

Workforce and Education Strategies for Achieving National Economic Priorities – Recommendations for the U.S. Department of Labor

“In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity – it is a pre-requisite. Right now, three-quarters of the fastest-growing occupations require more than a high school diploma. And yet, just over half of our citizens have that level of education. We have one of the highest high school dropout rates of any industrialized nation. And half of the students who begin college never finish. *This is a prescription for economic decline, because we know the countries that out-teach us today will out-compete us tomorrow.*

“And so tonight, *I ask every American to commit to at least one year or more of higher education or career training.* This can be community college or a four-year school; vocational training or an apprenticeship. But whatever the training may be, every American will need to get more than a high school diploma.”

~ Remarks of President Barack Obama, Address to
Joint Session of Congress, Tuesday, February 24, 2009

As America begins 2009 facing the worst economic crisis in decades, it is clear that the response must be as bold as the crisis is immense. President Obama clearly sees the links between a country’s investment in human capital and its global economic competitiveness. He made job creation and investments in workforce development critical elements of the American Recovery and Reinvestment Act of 2009. He also has challenged every American to commit to at least one year or more of higher education or career training.

Building the workforce needed for global economic success and the long-term well-being of our people will take more than an expanded Pell Grant program and new educational tax credits. It also will require that we focus on the needs of our lowest skilled adults and workers and transform our current workforce system so that it is effective, efficient, and responsive to the needs of employers and workers.

As leading adult education and workforce development organizations (see box), we offer strategies and specific action steps to meet our national economic challenges and achieve our priorities.

National Economic Priorities

- Help those hit hardest by the economic recession
- Restore and grow a strong national economy
- Rebuild the American middle class
- Reinvest in shared prosperity
- Provide opportunity for every American to gain at least one year or more of higher education or career training

Presented by:

American Association of Community Colleges
Center for American Progress
Center for Law and Social Policy
Corporation for a Skilled Workforce
Council for Adult and Experiential Learning
Council for Advancement of Adult Literacy
International Association of Jewish Vocational Services
Jobs for the Future
National Center for Business Champions
National Center on Education and the Economy
The Workforce Alliance
Workforce Learning Strategies
Workforce Strategy Center

Strategies

The following overarching strategies have begun to emerge in the adult education and workforce fields as key to help us achieve our national economic priorities. Above all, these strategies must provide equal access for low-skilled and disadvantaged individuals, including the “hardest to serve,” so that they may achieve economic prosperity.

- 1. Build longer-term career advancement opportunities for all of America’s workers.** Job seekers need more than quick-fix connections to jobs; they need seamless career pathways that connect all workers – including incumbent workers as well those who are low-skilled, long-term unemployed, or who have other significant barriers to employment – to the education, training, and supports they need to enter and advance in the economy. This will require redesigning adult education and employment and training programs, such as those authorized under the Workforce Investment Act (WIA), as pathways to valued postsecondary credentials, employment and career advancement. Federal adult education policy will need to support state and local efforts to build “bridges” from adult education and college developmental education to credit-bearing postsecondary courses and attainment of marketable credentials. Redirected income support programs such as Temporary Assistance for Needy Families (TANF) can provide the incentives and supports to help people transition to family-supporting employment. Finally, federal higher education policies can be improved so that they provide not only greater access but also support student success.
- 2. Allow flexible services that can be customized to individual circumstances and needs.** No one program model works for everyone. Programs need to tailor services to client and employer needs without artificial restrictions on service delivery modes or what can be counted toward federal requirements. While some job seekers may only need a little career guidance and short-term training to get a good job, others such as returning veterans, ex-offenders, and those leaving welfare for work are likely to have greater employment barriers requiring a more extensive set of interventions, including resources to meet the real cost of participating in training and achieving family-sustaining employment.
- 3. Focus solutions on employers’ workforce needs as well as current and future workers’ career development needs.** Focusing on the education and skills demanded by regional and state economies and employers helps to target workforce investments on high-demand jobs of the future and produce a workforce that meets state, regional, and national economic needs. When appropriate, sector-based approaches to workforce development show great promise for supporting economic growth and creating lasting change in regional labor markets. These and other employer-based initiatives help workers gain the skills and industry-recognized credentials needed to advance; and they develop shared workforce solutions to meet employers’ immediate and longer-term needs for a more skilled and productive workforce in industries or clusters of occupations with advancement opportunities. Additionally, partnering with high-road employers that pay good wages, provide benefits, and otherwise employ good human resource practices can also help to transform low-wage labor markets and promote more inclusive economic growth.
- 4. Leverage regional and state partnerships of key system stakeholders, to maximize innovation, cooperation, and resources around regional and state economic growth strategies.** The adult learning and workforce challenges confronting America are too massive, too complex, and too urgent for any one public or private entity to solve alone. Regional and state partnerships have shown great promise in meeting these challenges. Key community leaders – including civic, business, labor, education, workforce, economic development, and philanthropic leaders – can convene to identify the strengths, challenges, resources, and needs of their regions and to identify, build support, and leverage resources for a shared strategic vision for building a highly-

skilled workforce and a competitive regional economy. These partnerships tend to be highly innovative, have flexible funding, and have high levels of clout. And they are generally more reflective of needs specific to each region and state.

