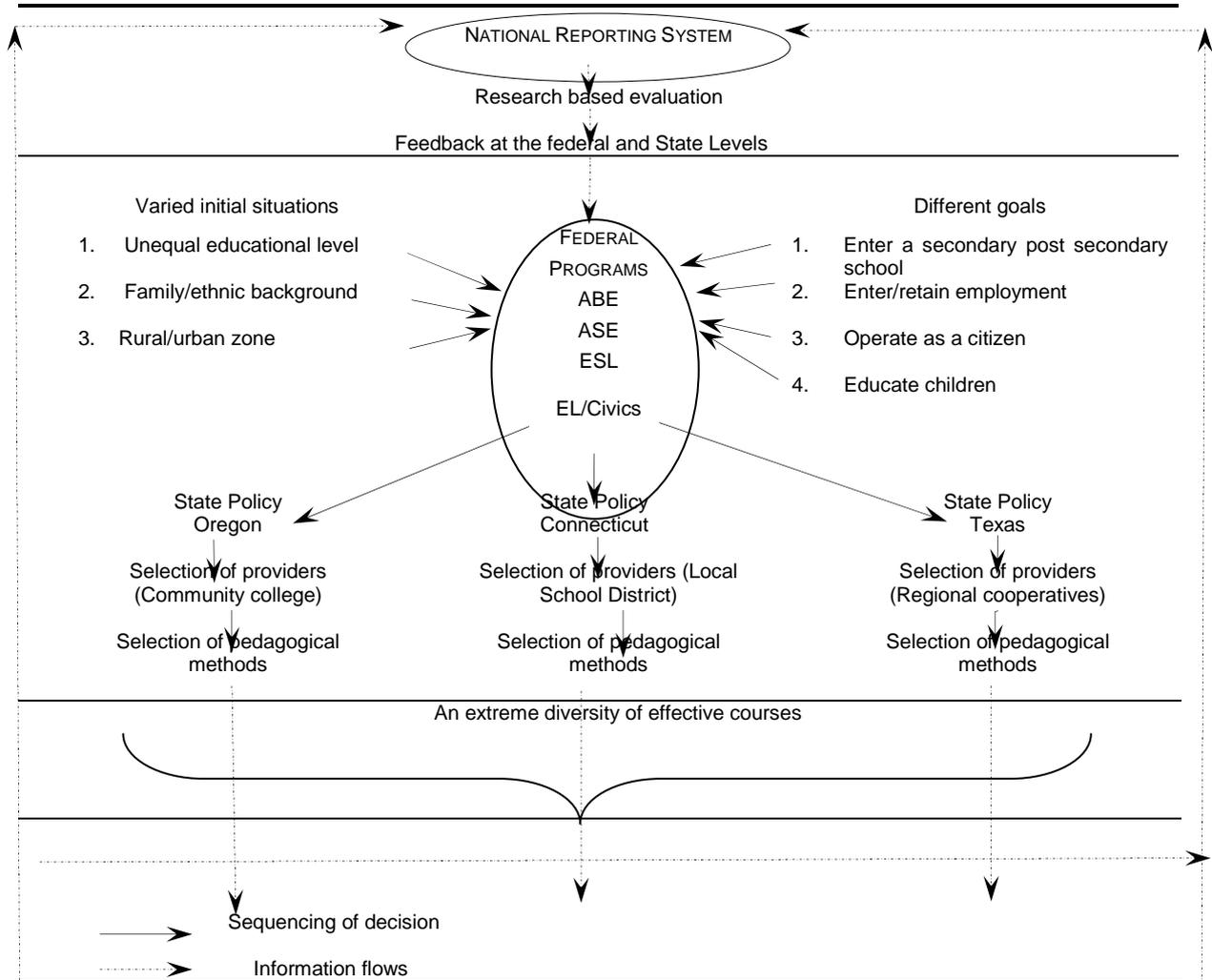
Therefore, the information flowing from local suppliers up to the Department of Education may well respond to the requirements of the WIA, and contribute to an evaluation of the impact of this educational bill, but is not necessarily sufficient to clearly assume the two responsibilities of Federal authorities (Chart 3).

- The evaluation is more related to the use of *public funding* than to the *economic impact* of adult education.
- The *benchmarking* of programs and providers is largely indirect since the large autonomy of States introduces a *black box* between the input and output of the whole system. For instance, only aggregate data are transmitted via NRS.

The dilemma between a certain amount of centralization of the funding and the necessary decentralization of the adjustment of supply and demand for adult education is typical for adult education

everywhere. Nevertheless, the U.S. type of Federalism implies additional difficulties since constitutionally, education is not the primary competence of the federal government.

Chart 3. **Why is the assessment of quality and impact of federal adult education programs so difficult?**



Too many objectives that differ from one State to another

The operation of the U.S. education system is the outcome of the interactions of three major players that have different objectives and resources and bargain one with another (Box 9). The objective of the *Department of Education* is to exert leadership in education policy and promote good practices. Its main instrument consists of negotiations about the part of the Federal budget that is allocated according to performance, in accordance with incentive mechanisms. Nevertheless, federal grants are mainly provided according to the characteristics of the individual State, as captured by statistical data. Therefore the leverage of the Department of Education associated with the NRS-instrument seems relatively limited.

Box 9. A political economy analysis of adult learning in the U.S.

Since so many actors play a role in the design and management of adult learning, it is not surprising that certain conflicts or frictions exist within a process of negotiation/cooperation/competition operating at three main levels.

The U.S. Department of Education needs to show to Congress that the funds allocated to adult education are delivering the expected outcomes. The main concern is for *accountability*. The NRS has precisely this objective. Besides this primary aim, the Department of Education may try to:

- Exert *leadership in education policy* via the best use of information gathering and the design of incentives for States to fulfill the objectives set by Federal authorities.
- Detect *good practices* and try to disseminate them.
- Use the negotiations with individual States to get the *maximum leverage* out of limited Federal funding.

These objectives are not necessarily always compatible, especially when public budget restrictions impose less than optimal allocation to adult learning.

The States play an *intermediate role* between the U.S. Department of Education and a multiplicity of localities and adult education providers. Their core objective is to respond to the *more pressing social and economic needs* that emerge from the local political process, which itself is highly differentiated between urban and rural zones and depends, inter alia, on the degree of economic prosperity and the share of recent immigrants. Among the challenging issues for States and local authorities are:

- Any State has an incentive to negotiate very modest objectives easy to satisfy, while not revealing the true needs and potentiality of the State education system. This seems a winning strategy.
- Given some methodological uncertainty associated with the NRS, State authorities and local providers may have an interest in pointing out the importance of those objectives they are able to fulfill and downplay bad performances arguing that these are not essential for the State constituency.

Adult Education providers have as their key objective to *capture the adequate funding* from the different levels of government as well as non profit organization, in order to respond to local demands. Therefore, the criteria for assessing performance might differ significantly:

- Instead of a disaggregated approach to performance via Federal programs, local providers might have a more *holistic approach to adult learning*. For instance a Hispanic migrant might become fluent in English, get a decent job, learn how to vote and how to assist his children in their school-work.
- Thus, the NRS assessment of performance might give an erroneous appreciation of the actual impact of U.S. Department of Education activity and impact upon adult education.
- Whatever the subjective, self-assessed objective, as well as objective measures used by the NRS, most of the adult learners interviewed by the OECD review team declared that increasing income and better jobs were the predominant motivation for enrolling into adult learning.

Targeted and actual enrolment rates, 2000/2001

| Performance | Arizona | Delaware | Idaho | Kentucky | Maryland | New York | Ohio | Washington |
|----------------|---------|----------|-------|----------|----------|----------|------|------------|
| ABE/ASE | | | | | | | | |
| Target | 20% | 25% | 46% | 25% | 22% | 20% | 31% | 35% |
| Actual | 34% | 27% | 55% | 58% | 55% | 35% | 59% | 33% |
| Status | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↑ | ↓ |
| ESL | | | | | | | | |
| Target | 20% | 25% | 39% | 18% | 16% | 19% | 30% | 30% |
| Actual | 34% | 20% | 35% | 32% | 43% | 46% | 41% | 39% |
| Status | ↑ | ↓ | ↓ | ↑ | ↑ | ↑ | ↑ | ↑ |

Key ↑ exceeded performance target ↓ did not meet performance target

Source: Department of Education – Program Facts 2000-2001.

At the *State level*, the concern of the authorities in charge of education is clear: how to use both Federal funds and the State's own money to respond to pressing social and economic demands for adult education. On the one hand, the resources associated with various programs can be recombined in order to satisfy a demand mix coming from school dropouts, immigrants, workers in need of retraining or welfare recipients. On the other hand, the States negotiate performance targets for ABE, ASE or EL with the Department of Education. Since some extra funding is expected from exceeding performance targets, States have an interest in signing for modest targets, which may create some imbalance in the allocation of funds and thus in the assessment of global performance. Ideally, the target should be fixed according to objective factors measuring both the needs for adult learning and the difficulty in improving the educational level of the target population.

Adult education providers try to capture various sources of funding in order to respond to local demands. Nevertheless they share a concern for a more holistic approach to adult learning, combining the various Federal and State programs according to the diagnosed educational or skill gap and the objectives to be satisfied by each individual. Therefore, the analytical decomposition captured by the NRS cuts across the idiosyncratic character of the outcome of education and training at the local level.

