

Whose Job Is It? Creating Opportunities for Advancement

By Nan Poppe, Julie Strawn, and Karin Martinson

June 2003

This text will appear as chapter 2 in the book titled *Workforce Intermediaries in the 21st Century* by Robert P. Giloth (Ed.), to be published by Temple University Press in 2003.

CLASP
CENTER FOR LAW AND SOCIAL POLICY

Introduction

Over the past decade federally funded workforce development programs have shifted their focus from developing skills to helping individuals find entry-level jobs quickly. There is a well-developed service infrastructure and research base for such rapid job placement services. By contrast, there has been little programmatic focus or research on services to help low-wage workers advance to better jobs. Policymakers have increasingly recognized this gap and are seeking ways to fill it, in part because the welfare reform experience has illustrated both the strengths and limits of the “work first” approach: many recipients found jobs but a lack of skills and limited access to employers left most stuck in low-paid work. Workforce intermediaries are of interest primarily because they are viewed as part of the solution to the job advancement problem for low-wage workers.

Workforce intermediaries are defined elsewhere in this volume as having several essential characteristics, including addressing the needs of both employers and low-wage workers and helping to integrate funding streams, public and private sector services and programs, and information sources. The most successful workforce intermediaries have gone beyond job matching to offer a comprehensive set of services to individuals (such as education and training, career and family counseling, and supportive services) and to employers (such as customized job training, job coaching, and supervisor training).

If workforce intermediaries are one means of promoting job advancement, a key question still remains: what are the most effective ways to help low-wage workers advance? To shed light on this question, we first examine research on the experiences of low-wage workers in the labor market and on the types of employment and training strategies that have been effective for advancement. We then move from this research to describing key elements drawn from practitioner experience that policymakers and workforce intermediaries should consider including in a job advancement strategy. We highlight, in particular, “career pathways” as one model for developing training and job placement efforts that bring together the long-term needs and goals of workers and employers.

We conclude with a brief review of the challenges that policymakers and workforce intermediaries face in implementing job advancement strategies and suggest some federal policy changes that could promote success. One fundamental issue is a void of leadership and stable funding, especially at the national level. Currently no federal agency or program views job advancement for low-income adults as its core mission. Consequently, our nation lacks sustained leadership and investment in building the infrastructure of services low-wage workers and job seekers need to advance.

I. What Matters for Job Advancement? Lessons from the Labor Market

Many American workers have low earnings at some point in their lives; a smaller, but still substantial, share has persistently low earnings. Low earnings are typically due to a combination of low wages and less than full-time, year-round employment. As a practical matter, policymakers are most concerned about workers stuck in low-wage jobs. A recent study following prime-age (25-54 years old) workers over three years in the early to mid-1990s (Holzer et al 2002) found that nearly a fifth of the workforce (18 percent) had persistently low earnings over three years. These same workers were tracked again through a second, three-year period in the late 1990s and almost half of those with earnings persistently below \$12,000 in the earlier period had moved up. Their earnings remained quite low, though, with only 6 percent of them earning consistently above \$15,000 in the latter period. Studies of former welfare recipients have found similar patterns of modest earnings growth on average and persistently low earnings over time. (Cancian and Meyer 2000; Cancian et al 2002; Johnson and Corcoran 2002) Further, a recent study tracking young recipients for a decade after leaving welfare found they make the most economic progress in the initial years after leaving welfare, with much less improvement in their earnings and poverty rates five to ten years after exit. (Meyer and Cancian, 2001)

What Factors Are Linked to Moving Up to Better Jobs Over Time?

While low earnings are common and persist for a substantial share of workers, the fact that some low-income workers do escape to better-paying, more stable employment raises the question of what factors matter most for job advancement. Researchers have looked at low-wage workers over time and used statistical techniques to try to isolate the importance of various personal and job factors for labor market success. This type of research cannot control for unobservable factors such as individual motivation, workplace culture, and discrimination; nevertheless, it can help policymakers and workforce intermediaries to at least focus their job advancement strategies on the observable factors most strongly linked to moving up to better jobs. These studies suggest the following factors matter most for advancement, independently of each other:

- *Staying with the same job pays off only modestly over the long term for those with little education, for those who have low earnings initially, and for those in jobs requiring few cognitive skills. Staying at part-time work yields little to no wage growth. Steady work at large firms pays off more.*

