

**WORKFORCE DEVELOPMENT POLICY:
How States Can Move Ahead**

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Outline

- ✘ Labor Market: Demand v. Supply for Middle- and High-Skill Jobs
- ✘ Effective Policies: The Ideal v. the Reality; Promising Approaches and Proven Results; Differing Populations
- ✘ How to Move Forward: State and Federal Roles

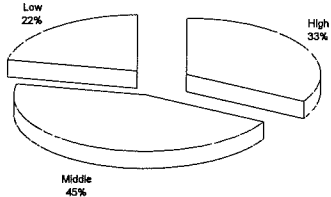
Demand: Middle-Skill Jobs Remain Plentiful

- ✘ Good-Paying Jobs in High Demand: Now Mostly Require Post-Secondary Education/Training or Work Experience
- ✘ Notion of "Hourglass" or "Dumbbell" Economy Oversold – Substantial Demand Remains in the Middle Skill Sectors/Jobs
- ✘ Key Sectors: Health Care, Construction, Manufacturing, Legal/Protective Services ("Green" Jobs/Infrastructure)

Examples of Mid-Skill Jobs

- ✘ Construction: Supervisors, Electricians, Plumbers
- ✘ Engineering: Technicians
- ✘ Healthcare: Dental Hygienists, Radiation Therapists, Sonographers, Radiologic Technicians, Respiratory Therapists, OT and PT Assistants
- ✘ Manufacturing: Supervisors, Machinists, Welders/Cutters
- ✘ Legal/Protective Services: Detectives, Paralegals/Legal Assistants, Police/Fire
- ✘ Installation/Maintenance/Repair Jobs

Figure 2. Job Openings by Skill Level, 2004-2014



Labor Supply: Education and Training Lag Behind

- ✘ 1/4 of All Ninth Graders Drop Out of HS
- ✘ Another 1/4: Graduate but No Postsecondary
- ✘ College Enrollees: High Rates of Noncompletion - Even at Community College! (Remediation)
- ✘ Post-School Training for Youth and Adults: Very Limited - Both Formal and Informal On-the-Job Training
- ✘ Why??? Basic Skills, Costs, Motivation and Information, Family Responsibilities

Demand-Supply Imbalances Will Likely Grow Over Time

- ✘ Baby Boomer Retirements (?)
- ✘ Replacement by Immigrants: Concentrated Mostly at Lowest (and Highest) Levels of Education
- ✘ Outsourcing of Jobs: Maybe Weaken Labor Markets Overall But Not in These Sectors

(H. Holzer and R. Lerman, *America's Forgotten Middle-Skill Jobs*, The Workforce Alliance, 2007)

What Would an Effective Education and Workforce System Look Like?

- ✘ Improved Secondary and Post-Secondary Education and Training Options for Youth/Adults
- ✘ Better Alignment between Education/Training and Demand Side of Labor Market: Meeting Unmet Demand for Good Jobs in Growing Sectors
- ✘ Supports and Services

The Reality

- ✘ Limited (Declining) Funding Through WIA, Though Pell Grants Rise
- ✘ Fragmentation: "Silos" and Lack of Employer Connection
- ✘ Weak Information and Incentives
- ✘ Limited Evidence on Cost-Effectiveness - Esp. in Scaled Up Programs
- ✘ Results: Limited Access, High Dropout Rates, Limited Success for Completers - esp. among the Disadvantaged

Promising Efforts at Community Colleges/State Systems

Foundation Efforts

- ✦ Achieving the Dream (Lumina, et al.)
- ✦ Breaking Through (Ford, Gates, Mott)
- ✦ Shifting Gears (Joyce)
- ✦ Making Connections (Annie E. Casey)
- ✦ National Fund for Workforce Solutions (Ford, Annie E. Casey, Hitachi)

USDOL Grants: WIRED, Pathways Out of Poverty
States: PA, MI, WA

Improving Education and Labor Market Links: Starting in High Schools

- ✦ High-Quality CTE: Career Academies, Tech Prep, Apprenticeship
- ✦ Preparation for Postsecondary: Advising/ Mentoring, Dual Enrollment, Academic Support
- ✦ Dropout Prevention: Case Management and Services; Multiple Pathways Programs

Improving Education and Labor Market Links: Community College and Beyond

- ✦ Bridge programs
- ✦ Integrated Developmental Education and Occupational Training
- ✦ Alternative training and education approaches, such as modular courses and stackable credentials
- ✦ Sectoral training and Career Pathways
- ✦ Incumbent Worker Training

Supports and Services

- ✦ Intermediaries to Connect Workers with Training and Jobs – Based on Labor Market Data
- ✦ Child Care, Transportation
- ✦ Performance-Based Financial Aid/Stipends
- ✦ Mandatory Counseling and Academic Support, Learning Communities

Cost-Effective? Some Recent Evidence

- ✦ High School: Career Academies and Tech Prep
 - ✦ JTPA and WIA Studies
 - ✦ PPV's Sectoral Employment Impact Study
 - ✦ Jacobson and Mokher: Returns to CC Certificates in High-Demand/Technical Fields
 - ✦ Jacobson, Lalonde and Sullivan: Returns to Certificates/AA degrees for Displaced Workers in High-Demand/Technical Fields
 - ✦ Community College Completion: Opening Doors, I-BEST
- Challenges with Successful Models: Replication and Scale!

A Few Cautions

- Different Populations with Different Needs
- ✦ Adults v. Youth
 - ✦ Adults: Working Poor v. Hard to Employ
 - ✦ Youth: In School v. Out of School
 - ✦ One Size Doesn't Fit All!
 - ✦ Choice: Workforce Development for Some v. Earnings Supplements (EITC expansion, etc.) and Supports for Others
- States: Economic Development v. Helping the Disadvantaged | Employer v. Workers as Clients (Free Riders)

Disconnected Youth and Hard-to-Employ Adults

- ✦ Reconnection to School and Degree Completion: ChalleNGe, Gateways, Multiple Pathways (NYC)
- ✦ Labor Market: Sectoral/Service Employment (Year Up, YouthBuild, Service and Conservation Corps)
- ✦ Other Supports: Larkin Street (SF), Roca (Boston)
- ✦ Youth Systems: Youth Opportunities, Philadelphia Youth Network
- ✦ Transitional Jobs and Reentry/Fatherhood Programs (CEO) and Policies
- ✦ Expanding EITC

What States Can Do (With Federal Support)

- ✦ Identify Growing Sectors (Demand) and Different Skill Groups (Supply) - Build Pathways
- ✦ Curricula and Supports at High Schools and Community Colleges
- ✦ Develop Linkages (Partnerships) between Industry, Training Providers (Community Colleges and Others), Relevant Agencies and Intermediaries - Education and Workforce Systems
- ✦ Improve Information (Data) and Incentives
- ✦ Experiment and Evaluate! (Ongoing Efforts)

How the Federal Govt. Can Help

- ✦ American Graduation Initiative and Pell Grants:
- ✦ WIA: Funding, Performance Measures, Innovation Fund
- ✦ Other Efforts to Integrate Education and Workforce Development