Thus, while the NRS introduces an important feedback mechanism, it does not necessarily capture the outcome of the system, as perceived by States, local providers and participants. For instance, interviews with participants in ESL programs recurrently show that they expect to use it for obtaining better jobs. This kind of data, quite essential for the academic evaluation of education, seems absent from NRS.

Relatively crude and partial measures of the impact of adult learning

In fact, one perceives a discrepancy between the *administrative accountability* delivered by NRS and a more *economic assessment* of adult education (Box 10). While the proportion of the eligible population that has participated in Federally-funded adult education is a useful impact measure, it would also be important to compare the characteristics of the adult who join a program with the rest of the targeted population. Similarly, a longitudinal follow-up of the individuals involved could capture the time dimension of knowledge and competence formation.

Box 10. From administrative accountability to wider economic assessment of adult education

A. Some basic accountability figures (program year 2002)

- 2.8 million persons, a bit less than 10 % of the eligible population, participated in federally-funded adult education programs. Of these, 38 % enrolled in adult basic education (ABE) courses; 20% in adult secondary education (ASE) courses; and 42% in English-as-a-second-language (ESL) courses.
- Among *all ABE and ASE participants*, 37% made educational gains (more than one level).
- Among the individuals who aimed at entering employment, 39% found work by the end of the first quarter after they left the program.
- Among those who wanted to upgrade their skills to keep their current job, 67% were still employed 3 quarters after the end of the program.
- Among those who wanted to enter a secondary school, 40% succeeded.
- Among those who wanted to achieve the skills necessary to enter a post-secondary education or training program, 30% succeeded.

B. An example of academic economic assessment: How much do literacy skills matter?

The National Assessment of Educational Progress (NAEP) conducted in 1985 a survey of adults aged 21 to 25 years that tested their literacy skills. This test did not concern federal programs, but investigated the impact of learning outcomes, for instance literacy, upon wages and employment. Reading proficiency scored on a scale from 0 to 500. Econometric estimates of wage equations including many other relevant variables such as education, experience, vocational training, industrial sector and race, delivered quite suggestive results (Rivera-Batiz, 1990).

- An improvement of reading proficiency from 100 to 150: increases wage by 20%.
- The rate of return of reading proficiency is decreasing. When the score increases from 150 to 200, the wage is only 14% higher.
- *Basic literacy* has a significant impact on wage, whatever the years spent in school.

C. Two overlapping strategies

The above study, even if rather old, sheds an interesting light upon the difference of emphasis between accountability of a federal program and economic assessment:

- The first approach tries to link specific programs directly with economic or educational outcomes. In most cases, there is no control group, nor control by relevant variables influencing the outcome of the program (previous background of individuals, level of unemployment, job creation, specific skills).
- The second approach aims at finding out the *net economic impact* of improved educational levels, but is silent about the influence of specific programs and pedagogical methods on this net impact.

In the absence of such a control group composed of individuals with the same objective characteristics, it is difficult to assess the impact of ABE and ASE. For instance, in 2002, 67% of the individuals who wanted to upgrade their skills in order to keep their current job, were still employed three quarters after the end of the program. The effective impact could only be measured by the difference with people who did not enroll into the program. The assessment would still be more complex if the self-selection mechanism was taken into account: probably the most motivated and talented do join adult

courses, which may reveal unobserved characteristics. All other indices gathered by NRS only measure gross outcomes, closer to a typical administrative activity index than a full economic evaluation.

There is a clear difference between this type of *macro analysis* of performance and a *micro economic evaluation* of the impact for instance of English literacy. First, the impact of literacy skills is most important for a very low initial level of education. Second, the rate of return is declining with the level of literacy. Therefore, the aggregation by the NRS of all literacy levels gives an erroneous picture of the actual outcome of English Literacy Programs. Furthermore, the National Assessment of Educational Progress survey that delivers these economic returns is not large enough to discriminate between the influence of varying methods or to single out the efficiency of various suppliers. Therefore, these two approaches are more complementary than substitute.

Adult education fulfills also non-economic objectives

Nevertheless, adult education should not be assessed exclusively on pure economic outcomes such as the rate of return on the job market of better knowledge and competence. Among so-called secondary outcomes, the NRS takes into account the achievement of citizen skills, the ability to register to vote, deeper involvement in community activities, the ability to help children in their education and literacy activity (Table A. 5). This component of adult education should not be neglected.

The need for research-based Federal programs

The Bush administration has put forward a clear and ambitious vision for adult basic and literacy education: “Adults will have opportunities to improve their basic and literacy skills in high quality research-based programs that will equip them to succeed in the next step of their education and employment.”(d’Amico, 2003)

Such an objective has become essential for most laws passed in modern societies: each program should be complemented by an assessment of its impact in terms of precise measures of the objectives to be fulfilled. But the major issue concerns the costs of such an assessment compared with the total expenditure of the program. It is rational to conduct such an assessment only for programs that are homogenous and big enough to justify such a detailed investigation. This feature is preoccupying for adult education since the effectiveness of a given program is the outcome of a series of distinctive factors.

Ideally, the entities to be assessed would be: i) the target population; ii) the generic program; iii) the pedagogical method; and iv) the adult education provider. Only very large populations can fulfill such extensive requirements and they can only be obtained at the national level...but then it is difficult to evaluate statistically what method and what type of supplier are the more efficient. The U.S. Department of Education concentrates upon three items of the assessment process (D’Amico, 2003:9).

- Local programs are required to use scientifically-based research findings to design their *curricula*.
- States should *support the methods and the local agencies that work best*. This means for instance that teachers use research validated instructional practices in reading, math and English fluency.
- *The improvement of teacher quality* is a major concern. The implicit hypothesis is that better teachers do deliver better quality of education but this raises a major issue: are high quality teacher better paid? Is there any link between teachers’ credentials and their career and income? Would a cost-benefit analysis confirm that teacher quality is currently the limiting factor in adult education effectiveness?

For the time being, the available research does not allow to give clear answers to these issues. Since the demand for high quality research based programs is rather recent, analysts will have to wait for the availability of results from the NRS monitoring and relevant surveys. In the meantime, it could be useful to inject into the assessment process some of the findings of the academic community. Actually, econometricians and economists have developed sophisticated tools to deal with the determinants of adult education demand, the possible existence of adverse selection, and to detect the core variables that explain rates of return to education. For instance, a large literature has used the National Longitudinal Survey of Youth, or the High School and Beyond survey or the Armed Forces Qualifying Test in order for example to disentangle the pure signaling effect of education from its contribution to skill and competence upgrading. Incidentally, this research also measures the impact of a credential such as GED on employment, wage and career development. The corresponding academic findings should be re-injected back into the administrative process of evaluation of adult learning (Box 11).

Box 11. Academic research on the impact of GED

A long historical record: 1942-2003

The GED certification program was created in the 1940s in order to help young veterans to have access to the equivalent of a high school diploma. The GED has since then evolved as a second chance for school-dropouts, immigrants, minorities, incarcerated population (see American Council on Education (2001) for an institutional history of GED). This gives a rare example of an educational credential operating for more than half a century. Since education is a long run investment, the data collected may deliver some valuable lessons about the conditions of successful adult learning programs.

Does GED contribute to human capital or is it a simple signaling device?

Two models for assessing the impact of education are competing among economists and econometricians

- According to *human capital theory*, rational individuals will invest in education in order to optimize the related rate of return with that of other forms of investment (Becker, 1964). This implies estimating complete earnings equations and testing if the GED produces wage premia, in the short run and along the full career.
- However, Arrow (1973) and Spence (1973) have proposed an alternative: the GED as any diploma would be used as an *information* about the capability of an individual, whatever the reality of the impact of the diploma on productivity. But the paradox is that ex post GED acquisition might be positively correlated with productivity and income. Actually the GED credential may serve as a signal in the labor market. If the cost of acquiring the GED and the wage offers based on GED status are such that the expected net benefit of GED acquisition are negative for the less productive dropouts, and positive for the more productive ones, then a *separating equilibrium* can be observed (Tyler *et al.*, 2000: 435).

An intensive use of longitudinal surveys

In order to try to discriminate between these two hypotheses that seem to lead to identical observations – *i.e.* a correlation between GED and higher earnings – econometricians have been using various surveys and methods. The academic literature on the GED is impressive, but rarely used by the public authorities in charge of designing adult education. Let us mention some of the key data bases.

- The *National Longitudinal Survey of Youth* (NLSY) is the more frequently used panel and has allowed the seminal analysis by Cameron and Heckman (1993).
- The data from the sophomore cohort of the *High School and Beyond survey* (HS&B) gives a precise account of past performance at school and therefore allows to investigate the net impact of GED acquisition for a given educational level (Murnane *et al.*, 2000).
- Since the basic components of the GED exam are the same in all States, but the threshold level of acquisition of GED varies from one State to another, the data bank that compiles *individual GED test scores* for each component can be used in order to disentangle between cognitive capabilities and the acquisition

of a credential (Tyler *et al.*, 2000).

- A fourth statistical source is the *Armed Forces Qualifying Test* (AFQT). Even if restricted to a very specific population, this survey allows to confront an independent measure of cognitive ability with the educational level attained by each applicant to the armed forces (Heckman, Rubinstein, 2001).

The above data sets have delivered a large sample of results starting with the challenging results by Cameron and Heckman (1993:24):

RO: “[] the NLSY data strongly reject the hypothesis that GED recipients are the labor market equals of high school graduates. The same data do not reject the hypothesis that high school dropouts and GED recipients are undistinguishable. A closer look at the evidence indicates, however, that *GED recipients lie between dropouts and graduates* in their economic standing but much more closer to dropouts.”