5. **Align key agencies and resources at the federal, state, and local levels, including workforce development, higher education, adult education, and economic development.** The fragmented, underfunded and, at times, conflicting nature of our current policies makes it difficult to craft holistic solutions customized to the needs and circumstances of “hard-to-employ” individuals. Creating seamless pathways to good jobs that pay family sustaining wages requires bringing together different levels and types of education, training, and economic development programs with the shared mission of individual advancement (for both current and future workers) and economic growth. It requires aligning program content across programs with industry requirements, and aligning policies regarding assessment, entry and exit standards, and educational credit and transfer to ease transitions among programs. This is particularly important at this time of economic crisis and severe budgetary constraints.
6. **Establish a robust professional development and staff capacity building system.** These strategies will require workforce development, adult education and postsecondary education practitioners to do business differently. To ensure that the field is prepared to meet the challenges of a new education and workforce system, the federal and state governments will need to invest in professional development systems.
7. **Align accountability measures with these strategies and the realities of longer-term services and training for lower-skilled workers and establish a vigorous program of research and development to support innovation.** While results-oriented accountability has been built into federal workforce programs for more than 20 years, the measures of program performance are fragmented and at times drive service provider behavior in counterproductive ways. The focus on immediate placement outcomes under WIA has resulted in “creaming” and other program distortions that, in fact, have reduced the program’s long-term effectiveness. Rather than continuing this fragmented and counter-productive approach, we need an accountability system that crosses programs and measures each program’s contribution toward the achievement of broader shared goals for the populations in need, not just those directly served by the program. Better data collection and a targeted research strategy are also essential to help the Administration and the WIBs transform how workforce development programs are designed and implemented.
8. **Invest in education, training, and workforce development at a level proportionate to the need.** Current programs are severely under-funded and therefore unable to meet the critical and growing need for middle- and highly-skilled workers. It is critical to increase our investments in workforce education programs and find ways to ensure that those who most need education and training can afford access. In addition, dedicated funding is needed to align programs, foster community partnerships, and enhance the capacity of education providers to carry out changes which accelerate student learning and strengthen connections to employers and local labor market requirements.

Recommended Actions by the U.S. Department of Labor

The U.S. Department of Labor is uniquely positioned to assist the president in his goals for educating our workforce and strengthening our economy. Under new leadership, the department is making important changes in how workforce dollars are spent. Many of these new approaches are helping the entire system respond more effectively to the skill needs of employers and develop the kind of workforce our global economy requires. Yet, there are many ways to improve upon the effectiveness of the department – and

the publicly-funded workforce system as a whole – in addressing the education and skill needs of the workforce.

1. Transforming the Culture of the Workforce System to Drive Innovation. Under WIA, the workforce system is required to assist individuals through a staged sequence of services. The strict adherence to this approach does not give the system the flexibility and responsiveness that is needed in order to address the rapidly-changing needs of the global economy. In addition, the workforce system has been slow to adopt emerging innovations and practices such as sector-based initiatives and programs designed around a region’s skill and labor needs, and the system is structured in a way that discourages investments in longer-term education and training in favor of rapid re-employment. The USDOL could pursue a number of different strategies to encourage greater innovation and more rapid dissemination and adoption of effective workforce development programs and practices.

Recommended action includes the following:

- a. Strengthen the workforce system
 - i. Offer peer-to-peer technical assistance (between states, local-level entities, etc.).
 - ii. Establish a mentoring program between senior and entry level workforce development professionals.
 - iii. Rebuild the regional office systems, transforming them into Regional Innovation Centers that can provide technical assistance to regions and WIBs.
- b. Promote innovation
 - i. Promote creative use of incentive funding streams through competitive grants.
 - ii. Pending elimination of the sequence of service in reauthorization, discourage a strict adherence to the sequence of services approach that delays individuals from quickly receiving needed assistance. Offer guidance that permits a more customized approach to the needs of individual workers and employers, including allowing broader options in the types of training contracts that can be established.
 - iii. Clarify legislation goals and intents, and encourage innovation and flexibility to meet them. This may require revisiting current interpretations of rules and regulations that are currently discouraging WIBs from carrying out innovative approaches such as career pathways programs.
 - iv. Focus on implementation/rollout of successful pilots and identifying successful ways to bring new programs to scale.
- c. Increasing information and knowledge
 - i. Organize a national network for the rapid diffusion and adoption of innovation.
 - ii. Continue research on identifying strategies that work, innovation, best practices, and effective partnership models – but also find better ways to apply research findings and encourage adoption of proven and promising strategies more quickly.
 - iii. Encourage states and/or regions to develop a real-time system of collecting and disseminating labor market information, particularly for industries identified as key to the rebuilding of our national economy.