A national study of workers generally between 1986 and 1993 found that how much staying with a job pays off depends on the worker's educational attainment. For example, among women who stay with the same employer, those without a high school diploma see annual wage increases of less than one percent (0.7 percent); those with a high school diploma about twice that (1.4 percent); while the wages of those with a college degree grow five times as fast (3.6 percent). (Connolly and Gottschalk 2001) Similarly, a study of current and former welfare recipients in Michigan from 1997 to 2000 found wages grew about two percent (1.8 percent) for full-time work experience and not at all for part-time, after controlling for recipients' skills and other characteristics. Even for the 19 percent of women who had worked in *every* month of those three years, only about 42 percent were employed in "good" jobs—defined as full-time, hourly wages of at least \$7 with health benefits, or \$8.50 without—at the end of the period. In addition, three out of five of the women who worked part-time did so involuntarily. (Johnson and Corcoran 2002) Similarly, the Holzer et al study finds that for those who had persistently low earnings initially and stayed with their jobs over the long run, their earnings increased by about two percent a year.¹ Those who subsequently escaped to higher earnings were more likely to be with larger firms.

- *Switching jobs strategically can be a path to higher wages later on, due to wage increases at job changes and to higher wage growth in the new jobs. Increases in wages at job changes are higher for those with more education.*

In the Holzer et al study, those who had persistently low earnings initially and switched jobs saw their wages increase by 30 percent within two years. Job changes that were also a change in industry especially paid off; three-fourths of those who completely escaped low earnings did so through a job change and nearly half of escapers changed industry as well as job. Interestingly, once a low earner has changed from his or her initial job to a new one, staying with that new job over time pays off considerably more than staying with the old one did. This appears to be due to the new job more fully rewarding personal characteristics, such as skills, and to the new worker obtaining more access to the benefits of a higher quality firm than existing workers. For example, within firms that paid above market wages to individuals, someone who changed jobs was more likely to get access to those wages than someone who stayed with a job in those firms.

The benefits of job changes vary, however, for different groups of workers. Job changes pay off less for women (Holzer et al 2002) and for the less educated. For example, the study of workers between 1987 and 1993 found that women with just a high school diploma saw their wages increase by 2.9 percent when they switched jobs while those with some college obtained a wage increase of 4.5

¹ Unlike the other studies discussed here, this study did not have data on hourly wages or on workers' basic skills and educational attainment, though it tries to control indirectly for the latter.

percent with job changes. (Connolly and Gottschalk 2001) Importantly, less educated workers are also much more likely to transition from a job to unemployment than they are to move from a job to another job. Job changes that are involuntary and/or interrupted by a spell of unemployment are generally linked to wage declines. (Holzer et al August 2002; Johnson 2002; Connolly and Gottschalk 2001; Gladden and Taber 2000)

- *Access to higher quality employers is an important determinant of how much either job tenure or job changes pay off; intermediaries may improve access to these employers.*

Among workers with persistently low earnings initially, the Holzer et al study finds that black and Hispanic males have lower subsequent wages than white males, due in large part to lesser access to higher quality employers. In the study, these quality characteristics included firms with lower turnover, firms paying above market wages for a worker, and larger firms. As noted later, educational attainment and cognitive skills help determine who obtains higher quality jobs but this research indicates that there are other, less observable barriers as well which workforce intermediaries can possibly help workers to overcome. For example, Holzer et al finds that initially low earners who start with temp agencies earn considerably less than comparable workers while with the agency but earn more at their subsequent jobs. This suggests that notwithstanding their low pay, temp agencies may improve access to higher quality jobs for some workers, especially through placements in manufacturing. Changing to a job that is union from a non-unionized one increases wages, though staying with a unionized job typically means flatter wage growth (probably due to union seniority rules).

- *Jobs that require reading and writing provide greater opportunity for wage growth, in part because they provide more formal and informal opportunities for learning on the job.*

A recent study of current and former welfare recipients in Michigan finds that those who change to jobs that require daily reading and writing from jobs that do not require such skills see an immediate increase in their wages and their wages grow more over time with experience, regardless of the characteristics of the worker. The researchers conclude this is because these new jobs provided more opportunities for on-the-job training. Further, jobs requiring more use of reading and writing skills show less turnover, suggesting that workers are less inclined to quit when given a chance to learn on the job. When these workers do change jobs, they are more likely to do so voluntarily and more likely to transition from “bad” jobs to “good” than other workers who have not used reading and writing in a recent job. (Johnson 2002) This underscores the importance of cognitive skills for job

advancement, not simply because it improves access to jobs that pay more initially but because jobs requiring these skills have more potential for wage growth over time.