Thus, GED and High School diploma are not absolute substitutes. This is not necessarily a surprise since the situation today is quite different by comparison with the 1940s when a whole cohort of young servicemen was enrolled into adult education. In the contemporary period, the GED exam addresses the limited and declining fraction of a cohort that dropped out of high school, who would usually not have the same cognitive abilities and social competencies as high school graduates. Nevertheless, the GED might have some positive influence on the career of recipients. This is the conclusion of a second generation of research by Murnane, Willett and Boudett (1997:1).

R1: “The acquisition of GED increases the probability that school dropouts obtain *post-secondary education* and the probability that they obtain *non-company training*, define as training provided by government or by proprietary schools. However it is still the case that the majority of GED recipients obtain no post-secondary education or training through the age of 26.”

These two results do not necessarily deliver the whole message of this field of academic research. Economists have tested previous results for endogeneity bias associated with individual behavior, State policy or employer behavior (Tyler *et al.*, 2000:462).

R2: “Using differential State GED passing standards as an identification strategy we find that the signaling value of the GED increased the 1995 earnings of *young white dropouts* on the margin of passing the exam by 10 to 19%. We find no statistically significant evidence that the credential impacted the 1995 earnings of *young minority dropouts* in the same scoring range.”

R3: Most econometric studies show a quite significant role for *ethnic origin, family background, initial educational level, gender*. For instance, the fact that *minorities do not benefit* that much from GED might be associated to the fact that a high proportion of young minority males obtain their GED while incarcerated or do pass such an exam because it is necessary for their potential employers or because GED preparation is quasi compulsory for certain social benefits, such as Aid to Families with Dependent Children (Tyler *et al.* 2000:459-461).

Another research strategy aims at measuring more closely the impact of heterogeneity on young adults' choice as to whether to pass GED exams and of the extent to which their success is related to previous cognitive capacity, either idiosyncratic or acquired at school. Taking into account such heterogeneity delivers new results that tend to downplay the impact of GED on employment and earnings (Murnane *et al.*, 2000:34).

R4: “The average difference between the earnings of GED recipients treated as a single group and those of permanent dropouts reflects quite a large difference for dropouts who leave school with very weak cognitive skills and no difference for dropouts who leave school with somewhat higher skills. [...] Those dropouts with low sophomore test scores who later increase their skills and perhaps improve their work ethic as well, appear to use the GED to signal their employers that they are more desirable employees than they had been in the past.”

This result, if confirmed by other investigations, is quite important for the design of adult learning. It means that the rate of return is higher for the less educated and is strongly decreasing with higher levels of education. It is important to note that the same result comes out from research on English literacy (Rivera-Batiz, 1990; Gonzalez, 2000). Therefore, it seems crucial for adult learning providers to attract the more needy people...which is not necessarily the case since young adults that have been unsuccessful at school may keep bad memories from their experience. This poses a major challenge not only in the U.S., but in many other OECD countries as well (OCDE, 2003a; 2003b).

An emerging hypothesis complements cognitive skills by the recognition of the role of social and behavioral skills (Heckman, Rubinstein, 2001:148).

R5: “[...] the GED is a mixed signal that characterizes its recipients as *smart but unreliable*. [...] there is substantial evidence that mentoring and motivational programs oriented toward disadvantaged teenagers are effective [...] IQ is fairly well set by age of 8. Motivation and self discipline are more malleable at later ages (Heckman, 2000). [...] Mixed signals pose a challenge to economic theory because in general the ‘single crossing property’ is violated.”

Conclusion

There is no clear convergence between the accountability that is built into the NRS, centered upon short term results of adult learning and the econometric and economic assessment of given credentials in adult education in relation to employment opportunities or wage increases. The endogeneity of State selection of programs, of individual choices and employers strategies, as well as the key role of social variables and idiosyncratic competences and attitudes make the evaluation of federal programs in adult education quite difficult indeed. There is still a long road before the fulfillment of the objective set by WIA (1998), Section 212:

“... to establish a comprehensive performance accountability system [...] to assess the effectiveness of eligible agencies in achieving continuous improvement of adult education and literacy activities funded under this subtitle, in order to optimize the return on the investment of Federal funds in adult education and literacy activities.”

4.6 Closer links between accountability and economic assessment might be envisaged

The OECD adult learning review of the U.S. converges towards some important but difficult questions: are the Federal and State funds efficiently allocated? Is public funding of adult education sufficient in comparison with other programs such as “No child left behind”? Is there any rationing, at national and/or local levels? The existing literature does not seem to deliver any clear answer. More interaction between the administrative process focused on accountability and research on the impact of adult education could help in framing some hypotheses and designing relevant new research. Ideally, one could imagine the matching of data originating from the NRS and the various surveys on individuals (NLSY, HS&B, AFQT and of course the U.S. Census).

It can be argued that these two approaches are quite complementary: micro versus macro data, short-run impact versus long-term longitudinal studies, broad indices versus net effects of education, taking into account the phenomenon of adverse selection and the fact that education is an experience good (Table A.6). These approaches should not just be juxtaposed, but should be combined by experimental research in developing a new set of hypotheses.

5. CONCLUSIONS

The short OECD team visit of some scattered components of the complex American system cannot deliver any firm conclusions. Nevertheless, the increasing number of countries analysed allows for some interesting lessons. On one side, many difficulties experienced in the U.S. are quite common to other OECD member States. On the other side, country specific factors, such as the importance of immigration, shape the current transformation of adult learning. In this process, the American adult learning system may provide interesting practices and innovations for other countries. Conversely, the experiences of other countries with federal political systems can also provide good examples that can contribute to overcoming some of the current challenges in the United States.

5.1. Many features of the American adult learning system are common to OECD countries

A comparative analysis points out many similarities with the findings of the previous studies in 9 other OECD countries (OECD, 2003a; 2003b). Basically, all Federal programs belong to one of three main categories (Table 7).

- The U.S. has been a pioneer in *second chance education* with the progressive institutionalization of GED. The creation of this credential has actually helped many dropouts in finding better employment and higher pay.
- *Forging citizenship* for recent immigrants to the U.S. is one of the objectives of EL/Civics and ESL programs, even if the demand for access to better jobs and wages is a key determinant of participation in these courses as well.
- There are a number of *lifelong learning* opportunities. First, workplace literacy programs and the external diploma program aim to upgrade the skills of ageing workers or employees who may be at risk of losing their jobs. Second, the rapid diffusion of ICT introduces computer literacy as a necessary complement to conventional literacy and numeracy.

Table 7. **The variety of objectives of low skills adult learning**

| Conceptions of adult education | Target population | Typical Federal program | Credential | Outcome for individuals |
|---|---|-------------------------|------------|--|
| 1. Second chance | School dropouts (16-24 years) | ABE ASE | GED | Better career (employment, income, welfare) |
| 2. New citizenship and working in America | Migrants | ESL EL/Civics | | Access to better jobs Ability to be part of society |
| 3. Lifelong learning: updating vocational competences | Ageing blue and white collars | Workplace literacy | EDP | Retention of employment |
| | Workers in sectors experiencing fast technical change | Computer literacy | | Stop the decline of real wage of low-skilled workers |

5.2. Diversity of needs and regional dispersion

Table 8 presents different factors that shape participation and some of the policy responses. While aging societies are a major issue in European countries, in the U.S. this problem is present but does not seem dominant. Actually, the system is directed towards three rather distinct populations: *immigrants, dropouts and ethnic minorities*, which may explain the approaches adopted in the targeted Federal programs.

Given the size of the American territory, the diversity of economic specialization and the evolution of immigration, adult learning is highly concentrated in a small number of States. Furthermore, the organization seems quite different for *rural areas and for large cities* and densely populated States. *The Federal nature* of the American political system brings another important source of diversity, since education policy has been assigned to the States. Therefore it is not easy to monitor such a system, both in terms of equity of access and of efficiency in organization. But conversely, this diversity gives room to a series of decentralized innovations that can eventually be emulated by other localities, with or without the benchmarking efforts by the Department of Education.

Managing such a multi-dimensional organization is not an easy task, since the Department of Education has only an indirect leverage in the orientation of the decision of the States. The collection of data at the level of each entity is centralized, allowing to verify whether the allocation of public funding responds to the Federal requirements and objectives. The relationship between the flow of funds and the flow of information appears to be a challenging issue: few efficient incentive mechanisms seem to be associated to the measurement of performance.

A special feature concerns the emphasis put upon the *role of research* in the assessment of the programs at each level. The high costs of a complete and careful assessment of these diverse programs make both accountability and economic assessment difficult. What should be the optimal balance between the direct costs of the programs and the spending for their evaluation? The U.S. case brings to the forefront this issue that is implicit or explicit in many other studies.

