



## **THE PHASE OUT OF AMERICA'S JOB BANK**

America's Job Bank (AJB) was the first national electronic job board on the Internet and served an important role when it was first developed in 1995. Beyond providing direct services over the years to employers and job seekers, AJB also served as the first Internet presence for labor exchange for each of the states.

During the past two years, the U.S. Department of Labor's Employment and Training Administration (ETA) has extensively reviewed and evaluated the ongoing viability of maintaining a national job site. Due to a number of factors, the benefits of AJB no longer outweigh the costs of operating and maintaining this system. Therefore, AJB will be phased out over the next eighteen months and cease to be operational on June 30, 2007.

### **Rationale for the Decision**

Numerous factors were weighed in coming to the decision to end AJB, most of which fell into two broad categories: 1) changes in the broader environment AJB is operating in and 2) the costs associated with running the system.

#### ***Changes in the Operating Environment:***

- Since the launch of AJB, the number of private-sector Internet-based job boards (Career Builder, Monster, Yahoo! Hot Jobs, etc.) has proliferated, calling into question the need for a Federal government-sponsored job board.
  - The numerous private-sector electronic labor exchange systems are continuously improving and most, if not all, of these sites offer free services to job seekers. Current trends in the industry seem to indicate that some level of free service will also be available to businesses/employers in the future.
  - Most of the employers who currently use AJB also use other job boards simultaneously to advertise their openings.
- As Internet technology and technical resources have become widespread and the costs associated with them have declined, state and local areas that used to depend on AJB for their Internet self-service labor exchange presence have built and operate job banks of their own that are not based on AJB.

#### ***The Cost of Operating AJB:***

The cost of operating AJB has been as high as \$27 million per year, with a current operating budget for maintenance-only of \$12 million per year. Even with this sizable investment, AJB has not been able to keep up with private sector job boards or industry standards regarding up-to-date technology. The technology platform on which AJB is built is outdated. The cost to maintain AJB and constantly upgrade the foundational

technology and make improvements to the site is no longer justifiable given that AJB duplicates what is already available in the private sector.

### **Transition Planning**

The Department has developed an initial transition plan to ensure that states and other entities, which currently utilize the AJB platform as part of their suite of services, are able to plan and make changes accordingly.

The Department recognizes there will be a periodic need for a national job board due to unique circumstances, such as the recent dislocations related to the hurricanes in the Gulf Coast. It is the Department's assessment that it will be more cost effective to contract for this type of service with the private sector on an "as needed basis." The Department will be exploring this option as part of the transition process.