- *Starting out in certain industries or occupations is linked to higher earnings later on.*

The Holzer et al study found that both job changers and job stayers who escaped low earnings were more likely to be in the construction, manufacturing (with the exception of apparel/textile), transportation/communications/utilities (TCU), and wholesale trade industries and less likely to be in retail or services. Within the service sector, where women are more likely to work, health and, to a lesser extent, educational services were good sectors for escaping low earnings. A recent study on prospects for job advancement just within the service sector, found that three industries held the most promise: banking, hospitals, and education, though it also found education largely requires four-year degrees for the better jobs. (Mitnik et al 2001) The two studies also identify industries with little room for advancement, chiefly eating/drinking establishments, hotels, child care, and retail trade.

Occupations also vary in their potential for advancement. One study that followed former welfare recipients in the labor market for five years found that, compared with those who began working in sales, women who started out in clerical positions earned 22 percent more per hour five years later, those in production and manufacturing or building cleaning and maintenance earned 17 percent more per hour, and those in private care (which includes health care and formal child care) earned 15 percent more per hour. Different initial occupations were also associated with differing poverty rates in the fifth year. (Cancian and Meyer 1997) Generally, the occupations offering workers without any college education the greatest wage potential tend to be held by men, such as machinist, equipment repairer, and truck driver. While sales and administrative/clerical jobs can be better paying for those who work their way up to supervisory positions, only a small portion of these jobs are supervisory — so few can expect to attain such positions. (Nightingale 1999 and 2002)

- *Higher cognitive skills and postsecondary education or training are linked to higher initial wages and higher wage growth.*

Research generally finds that both higher cognitive skills and schooling beyond the high school level each are linked to higher starting wages and higher wage growth, controlling for other personal and job characteristics. Interestingly, whether someone has a high school diploma or not appears to matter little for wage growth after controlling for other factors. (Cancian and Meyer 1997; Johnson 2002; Loeb and Corcoran 2001; Tyler et al 2000) As noted earlier, this higher wage growth may reflect that both job tenure and job changes pay off more for those with more

education. A recent study of events that trigger exits from poverty finds that increases in educational attainment are nearly as important as employment changes in triggering exit from poverty, especially if the individual obtained an associate degree or higher. (McKernan and Ratcliffe 2002) Similarly welfare recipients with higher educational attainment are less likely to return to the welfare rolls than less educated ones. (Loprest 2002)

Employers demand skills, and particularly credentials, for better-paying jobs. The study of Michigan welfare recipients found that “good” jobs—those that were full-time and paid \$7 an hour with health benefits, or \$8.50 without—required far more education than welfare recipients typically had. Further, employers hired even higher skilled individuals than they said the jobs required. For example, 82 percent of those hired into “bad jobs” had a high school diploma or GED even though employers said just 55.7 percent of those jobs required it. Few “good” jobs—just about nine percent—required no credentials, compared to a third of “bad” jobs. Job task requirements, such as daily reading and writing or computer skills, were also higher in “good” jobs. (Johnson and Corcoran 2002)

Implications for Policy and Practice

Knowing what personal and job factors matter for job advancement can help policymakers and workforce intermediaries to focus job advancement strategies in ways that increase their effectiveness. In particular, the quality of the employer and of the job stand out as key factors that have received too little attention in policy and practice. This has important implications for publicly funded workforce development programs where the dominant view in recent years has been that any job can enable an individual to work out of poverty.

Policymakers and workforce intermediaries should be selective, to the extent possible, about employer and job quality in job placement and skill upgrading efforts. The research summarized here suggests that workforce intermediaries should focus their efforts on particular industries that offer the most potential for advancement and avoid those that offer few opportunities. Intermediaries should also target higher wage sectors, firms with low turnover, larger firms with internal career ladders, and jobs that offer opportunities to learn on the job, whether formal or informal. While the research described here can offer some general guidelines it is also critical that intermediaries take a close look at the patterns in their own local labor market.