Table 8. **Low skills adult learning: How specific is the US?**

| COMPONENT | QUITE GENERAL FEATURES | AMERICAN SPECIFICATIONS |
|--|---|---|
| 1. Incentives and motivations of adults to learn | <ul style="list-style-type: none"> • Barriers to participation : <ul style="list-style-type: none"> - availability of time - money - child care and transportation - lack of awareness and information | <ul style="list-style-type: none"> • Significant diversity of people involved: immigrants, drop outs, ethnic groups • Large geographical diversity by States, rural and urban zones |
| 2. Adjustment of provision to the needs | <ul style="list-style-type: none"> • Diversity of objectives <ul style="list-style-type: none"> - access to more education / training - employment (access / maintaining) • Possible under-provision for some groups | <ul style="list-style-type: none"> • Survey and recognition of the diversity of the needs of each adult • Accountability and effectiveness assessment via the NRS |
| 3. Quality, pedagogy and variety of learning provision | <ul style="list-style-type: none"> • Difficult assessment of quality due to the variety of services and providers • Uncertainty about the factors of effectiveness | <ul style="list-style-type: none"> • Explicit research-based assessment of States and Federal programs • Many experiments with distance learning via ICT • Emerging training certification of adult teachers |
| 4. Policy and system coherence and effectiveness | <ul style="list-style-type: none"> • Highly complex system difficult to monitor and assess • Dilemma between Federal programs and decentralization of supply of adult learning • Multiplicity of Departments involved (Education, Labor, Welfare) | <ul style="list-style-type: none"> • Diversity of adult learning funding but system wide reporting system (NRS) • Variable funding between Federal and State levels. Limited leadership of Federal authorities • Tentative integration at the local level (One stop centers) |

5.3. What the Department of Education might learn from other OECD countries' experiences

The problems diagnosed above seem to suggest a certain amount of rationalization and innovation in the organization of some programs.

As far as the OECD review team visit to the U.S. provided a representative picture, the education and training of workers, on the job or outside the firm seems under-represented within the Federal programs. The theme of *lifelong learning* does not appear as a priority, which might be surprising given the intensity and the speed of transformation of the American economy. In view of the low frequency of *workplace literacy* and the large costs of the external degree program, it could be interesting to adopt *easier*

assessment procedures to detect the skills and competences of an employee and then propose a series of standardized modules to reach the level required for passing a standardized test, for example the GED.

There also needs to be a focus on the development of teachers for adult learning. Some countries have already developed procedures for the *certification of adult education teachers* and there is a significant experience across OECD countries regarding specific pedagogical methods for adults. Since a significant part of cognitive processes involved might be universal, pooling the related research could be quite relevant.

The present U.S. conception of adult learning does not address very much the *externalities* associated with adult learning. *The family literacy* program is an interesting exception that deals with the connection between urban organization and intergenerational transmission of an educational divide. By contrast, the organization of training for low-skilled workers under the partnership of business associations and possibly trade unions seems to have been neglected at least for the majority of States and still more at the Federal level. Nevertheless, the experience in Wisconsin (Appelbaum *et al.*, 2003) suggests that such a German-type approach to competence enhancement can be adapted and successful in the North American context.

In this respect, the *trade unions* may help in designing educational programs that are both efficient for the firm, beneficial for the individuals, and equitable. Some trade unions do offer adult education programmes that are supported through collective bargaining agreements with employers. One example are the experiments related to the so-called lean production model within Japanese transplants in the car industry.

Finally, macroeconomic policy partially shapes the incentives of firms for training their workers. For instance, at the end of the 1990s, tight labor markets induced firms to give some training to workers who previously had no access to such opportunities. Similarly, if the minimum wage is kept at low levels or even decreasing in real terms, there are few incentives for firms to develop labor saving techniques and simultaneously improve the competences of the employees. However, minimum wage policy has not been very active during the last decade in the U.S., given the primacy attributed to labor market flexibility.

5.4. Some positive examples from the U.S. of relevance for other OECD countries

A particularly impressive feature of adult learning in the U.S. relates to the *mass education of new immigrants* in the English language. The costs per participant are quite modest, but the impact appears significant, especially for low-level learners. If immigration flows were to intensify, for example in Europe, the methods and findings of American research and teaching communities could define a quite useful benchmark.

A second distinctive feature concerns the emphasis put upon *research-based evaluation* of adult education programs. Some European countries are now adopting the same principle for new policy programs: outcomes are supposed to be carefully assessed by a series of independent evaluations, and the relevance of prolonging a given program should periodically be checked. *Mutatis mutandis*, the U.S. academic community of education and/or labor economists have produced results concerning, on one side, the respective role of signaling and human capital formation of education, and on the other, the factors that shape the rate of returns of education. This implies that researchers get access to panel data for individuals and can match this information with participation in Federal programs. Such a synthetic approach may provide good data to improve programs and policies.

Furthermore, new technologies and especially ICT have been diffusing quite quickly in the American society and economy. Other countries should closely analyze these very rich experiments in the domain of adult education.

Lastly, some apparently modest programs such as *family literacy* or the special approach to *education of offenders* are interesting, since they try to remove individuals out of a *poverty – low skill – poor housing* vicious circle, by means of the synchronization of a series of complementary measures relating to education, the labor market and family cohesion.

LIST OF ACRONYMS OF ADULT LEARNING PROGRAMS

| | |
|--------------|--|
| ABE | Adult Basic Education Instruction for individuals at the lowest skill levels (equivalent to instruction in grades 1 to 8) |
| AELA | Adult Education and Family Literacy Act (Title II of the 1998 Workforce Investment Act) |
| AL | Adult Learners Students who participate in ABE, ASE and ESL programs |
| ASE | Adult secondary Education Instruction for individuals who are working toward a high school credential diploma, EDP or preparing for the GED exams (equivalent to instruction in grades 9 to 12) |
| ESL | English as a Second Language Instruction to help individuals who have limited English ability improve their competence in the language |
| EL/CE | English Literacy and Civics Education Programs that combine ESL instruction and civics education |
| EDP | External Degree Program Assessment program that allows students to earn a high school diploma by demonstrating competency in life skills |
| FL | Family Literacy Instructional programs that include: literacy instruction for parents; educational activities for children; interactive literacy involving the parents and the child; training that prepares parents to teach their children. |
| GED | General Educational Development Exams They include norm-referenced tests in writing, social studies, science, reading and mathematics. Individuals who successfully pass all five tests earn a GED, potentially equivalent to a high school diploma. |
| OVAE | Office of Vocational and Adult Education The U.S. Department of Education Office that oversees adult education as well as career/technical education and community colleges. |

- WIA** **Workforce Investment Act**
Federal legislation that created the one-stop workforce development system
- WL** **Workplace Literacy**
Literacy services intended to improve the productivity of the workforce.

LIST OF ADMINISTRATIVE AND STATISTICAL SURVEYS RELATED TO EDUCATION AND TRAINING OF ADULTS

- AFQT** **Armed Forces Qualifying Test**
This test intends to measure cognitive ability of the young people that want to enroll into armed forces and can be related with the educational level obtained: high school diploma, GED.
- CPS** **Current Population Survey**
Large sample of data associated to the census of population that allows to investigate the links between social and ethnic origins, self-reported English speaking proficiency and employment and earnings.
- IALS** **International Adult Literacy Survey**
An international comparative study of adult literacy skills organized by OECD conducted for 22 countries, including the U.S. in 1994.
- NALS** **National Adult Literacy Survey**
A nationally representative survey of U.S. adults aged 16 and older, which assessed respondents' literacy skills.
- NLSY** **National Longitudinal Survey of Youth**
A data set that provides detailed longitudinal information on family backgrounds, educational attainments, and labor market experiences of 12 686 men and women who were between the ages 14 and 21 when first interviewed in 1979.

LIST OF CENTERS AND INSTITUTIONS ACTING IN ADULT LEARNING IN THE U.S.

OVAE Office of Vocation and Adult Education

DAEL Division of Adult Education Literacy

NCAL National Center for Adult Literacy

ED U.S. Department of Education

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ANNEX 1:

BACKGROUND AUTHORS AND CO-ORDINATION

Background Report Authors

Barbara G.Elliot (RTI International.)

Carol Van Duzer, Donna Moss, Miriam Burt, Joy Kreeft Peyton and Lauren Ross-Feldman (Center for Applied Linguistics - CAL - and National Center for Applied Linguistics - NCLE).

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ANNEX 2:

OECD REVIEW TEAM

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ANNEX 3:

PROGRAMME OF THE VISIT

Monday 26 October – Washington DC

| | |
|-------|---|
| 09.00 | <p><i>Initial meeting</i></p> <ul style="list-style-type: none"> ▪ Introductions ▪ Schedule review ▪ Handbook review <p><u>National coordinator from the US Department of Education</u> Michael R. Jones</p> |
| 09.30 | <p><i>Setting the context</i></p> <ul style="list-style-type: none"> ▪ U.S. Political structure ▪ Federal Involvement in Adult Education ▪ U.S. Social structure ▪ How Adult Education serves American Society ▪ U.S. Economic Structure ▪ Federal role in Workforce Investment <p><u>Officials of the US Department of Education.</u></p> <p>Braden Goetz, Director, Policy, Research, and Evaluation Staff, Office of Vocational and Adult Education Cheryl Keenan, Director, Division of Adult Education and Literacy, Office of Vocational and Adult Education.</p> |
| 10.00 | <p><i>Meeting to discuss policy and organization of Adult Learning Systems</i></p> <ul style="list-style-type: none"> ▪ Workforce Investment Act (WIA) ▪ Future Legislation ▪ National Institute for Literacy <p><u>Representatives of the National Institute for Literacy and U.S. Department of Education</u></p> <p>Sandra Baxter, Acting Director Cheryl Keenan Director, Division of Adult Education and Literacy, Office of Vocational and Adult Education)</p> <p>Braden Goetz, Director, Policy, Research, and Evaluation Staff, Office of Vocational and Adult Education</p> |

