

Major Findings And Implications From The Study Titled:

Literacy In The Labor Force: Results From The National Adult Literacy Survey

Overview

- Overall, this analysis of the literacy skills of the nation's civilian labor force reveals a mixed picture, one that contains both encouraging and discouraging elements. On the positive side, the mean prose, document, and quantitative proficiencies of adults in the labor force were found to be consistently and significantly higher than those of adults who were neither working nor looking for work at the time of the NALS assessment. On the negative side, however, is the finding that a substantial share of the nation's labor force had limited literacy proficiencies. Between 40 and 43 percent of the labor force participants performed in the two lowest levels of proficiency defined in this survey. Further, only one of four attained the two highest literacy levels defined. In fact, on each literacy scale, only 3 to 5 percent of the adults active in the labor force scored in the highest level.
- The survey data also suggest that we are not a nation of readers who can readily synthesize information, master multi-step quantitative tasks, or analyze graphics. The types of critical reasoning skills believed to be in growing demand in the work places of the future are not evident among many members of the current labor force.

Literacy Proficiencies Of The Employed And Unemployed

- On two of the three literacy scales, adults employed full time significantly outperformed those employed part time.
- The average literacy scores of unemployed individuals were 28 to 35 points, or .5 to .6 standard deviations, below those of the full-time employed.

Literacy Proficiencies of the Full-time Employed

- Mean literacy proficiencies varied across key demographic and socioeconomic subgroups of the nation's full-time employed. The mean scores of full-time employed men and women were quite similar on each of the three scales, with women faring slightly better than men on the prose scale (7 points) and males performing slightly better than women on the quantitative scale (4 points). These findings suggest that female labor force participants are not an educationally disadvantaged group.

- The mean literacy scores of the full-time employed rose continuously and substantially with the years of formal schooling that they had completed by the time of the survey. The mean proficiencies of high-school graduates (or GED holders) exceeded those of high-school dropouts by .6 standard deviations, and the mean scores of four-year college graduates were a full standard deviation above those of high-school graduates. The rising annual earnings differentials between college and high-school graduates appear to reflect, in part, a rising economic payoff to literacy proficiencies.
- College-educated workers do not only possess substantially higher average literacy skills, but they also enjoy higher economic payoffs from stronger skills.
- The future economic outlook for the nation suggests that those who earn a college diploma and who acquire a strong base of literacy proficiencies will enjoy the greatest earnings advantages.

Literacy Proficiencies by Industry and Occupation

- The highest mean proficiencies were posted by workers in the finance, insurance, and real estate industries and the public administration sector. Workers in goods-producing industries (agriculture, construction, manufacturing, mining) were the poorest performers.
- Looking across the occupational groups, mean literacy proficiencies were highest for professional workers followed by managers, administrators, and technical workers. Mean scores were lowest for semi-skilled and unskilled blue collar workers and for farm, forestry, and fishing workers. The absolute sizes of the gaps between the mean scores of professionals and those of semi-skilled and unskilled blue-collar workers were quite substantial (approximately 80 points on each scale).
- On average, the projected fastest growing occupations in this country have literacy requirements considerably above the mean for all current workers. At the margin, literacy requirements clearly will be rising. A comparative analysis of the actual 1990 and projected 2005 national occupational employment structures predicted only moderate increases in literacy requirements, on average, given the actual 1992 literacy proficiencies of workers within each occupational group.

Literacy Proficiencies and Earnings

- The literacy proficiencies of the employed are positively and consistently associated with their weekly and annual earnings, although the strength of these associations varies across demographic and occupational subgroups. On each literacy scale, the

mean weekly earnings of the full-time employed rise consistently and strongly across the literacy levels.

- Estimated earnings functions revealed that literacy proficiencies consistently had a statistically significant, positive independent effect on the expected weekly earnings of the full-time employed.
- When both the direct and indirect effects of higher literacy proficiencies on weekly earnings were taken into account, the relative size of the estimated earnings impacts was doubled. Higher literacy proficiencies were also associated with higher earnings through workers' formal educational attainments. Persons with higher literacy scores were considerably more likely to graduate from high school, attend college, and obtain a four-year college degree.

Literacy Proficiencies of the Poor or Near Poor and of Public Assistance Recipients

- Renewed growth in the nation's poverty and public assistance populations in the early 1990s has led to a search for more effective anti-poverty policies and for ways to restructure the nation's welfare system, especially the former Aid to Families with Dependent Children program (AFDC). The literacy proficiencies of poor or near poor individuals (those living in households with a combined money income below 125 percent of the poverty line) were well below average on each of the scales.
- The literacy proficiencies of persons whose families receive AFDC benefits were also well below the average for the entire civilian population.

Participation in Basic Skills Training Programs

- Although many adults in the nation's civilian labor force displayed limited literacy skills, only one of every 10 labor force participants between the ages of 25 and 64 reported having ever received basic skills training outside of the regular school system. Less than 5 percent of the labor force members said they had participated in such a program in the past five years. Labor force participants with lower proficiencies were more likely than those with higher proficiencies to have received basic skills training in the past five years.
- Among those who said they had received some basic skills training since leaving school, only four of 10 indicated that the training was provided by an employer or a labor union.
- Overall, the evidence from this survey indicates major deficits in basic skills training for the less literate members of the work force, particularly at the worksite. These

findings are in close accord with those of other recent surveys on workplace literacy programs.

- There seems to be a major need for expanded literacy training of United States workers, especially those with the most limited skills. The National Adult Literacy Survey data indicate that nearly all subgroups of employees, including front-line workers, receive positive economic payoffs from higher literacy proficiencies, and a recent study suggests that participation in workplace literacy programs has a positive impact on wages.

Source: U.S. Department of Education, National Center for Education Statistics. *Literacy in the Labor Force: Results from the National Adult Literacy Survey*, NCES 1999-470, by Andrew Sum, Project Officer: Andrew Kolstad. Washington. DC. 1999. pp. 261-270.