Helping workers attain postsecondary occupational credentials and improve their basic skills, especially reading and writing, should be a central focus of skill upgrading efforts. Training and skill certifications may be especially important for gaining access to better jobs. Basic skills and educational attainment matter directly in that they help determine a worker’s starting wage and wage

increases both within jobs and at job changes. These factors also matter indirectly as a means by which workers obtain jobs that then in themselves promote greater wage growth through more opportunities for formal and informal on-the-job training. Policymakers and workforce intermediaries should pay careful attention to research lessons for program design and quality described in Section II, however, as skill upgrading efforts have not been consistently effective.

Other mechanisms, beyond skill upgrading, are also needed to help workers access better jobs.

In the Holzer et al study, women and nonwhite workers had substantially less access to higher quality jobs and employers, regardless of their other characteristics. The authors speculate that this may reflect a variety of factors: spatial mismatch, racial discrimination, weak employment networks, and weak early work experience. Whatever the reasons, the example of temp agencies and manufacturing suggests that workforce intermediaries can play an important role in helping to change who obtains access to which types of employers and jobs. Other means, such as publicly funded internships or “try out” jobs with private employers, on-the-job training subsidies, or marketing of public supports (case management, child care subsidies, etc.) to employers as retention services may also help open doors to better jobs.

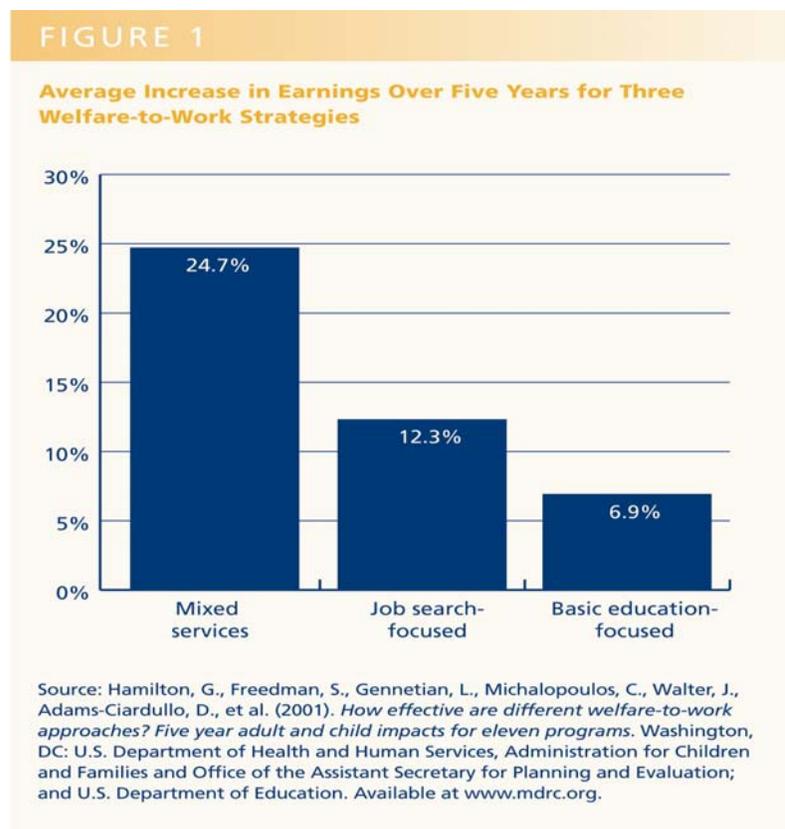
Finally, it is worth noting that the study of welfare recipients in Michigan found that physical and mental health problems, domestic violence, and learning disabilities all significantly diminished the women’s chances of transitioning to “good” jobs over time. (Johnson and Corcoran 2002) While more research is needed as few studies have looked at the relationship between these factors and job advancement, these early findings highlight that any successful job advancement strategy must be comprehensive and take into account the full range of challenges that low-wage workers face.

II. What Works for Job Advancement? Lessons From Program Evaluation and Practice²

Understanding which factors are important for labor market success is a critical first step toward choosing strategies that enable low-income workers to move up to better jobs. But knowing that a factor is important is not the same as knowing how to change it. The remainder of this chapter discusses research findings and promising practices for a comprehensive advancement strategy that includes helping workers get access to better jobs directly and helping workers to upgrade their skills before and after starting employment. Clearly other anti-poverty policies are also quite important, such as policies that directly improve the quality of entry-level jobs (e.g. incentives for employers to improve wages and benefits, minimum wage laws) and policies that help workers stay employed despite low wages (e.g. child care and health care subsidies, EITC). These policies are outside the scope of this paper, however.