| | |
|-------|---|
| 10.45 | <p><i>A Portrait of Adult Basic and Literacy Education in the U.S</i></p> <p>Background Paper Discussion</p> <p><u>Background Paper Authors</u> Barbara G.Elliot, RTI International Carol Van Duzer Center for Applied Linguistics Donna Moss, Center for Applied Linguistics</p> <p>Miriam Burt, Associate Director, National Center for ESL Literacy Education, Center for Applied Linguistics</p> <p>Joy Kreeft Peyton and Lauren Ross-Feldman, Center for Applied Linguistics (CAL) and National Center for Applied Linguistics (NCLE)</p> |
| 13.00 | <p><i>A Portrait of Adult Basic and Literacy Education in the U.S. (continued)</i></p> <ul style="list-style-type: none"> ▪ Accounting ▪ Monitoring ▪ Good practices/ Dissemination ▪ Applied Innovation and Improvement ▪ National Programs <p><u>DAEL Management Team</u></p> |
| 14.30 | <p><i>Volunteer-Based Programs</i></p> <p>Peter Waite, Executive Director, ProLiteracy America</p> |
| 15.15 | <p><i>Information Request Check-in</i></p> <p>Delegation requests additional information on the federal role as needed.</p> <p>Michael Jones</p> |
| 15.45 | <p>Emphasis Area: The State Role in Adult Basic and Literacy Education</p> <p><i>State Education Director Panel Videoconference</i></p> <p>Participating states: Maryland, Delaware, Kentucky, Idaho, New York, Arizona, Ohio, Washington</p> <p>Cheryl Keenan, Director, Division of Adult Education and Literacy, Office of Vocational and Adult Education, U.S. Department of Education)</p> |
| 18.30 | <p><i>Visit to the Arlington Education and Employment Programme (REEP), Virginia</i></p> |

Tuesday 27 October – Washington DC and vicinity

| | |
|-------|--|
| 08.30 | <p>Emphasis Area: The Local Role in Adult Basic and Literacy Education</p> <p><i>Center for Adult Learning and Educational Credentials / American Council on Education</i></p> <p>Joan Auchter, Director, GED Testing Service Susan Porter Robinson , Vice president and Director</p> |
| 10.00 | <p><i>Visit to the Trans-form-er Bus project</i></p> <p>University of the District of Columbia</p> |
| 11.00 | <p><i>Discussion of Quality and Certification of Teachers in Adult Education</i></p> <p>Dr. Maignet Shifferew, Professor, University of the District of Columbia</p> |
| 13.00 | <p><i>Visit to the Academy of Hope, District of Columbia</i></p> <p>Susan Ely , Executive Director, Academy of Hope</p> |
| 15.15 | <p><i>From Research to Practice</i></p> <p><u>Panel of Experts</u></p> <p>Judith A. Alamprese (Principal Associate, Abt Associates) Sandra Baxter (Acting Director, National Institute for Literacy) John Comings, (Director, National Center for the Study of Adult Literacy and Learning) Larry Condelli (Managing Director, Education and Human Development Division, American Institutes for Research) Miriam Burt (Associate Director, National Center for ESL Literacy Education, Center for Applied Linguistics) Carol Van Duzer (Center for Applied Linguistics) Peggy McCardle (Associate Chief, National Institute of Child Health and Human Development, National Institutes of Health, Department of Health and Human Services).</p> |
| 17.00 | <p><i>Information Review and Check-in</i></p> |

Wednesday 28 October - Baltimore

| | |
|-------|---|
| 09.00 | <p>Emphasis Area: State and Local Roles</p> <p>Meeting with local President of AFLCIO, the Deputy Secretary of Economic Development in Maryland and representatives of Johns Hopkins University</p> <p><u>The Learning Bank, Baltimore</u></p> <p>Patricia Bennett (State Director, Maryland Department of Education) Bonita Meyer (Section Chief, Adult Education)</p> <p><i>Tour of the Learning Bank to speak with teachers and students</i></p> |
| 14.30 | <p><i>Visit to the Baltimore Correctional Facility</i></p> |
| 16.30 | <p><i>Visit to a Baltimore One Stop Center</i></p> |

Thursday 29 October - Philadelphia

| | |
|-------|--|
| 09.00 | <i>Family Literacy Program/ Workplace Education Program</i> <u>Center for Literacy Studies, Philadelphia</u> Joanne Weinberger |
| 13.30 | <i>National Center for Adult Learning – NCAL</i> Ashley Del Bianco, Senior Project Manager Daniel Wagner, Director |

Friday 7 March – Washington DC

| | |
|-------|--|
| 09.00 | <i>De-brief and presentation of preliminary findings of OECD Review team</i> <u>U.S. Department of Education</u> Hans Meeder, Deputy Assistant Secretary for Policy and Planning |
|-------|--|

ANNEX 4. TABLES AND GRAPHS

Table A.1 Enrollment in Adult Learning for the low-skilled

| ENROLLMENT | | Average Hours of Attendance | |
|----------------------------------|------------------------|-----------------------------|-----------------|
| Adult Basic Education | 998 152 (37%) | ABE | 103 |
| Adult Secondary Education | 555 855 (21%) | ASE | 87 |
| English Literacy | <u>1 119 685 (42%)</u> | ESL | 134 |
| TOTAL | 2 673 692 | Overall Average | 113 |
| PARTICIPANT STATUS | | AGE | |
| Employed | 947 902 (39%) | 16 – 18 | 383 668 (14%) |
| Unemployed | 958 773 (39%) | 19 – 24 | 711 346 (27%) |
| Correctional Setting | 248 134 (10%) | 25 – 44 | 1 178 023 (44%) |
| On Public Assistance | 254 267 (10%) | 45 – 59 | 296 418 (11%) |
| Other Institutionalized | 47 361 (2%) | 60+ | 104 237 (04%) |
| RACE/ETHNICITY | | GENDER | |
| White | 835 440 (31%) | Male | 1 265 650 (47%) |
| Native Hawaiian/Pacific Islander | 24 152 (1%) | Female | 1 408 042 (53%) |
| Hispanic/Latino | 1 033 674 (39%) | | |
| Black/African American | 549 157 (20%) | | |
| Asian | 187 584 (7%) | | |
| American Indian/Alaskan Native | 43 685 (2%) | | |

Source: U.S. Department of Education (2001), p. 13.

Table A.2. Trends in GED testing 1949-2001

| Year | Official GED Testing Centers | Completed Battery | Met Score Requirements | Age | Years of Schooling | Planning Further Study | Credentials Issued | Total Number Tested |
|--------------|------------------------------------|----------------------|------------------------------|-------------|-----------------------|------------------------------|-----------------------|---------------------------|
| | Number | Number | Percent | Average | Average | Percent | Number | |
| 1949-97 | 706 | — | 75.0 | 28.8 | 9.9 | 34.8 | 1,057,358 | 1,429,714 |
| 1968F | 1,336 | N/A | 69.4 | 29.5 | 9.7 | 39.9 | 184,256 | 265,499 |
| 1969F | 1,566 | N/A | 71.7 | 29.4 | 9.7 | 37.3 | 210,404 | 293,451 |
| 1970F | 1,711 | N/A | 70.8 | 29.1 | 9.7 | 40.7 | 234,726 | 331,534 |
| 1971 | 1,656 | N/A | 68.7 | 28.0 | 9.8 | 41.2 | 231,558 | 387,733 |
| 1972 | 1,997 | N/A | 67.4 | 27.4 | 9.6 | 44.3 | 248,730 | 430,346 |
| 1973 | 2,135 | N/A | 68.2 | 25.1 | 9.6 | 42.0 | 256,905 | 440,215 |
| 1974 | 2,421 | 430,253 | 68.9 | 27.2 | 10.7 | 40.0 | 300,574 | 501,203 |
| 1975 | 2,462 | 541,914 | 70.2 | 26.1 | 10.0 | 42.1 | 351,327 | 607,426 |
| 1976 | 2,549 | 539,779 | 67.5 | 25.4 | 10.0 | 39.4 | 346,490 | 696,623 |
| 1977 | 2,704 | 517,847 | 69.7 | 25.0 | 10.0 | 37.8 | 342,828 | 715,116 |
| 1978 | 2,708 | 495,778 | N/A | 25.9 | 9.9 | 35.6 | 392,511 | 674,724 |
| 1979 | 2,799 | 608,229 | 68.4 | 25.3 | 10.0 | 40.8 | 445,426 | 773,996 |
| 1980 | 2,751 | 741,691 | 70.8 | 25.1 | 10.0 | 36.6 | 500,203 | 816,176 |
| 1981 | 2,900 | 732,229 | 72.1 | 25.1 | 9.9 | 46.1 | 513,549 | 804,813 |
| 1982 | 3,046 | 724,971 | 73.9 | 25.1 | 9.9 | 48.4 | 509,155 | 792,132 |
| 1983 | 3,005 | 711,946 | 73.1 | 25.4 | 9.8 | 48.6 | 490,329 | 772,080 |
| 1984 | 3,395 | 641,697 | 73.0 | 25.0 | 9.8 | 49.1 | 450,331 | 107,076 |
| 1985 | 3,371 | 647,490 | 72.4 | 25.8 | 9.8 | 51.3 | 439,922 | 711,399 |
| 1986 | 3,243 | 674,430 | 72.6 | 26.3 | 9.9 | 54.8 | 451,294 | 739,681 |
| 1987 | 3,314 | 690,509 | 74.1 | 26.7 | 9.9 | 49.7 | 422,002 | 755,367 |
| 1988 | 3,450 | 651,247 | 72.3 | 26.7 | 9.9 | 47.5 | 435,318 | 734,087 |
| 1989 | 3,466 | 589,602 | 68.4 | 26.2 | 10.0 | 53.6 | 376,879 | 682,728 |
| 1990 | 3,316 | 652,789 | 69.9 | 26.5 | 9.9 | 56.5 | 431,231 | 763,618 |
| 1991 | 3,445 | 706,162 | 71.5 | 26.4 | 9.9 | 55.6 | 486,771 | 806,036 |
| 1992 | 3,401 | 688,549 | 71.4 | 26.6 | 9.9 | 61.4 | 482,497 | 790,563 |
| 1993 | 3,250 | 685,304 | 71.4 | 26.0 | 9.9 | 61.7 | 492,251 | 790,163 |
| 1994 | 3,300 | 712,421 | 73.0 | 25.6 | 9.9 | 65.6 | 513,413 | 822,537 |
| 1995 | 3,255 | 773,899 | 72.0 | 25.3 | 9.9 | 63.7 | 524,166 | 829,904 |
| 1996 | 3,493 | 758,570 | 71.7 | 25.0 | 9.8 | 64.4 | 524,528 | 867,802 |
| 1997 | 3,287 | 722,461 | 68.6 | 24.7 | 9.9 | 65.4 | 481,007 | 827,105 |
| 1998 | 3,183 | 718,464 | 70.9 | 24.5 | 9.9 | 67.6 | 506,190 | 822,181 |
| 1999 | 3,682 | 751,637 | 70.2 | 24.9 | 9.9 | 65.9 | 527,723 | 860,079 |
| 2000 | 3,350 | 747,617 | 69.5 | 24.7 | 9.9 | 66.2 | 512,203 | 860,684 |
| 2001 | 3,378 | 979,829 | 69.8 | 25.2 | 9.9 | 66.5 | 669,403 | 1,029,699 |
| Total | | 18,796,583 | | | | | 15,391,652 | 25,316,152 |