2. Encouraging System Alignment. The current system is not as efficient as it could be because programs operate independently and within their own “silos.” Greater alignment is needed, not just among programs funded and administered by the USDOL, but also across different agencies, particularly the U.S. Department of Education and, to a lesser extent, the U.S. Departments of Commerce, Energy, and Housing and Urban Development. Some actions that could be taken to achieve greater alignment include the following:

- a. Establish an interagency entity for meaningful integration and planning across a variety of programs and silos, but especially Titles I and II of WIA, TANF, postsecondary education, and economic development.
- b. Work closely with the U.S. Department of Education on the alignment of Titles 1 and 2 of WIA in ways that facilitate the development of career pathways programs and initiatives
- c. Identify barriers to system integration – including funding integration – and provide solutions on how to overcome them. Where barriers cannot be addressed through administrative changes, develop recommendations to policymakers.
- d. In the rebuilding of the regional office system (see 1-a-iii, above), develop the capacity of regional ETA office staff to provide advice and technical assistance to regions, WIBs, adult education programs and other providers on how to navigate existing funding streams and integrate these streams to support innovative programs.

3. Measuring Success: Reframing Performance and Reporting. Current performance measures and reporting requirements for USDOL programs are structured in a way that tend to give disproportionate weight to immediate employment as opposed to preparing workers for high-demand careers in a dynamic economy. Given the changing needs of employers and the critical skill needs of our economy, performance measures must be in place that give proper weight to skill and credential attainment – on par with measures such as re-employment and wage gains. Recommended actions include:

- a. Conduct a thorough analysis of current performance measures and reporting requirements. This analysis should identify how success in the workforce system should be measured, what problems exist in the current performance measures, and how the existing performance measures and structures might be changed to achieve greater educational attainment in the workforce. The analysis should also look across different agencies, such as the departments of education and energy, to identify a set of common performance measures that address workforce learning in all of its various forms. If similar research has already been done, release findings to the field to encourage a broader discussion on next steps and implications for the future.
- b. Conduct research to identify empirically-based benchmarks of progress toward family-supporting employment that go beyond current benchmarks of GED, associate’s degree, vocational certificate, etc. An expanded set of benchmarks would include intermediate goals – perhaps combining both credentials and work experience – that are shown to help move people along a pathway to employment at family-sustaining wages.

4. Reframing the Value and Promoting the Importance of Workforce Development. Even though many new resources have been committed to workforce development in the American Recovery and Reinvestment Act of 2009, there is still much that needs to be done to educate our leaders on the importance of workforce education and training – not simply a message about how education can help in the “reattachment” of those who have lost their jobs, but also a message about the importance to our economy of longer-term skill building, postsecondary credentials, and career pathways linked to education and training. We encourage the USDOL to focus on a new kind of messaging campaign that can change how public officials view the importance of adult learning and a skilled workforce. Additional messaging campaigns addressed to the American public could describe how the public workforce and adult education systems can help them achieve President Obama’s goal of at least one year of postsecondary learning. Such messaging campaigns are not enough to help us see the results we are looking for – the other courses of action recommended above must also be implemented. Recommended actions include the following:

- a. Develop a messaging campaign that clearly shows the link between workforce skills and economic competitiveness and elevates the visibility of workforce development in Congress and in the White House. This campaign might borrow strategies, tactics and messages from initiatives such as The Workforce Alliance's Skills2Compete or *Reach Higher, America* from the National Commission on Adult Literacy.
- b. Work closely with the U.S. Department of Education on a joint message campaign to encourage more adults to pursue postsecondary learning (echoing the president's charge for every American to get one year of postsecondary education); this campaign can borrow strategies, tactics and messages from similar state campaigns (e.g., Kentucky's GoHigher, Oklahoma's Reach Higher)
- c. Brand workforce development initiatives that are made possible through ARRA

Conclusion

It would be our pleasure to work with the Department to build out these recommendations and continue the discussion regarding how to improve the broader workforce development system to meet our national economic priorities and the educational challenge the president has cast.