² This section is drawn from Strawn and Martinson 2000 and Martinson and Strawn 2003.

The clearest finding from rigorous³ program research is that the most effective programs focus on employment goals and provide a range of services—including job search, basic education, and job training—that are individualized to each participant’s circumstances. Such “mixed services” programs perform far better than programs more narrowly focused on job search or basic education activities. (Figure 1) In addition, programs that have helped adults obtain better-paying jobs have typically set job advancement as a central goal and made substantial use of job training and other postsecondary education. Further, nonexperimental research from a number of small-scale workforce development programs suggests that focusing job advancement efforts on particular sectors of the economy may make them more effective. (Fleischer 2001; Rademacher 2002)



Connecting to Better Jobs Directly

The labor market research described above suggests that different workers have varying levels of access to higher quality jobs, regardless of their skills and work experience. Program evaluation research suggests it is possible for workforce intermediaries to play an important role in

³ By “rigorous” or “experimental” we mean evaluations that use random assignment methodology, such as that which is used in medical trials, to isolate the effects of the program.

increasing access to higher quality jobs, especially for those workers who have solid basic skills, work experience, and a high school diploma or GED. Because a person's initial position in the labor market appears to affect future opportunities for advancement, helping low-income people connect to better jobs initially may bring future as well as immediate benefits. Further, it is one of the most cost-effective strategies that states and communities can pursue for helping low-income people advance in the workforce.

Workforce intermediaries that serve the unemployed can use initial job placement as an opportunity to begin working with people on career development issues, goal setting, resolution of personal and logistical challenges to sustaining employment, and placement in a better job that fits into a longer-term career plan. For those who are already working, postemployment services at the worksite or at a convenient location in the community near the workplace can provide similar opportunities. Many of the tasks required to help low-income working adults advance are the same as for the unemployed; however, service delivery is complicated by competing work demands—and, often, parenting demands as well.

What the research says. The most recent rigorous evaluation research in this area comes from the National Evaluation of Welfare to Work Strategies (NEWWS), which studied 11 different welfare-to-work programs in the 1990s. The most successful site studied, Portland, Oregon, shows it is possible to connect some low-income people to better jobs directly, without upgrading their skills beforehand. After two years of follow up, Portland helped those who entered the program with high school diplomas or GEDs to increase their hourly wages and to gain greater access to full-time jobs with health benefits. For those with recent work experience, the wage increase was even higher. Portland also helped parents find more stable employment and this impact persisted over the long term. (Freedman et al 2000; Freedman 2000; Hamilton et al 2001)

Portland achieved this result by encouraging participants to be selective about jobs and to seek ones that were full-time, paid well above the minimum wage, and included benefits and potential for advancement. High school graduates or GED holders in Portland's program who had work experience typically first entered a job club, which used job developers to help people find better jobs. Everyone who entered the program was assessed for job readiness, including basic skills, substance abuse, mental health, and domestic violence issues. Case managers also took their work history and personal goals into account when making assignments to activities or job placement, tailoring services to individual needs. (Scrivener et al 1998)

Lessons for policy and practice. If policymakers want workforce development programs to help low-income people find better jobs than they would find on their own, the state or locality has to communicate in concrete ways the importance of this goal through performance measures, funding

incentives, assistance in understanding local labor markets and other means. For example, state-set performance standards may have been a key factor in Portland's success in placing welfare recipients in better jobs. The standards included a wage-at-placement target that was well above the minimum wage. (Scrivener et al 1998)

In addition, programs themselves have to create strong, ongoing relationships with employers, gather good formal and informal labor market information, have internal performance incentives focused on advancement, give in-depth training to staff, provide a comprehensive set of work supports, and define the program's advancement goals clearly. Services should include career counseling, soft skills training, job development, and job clubs aimed at connecting people to better jobs. Finally, subsidies such as on-the-job training and publicly funded, paid internships with private employers can help open doors to employers that would not otherwise hire some low-income adults. (Strawn 1998) Promising practices for strategic job development efforts are described further in Section III.