Table A.3. English as a second language: Attendance and educational gains by educational levels, 2001-2002 program year

| Level | Number Enrolled | Attendance Hours | Number Completed Level | Number Completed and Advanced to Higher Level | Number Separated Before Completing | Number Still Enrolled | Percentage Completing Level |
|-------------------------------|------------------|--------------------|------------------------|---|------------------------------------|-----------------------|-----------------------------|
| ESL Beginning Literacy | 278 244 | 34 018 846 | 98 866 | 66 544 | 79 843 | 87 913 | 36% |
| ESL Beginning | 340 233 | 37 806 890 | 109 659 | 74 205 | 90 741 | 130 888 | 32% |
| ESL Intermediate Low | 238 089 | 31 970 411 | 92 857 | 60 663 | 57 489 | 84 674 | 39% |
| ESL Intermediate High | 147 876 | 19 430 791 | 57 636 | 34 272 | 36 854 | 50 807 | 39% |
| ESL Low Advanced | 126 032 | 17 078 639 | 33 544 | 20 009 | 35 674 | 56 071 | 27% |
| ESL High Advanced | 42 964 | 5 186 653 | 10 848 | 5 164 | 12 862 | 18 224 | 25% |
| TOTAL | 1 173 438 | 145 492 230 | 403 410 | 260 857 | 313 463 | 428 577 | 34% |

Prepared by U.S. Department of Education, Office of Vocational and Adult Education, Division of Adult Education and Literacy, Accountability Team. (2003, Fall).

Table A.4. Federal and state expenditure in adult education (fiscal year 2000) State match is the state's percentage share of total expenditures

| STATE or OTHER AREA | FEDERAL EXPENDITURE | STATE/LOCAL EXPENDITURE | TOTAL EXPENDITURE | STATE MATCH | 2000-2001 TOTAL ENROLLMENT | NON FEDERAL COST PER STUDENT |
|---------------------|---------------------|-------------------------|-------------------|-------------|----------------------------|------------------------------|
| ALABAMA | \$8 554 513 | \$5 381 148 | \$13 935 661 | 38.61% | 23 666 | \$227 |
| ALASKA | \$704 065 | \$1 737 500 | \$2 441 565 | 71.16% | 5 312 | \$327 |
| ARIZONA | \$5 705 528 | \$4 582 115 | \$10 287 643 | 44.54% | 31 136 | \$147 |
| ARKANSAS | \$5 127 764 | \$17 986 614 | \$23 114 378 | 77.82% | 38 867 | \$463 |
| CALIFORNIA | \$34 257 311 | \$402 106 546 | \$436 363 857 | 92.15% | 473 050 | \$850 |
| COLORADO | \$3 817 751 | \$2 397 488 | \$6 215 239 | 38.57% | 13 818 | \$174 |
| CONNECTICUT | \$5 006 871 | \$31 350 299 | \$36 357 170 | 86.23% | 30 844 | \$1 016 |
| DELAWARE | \$1 185 248 | \$896 490 | \$2 083 738 | 43.12% | 4 342 | \$207 |
| DIST. OF COLUMBIA | \$1 468 445 | \$1 883 796 | \$3 352 241 | 56.20% | 3 667 | \$514 |
| FLORIDA | \$24 979 460 | \$92 570 223 | \$117 549 683 | 78.75% | 404 912 | \$229 |
| GEORGIA | \$12 404 431 | \$5 094 091 | \$17 498 522 | 29.11% | 108 004 | \$47 |
| HAWAII | \$1 821 686 | \$2 281 550 | \$4 103 236 | 55.60% | 10 525 | \$217 |
| IDAHO | \$1 477 460 | \$992 258 | \$2 469 718 | 40.18% | 10 506 | \$94 |
| ILLINOIS | \$18 730 820 | \$7 450 000 | \$26 180 820 | 28.46% | 122 043 | \$61 |
| INDIANA | \$8 808 697 | \$27 335 134 | \$36 143 831 | 75.63% | 42 135 | \$649 |
| IOWA | \$3 622 245 | \$7 755 841 | \$11 378 086 | 68.16% | 20 161 | \$385 |
| KANSAS | \$3 240 333 | \$1 099 261 | \$4 339 594 | 25.33% | 11 248 | \$98 |
| KENTUCKY | \$8 314 079 | \$8 727 970 | \$17 042 049 | 51.21% | 31 050 | \$281 |
| LOUISIANA | \$8 314 607 | \$7 324 347 | \$15 638 954 | 46.83% | 30 929 | \$237 |
| MAINE | \$1 890 705 | \$10 633 984 | \$12 524 689 | 84.90% | 12 430 | \$856 |
| MARYLAND | \$7 481 873 | \$6 983 449 | \$14 465 322 | 48.28% | 22 702 | \$306 |
| MASSACHUSETTS | \$8 679 530 | \$30 949 464 | \$39 628 994 | 78.10% | 24 053 | \$1,287 |
| MICHIGAN | \$14 115 194 | \$131 414 328 | \$145 529 522 | 92.30% | 56 096 | \$2,343 |
| MINNESOTA | \$5 177 706 | \$30 157 000 | \$35 334 706 | 85.35% | 42 039 | \$717 |
| MISSISSIPPI | \$5 666 889 | \$1 888 964 | \$7 555 853 | 25.00% | 37 947 | \$50 |
| MISSOURI | \$8 761 372 | \$6 359 761 | \$15 121 133 | 42.06% | 41 089 | \$155 |
| MONTANA | \$1 187 497 | \$829 393 | \$2 016 890 | 41.12% | 4 892 | \$170 |
| NEBRASKA | \$1 989 737 | \$717 457 | \$2 707 194 | 26.50% | 7 917 | \$91 |
| NEVADA | \$2 167 733 | \$965 750 | \$3 133 483 | 30.82% | 22 992 | \$42 |
| NEW HAMPSHIRE | \$1 529 304 | \$2 011 760 | \$3 541 064 | 56.81% | 5 962 | \$337 |
| NEW JERSEY | \$13 395 193 | \$26 870 454 | \$40 265 647 | 66.73% | 44 317 | \$606 |
| NEW MEXICO | \$2 685 151 | \$4 630 825 | \$7 315 976 | 63.30% | 23 243 | \$199 |
| NEW YORK | \$33 523 172 | \$69 828 054 | \$103 351 226 | 67.56% | 176 239 | \$396 |
| NORTH CAROLINA | \$13 019 127 | \$34 731 383 | \$47 750 510 | 72.74% | 107 504 | \$323 |
| NORTH DAKOTA | \$1 110 596 | \$527 490 | \$1 638 086 | 32.20% | 2 124 | \$248 |
| OHIO | \$16 934 206 | \$11 370 459 | \$28 304 665 | 40.17% | 65 579 | \$173 |
| OKLAHOMA | \$5 315 846 | \$2 312 045 | \$7 627 891 | 30.31% | 20 101 | \$115 |
| OREGON | \$3 970 275 | \$31 149 325 | \$35 119 600 | 88.69% | 25 228 | \$1,235 |
| PENNSYLVANIA | \$19 860 758 | \$15 451 212 | \$35 311 970 | 43.76% | 49 369 | \$313 |
| RHODE ISLAND | \$2 055 994 | \$2 832 650 | \$4 888 644 | 57.94% | 5 592 | \$507 |
| SOUTH CAROLINA | \$7 025 604 | \$15 759 268 | \$22 784 872 | 69.17% | 94 452 | \$167 |
| SOUTH DAKOTA | \$1 195 276 | \$400 807 | \$1 596 083 | 25.11% | 5 637 | \$71 |
| TENNESSEE | \$10 512 494 | \$3 504 165 | \$14 016 659 | 25.00% | 40 615 | \$86 |
| TEXAS | \$31 320 242 | \$10 440 081 | \$41 760 323 | 25.00% | 111 511 | \$94 |
| UTAH | \$1 772 107 | \$6 877 789 | \$8 649 896 | 79.51% | 30 714 | \$224 |
| VERMONT | \$927 106 | \$3 666 061 | \$4 593 167 | 79.82% | 1 146 | \$3,199 |
| VIRGINIA | \$10 552 101 | \$5 901 697 | \$16 453 798 | 35.87% | 35 261 | \$167 |
| WASHINGTON | \$5 969 623 | \$26 803 455 | \$32 773 078 | 81.78% | 53 460 | \$501 |
| WEST VIRGINIA | \$4 056 012 | \$2 614 343 | \$6 670 355 | 39.19% | 13 072 | \$200 |
| WISCONSIN | \$6 766 363 | \$7 319 835 | \$14 086 198 | 51.96% | 27 304 | \$268 |
| WYOMING | \$711 161 | \$590 912 | \$1 302 073 | 45.38% | 2 767 | \$214 |
| PUERTO RICO | \$10 187 711 | \$3 396 200 | \$13 583 911 | 25.00% | 41 043 | \$83 |
| GUAM | \$292 359 | \$41 983 | \$334 342 | 12.56% | 1 092 | \$38 |
| NO. MARIANA COL | \$348 008 | \$49 266 | \$397 274 | 12.40% | 680 | \$72 |
| PALAU | \$81 000 | \$11 045 | \$92 045 | 12.00% | \$132 | \$84 |
| MARSHALL ISLANDS | \$81 000 | \$12 273 | \$93 273 | 13.16% | 335 | \$37 |
| AMERICAN SAMOA | \$197 780 | \$47 084 | \$244 864 | 19.23% | NA | NA |
| MICRONESIA | NA | NA | NA | NA | NA | NA |
| VIRGIN ISLANDS | NA | NA | NA | NA | 841 | NA |
| UNITED STATES | \$420 055 119 | \$420 055 119 | \$420 055 119 | 73.06% | 2 673 692 | \$426 |

Source: US. Department of Education Office of Vocational and Adult Education Division of Adult Education and Literacy 09/01/03.

Table A.5. **Measures of Federal program impact: number of students achieving core and secondary outcomes, program year 2002**

| Outcome ¹ | Number and Percentage of Students Achieving Outcome |
|---|---|
| Core outcomes | |
| Educational gain (ABE and ASE students) | 518 468 (37%) |
| Entered employment | 171 534 (39%) |
| Retained employment | 184 125 (67%) |
| Received secondary school diploma or GED | 185 848 (42%) |
| Entered postsecondary education or training | 48 882 (30%) |
| Secondary outcomes | |
| Left public assistance | 4 980 (24%) |
| Achieved work-based project learner goal | 28 167 (74%) |
| Achieved citizenship skills | 12 025 (54%) |
| Voted or registered to vote | 7 165 (74%) |
| Increased involvement in community activities | 23 579 (70%) |
| Increased involvement in children's education | 29 730 (56%) |
| Increased involvement in children's literacy related activities | 29 568 (57%) |

Source: Office of Vocational and Adult Education.

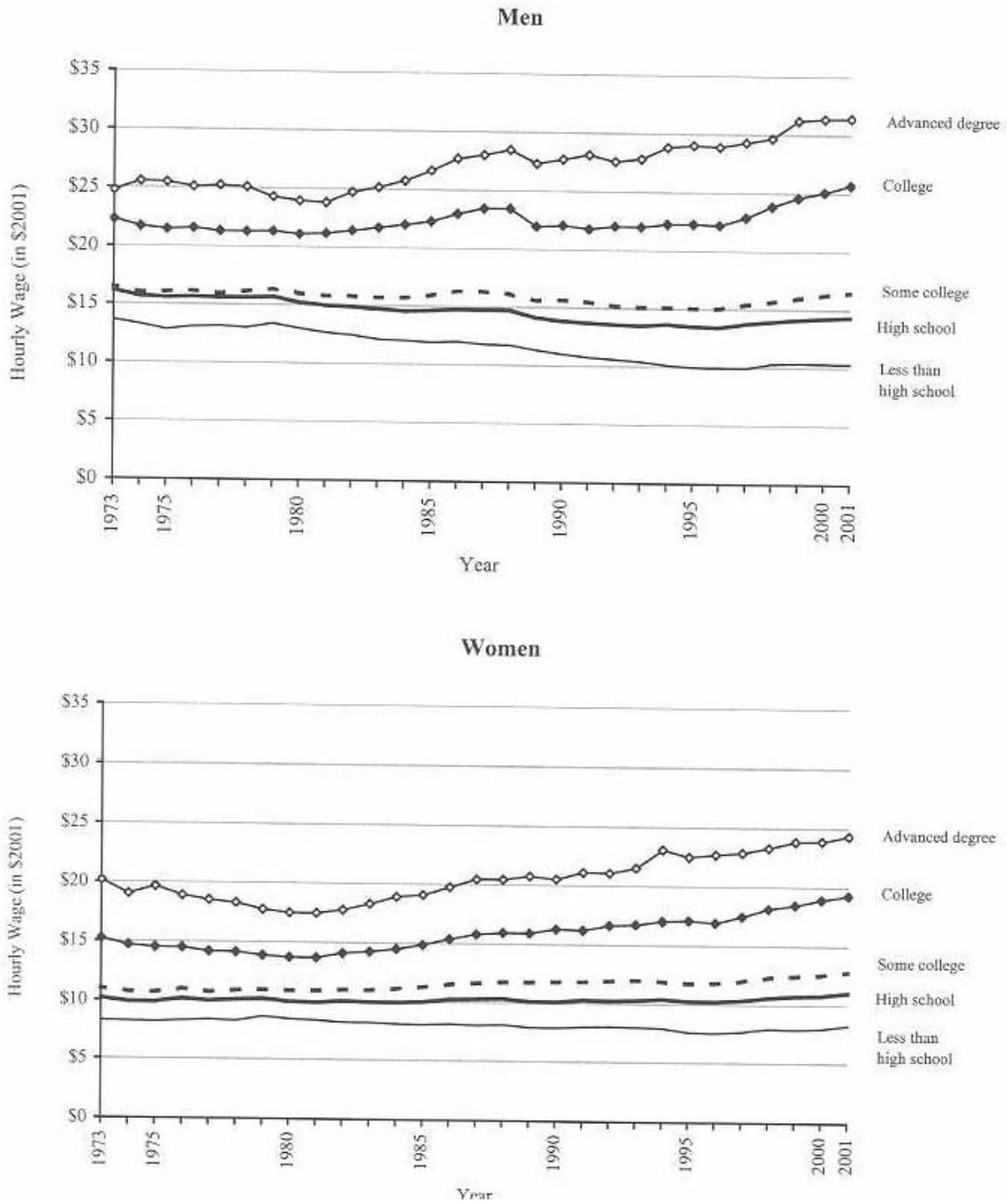
1) Attainment of these outcomes cannot be attributed solely to enrollment in adult education classes.

Table A.6. **Administrative versus academic evaluation of adult learning programs**

| Components | Administrative approach | Academic research |
|--------------------|--|---|
| Objectives | <ul style="list-style-type: none"> • Accountability and transparency • Follow up of federal legislation related to education | <ul style="list-style-type: none"> • Evaluation of the rate of return of various forms of education and training • Disentangling between human capital and signaling effects |
| Nature of the data | <ul style="list-style-type: none"> • Flow of administrative data generated by a given program (ex.: NRS) | <ul style="list-style-type: none"> • General longitudinal survey of individuals (ex. : NLSY) |
| Period | <ul style="list-style-type: none"> • Short or medium term | <ul style="list-style-type: none"> • Life long impact of education and training |
| Method | <ul style="list-style-type: none"> • A set of efficacy and impact indexes associated to a federal legislation | <ul style="list-style-type: none"> • Net effects corrected by any relevant exogenous variables, i.e. economic efficiency |
| Possible bias | <ul style="list-style-type: none"> • Satisficing administrative criteria might hinder economic and social efficiency • Too many objectives cannot be fulfilled by the same program | <ul style="list-style-type: none"> • Endogeneity problems and self-selection may affect estimates • The sample are not large enough to allow a precise assessment of each program |
| Output | <ul style="list-style-type: none"> • Highly disaggregated performance assessment at the level of providers | <ul style="list-style-type: none"> • Largely aggregated assessment of large and permanent programs (ex. GED) |
| Emblematic example | <ul style="list-style-type: none"> • National reporting system for adult education (US department of education) | <ul style="list-style-type: none"> • Heckman, Rubinstein (2003) |

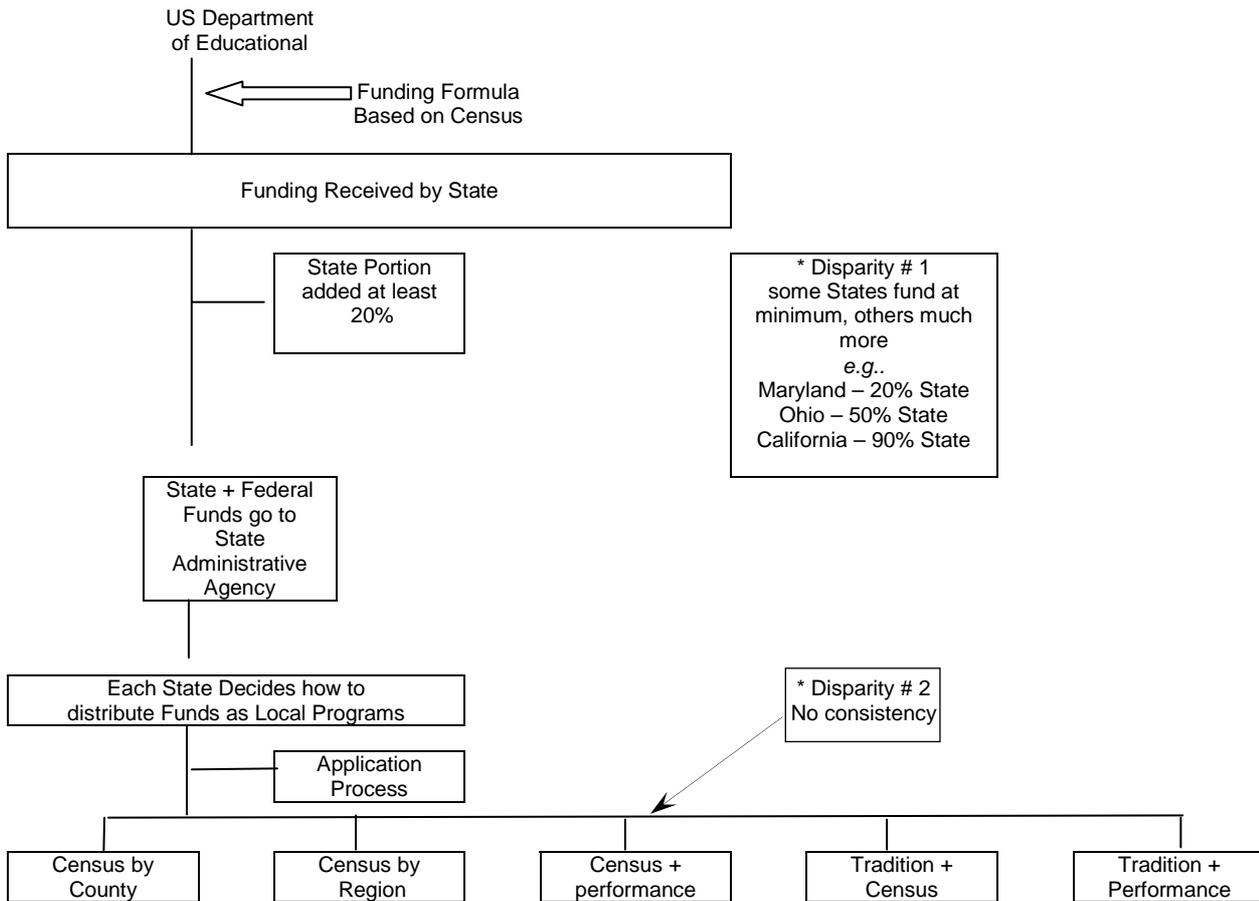
Source: Freely inspired from Barnow, King (2003).

Chart A.1. Hourly wages by education, 1973-2001 (in 2001 dollars)



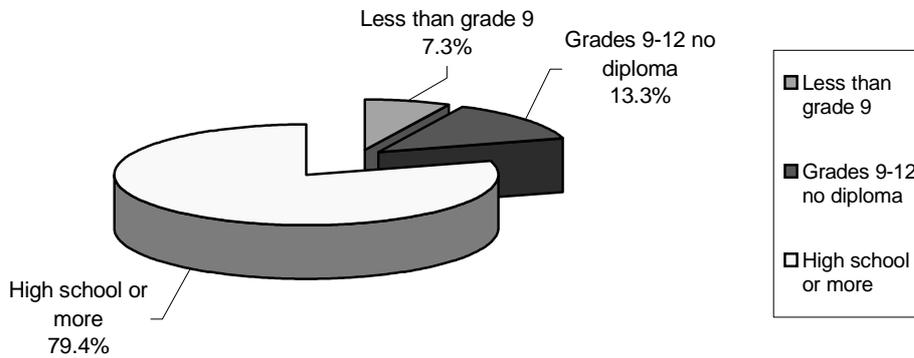
Source: Appelbaum, Bernhardt, Murnane (2004).

Chart A.2. The general architecture of education funding in the U.S.



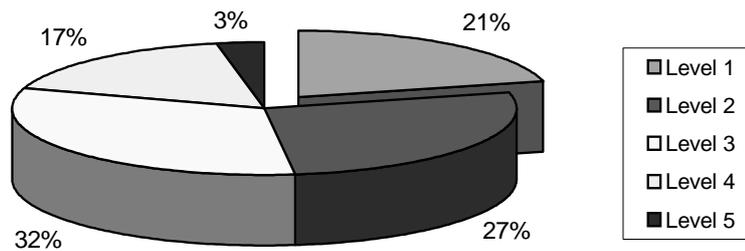
Source: Specially drafted by Michael Jones (2003) in response to queries of the OECD review team.

Chart A.3. U.S. Population Age 18 and Over, by Educational Attainment*



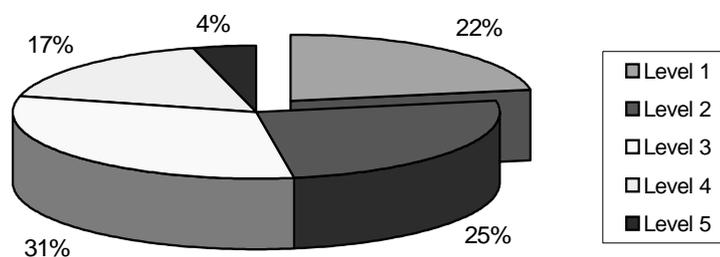
* Although the adult education target population includes individuals age 16 and over, data for that age group were not available at the time this report was prepared.
 Source: Census 2000 Summary File 3 (SF 3), Table PCT025.

Chart A.4. Percentage of U.S. Adults Scoring in NALS Levels 1-5 on Prose Scale



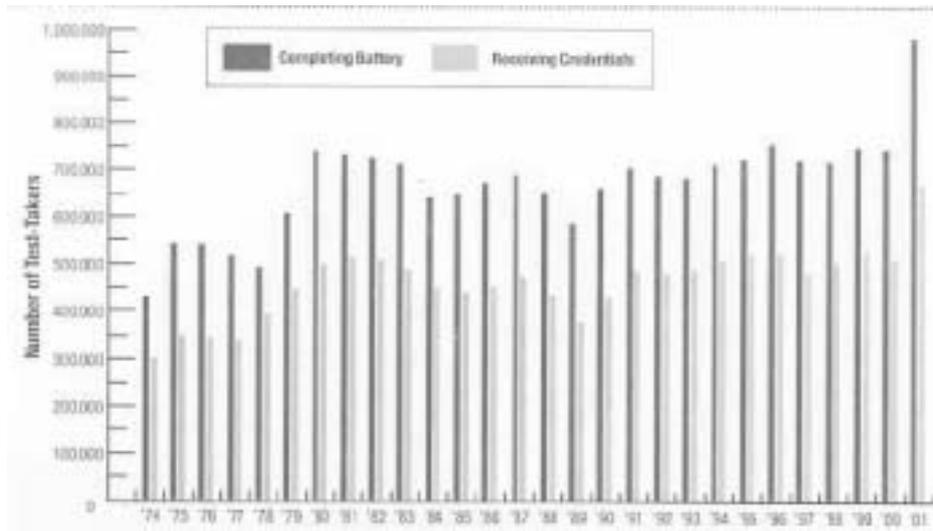
Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

Chart A.5. Percentage of U.S. Adults Scoring in NALS Levels 1-5 on Quantitative Scale



Source: U.S. Department of Education, National Center for Education Statistics, National Adult Literacy Survey, 1992.

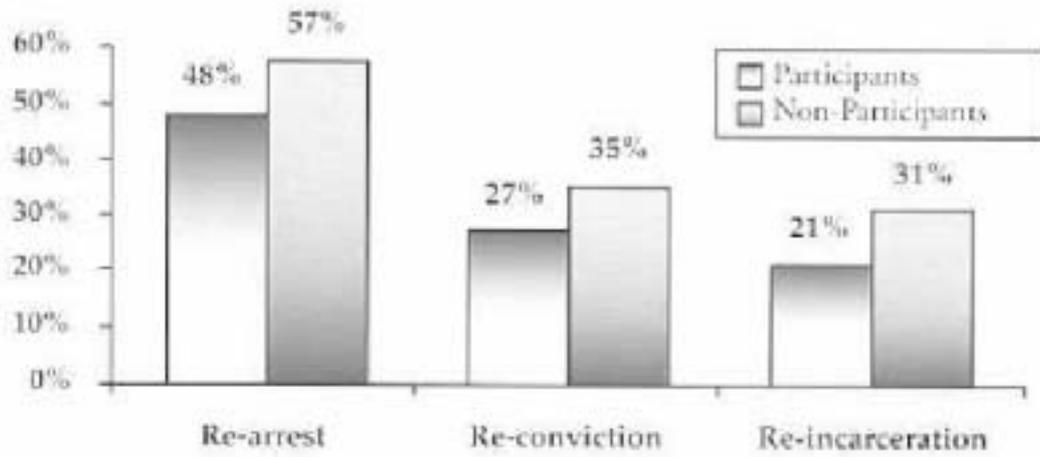
Chart A.6. Number of GED candidates receiving credentials compared with number completing tests



Source: GED (2002), *Statistical report 2001*, p. 30.

Chart A.7. Participants to correctional education programs are less prone to recidivism

Aggregate Recidivism For All States (N=3099)



A drop from 31% to 21% is actually a 29% overall drop in recidivism.