Upgrading Skills While Unemployed

While better job matching and an emphasis on job quality can help some low-income people enter better jobs directly, many will need to upgrade their skills in order to compete effectively for better jobs. Recent research on long-term outcomes of welfare-to-work programs provides new evidence that the most successful welfare-to-work programs made substantial use of education and training in support of clear employment goals; that programs that helped people obtain higher-paying, longer-lasting jobs increased access to job training or other postsecondary education; and, that among those with lower skills initially, the biggest benefits are to those who go on to job training. This discussion is restricted largely to results from experimental program evaluations as researchers have the most confidence in those findings; however, nonexperimental research also finds that job training can help low-income workers increase their earnings and obtain access to better jobs. (Smith et al 2002; Mathur et al 2002; Fleischer 2001; Rademacher 2002)

Because low-income adults have the most time to focus on improving their skills during periods of unemployment, a key goal of preemployment services should be to help people improve skills enough to gain access to jobs that will then support further skill upgrading. Indeed, while postemployment job advancement services are a critical piece of a comprehensive strategy, research to date suggests that a fairly small percentage of low-income workers at any point in time avail themselves of these services, which is not surprising given competing work and family demands. (Hill et al 2001; Paulsell and Stieglitz 2001)

What the research says. The most recent evidence in this area is again from the NEWWS evaluation where Portland was the most effective site overall, and especially effective in promoting job advancement and employment stability. Two community colleges were the lead contractors for the program and emphasized placement into better jobs and work-focused skill upgrading. Over five years of follow-up, the program resulted in a 21 percent increase in employment, a 25 percent increase in earnings, and a 22 percent reduction in the time spent on welfare, all as compared to similar recipients who were part of a control group. (Hamilton et al 2001) These impacts far surpassed the other NEWWS sites—which typically focused on job search or on basic education—as well as results from other evaluations.

The Portland program also resulted in the largest improvements in job quality after two years of follow-up—increasing hourly wages and access to employer-provided health insurance—and employment stability. (Freedman 2000; Hamilton et al 2001) Beyond these immediate benefits, while job search programs have short-term effects that fade over the years, the initial investments in work-focused education and training made in Portland appeared to pay off over time, as individuals found higher paying jobs and stayed employed. Past evaluations have shown a similar result, with mixed service programs producing longer-lasting impacts than those that provided mostly job search assistance. (Hotz et al 2000; Friedlander and Burtless 1995)

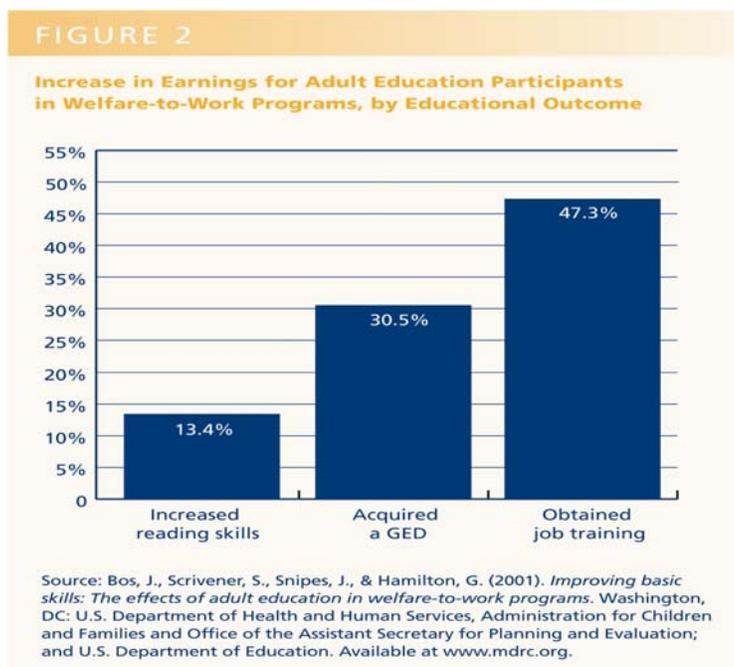
Education and training likely played a key role in achieving these results. The Portland program substantially increased participation in education and training programs—particularly job training and other postsecondary education — and placed a strong emphasis on job quality while maintaining a clear employment focus. Among skill-upgrading activities, for those with a high school diploma the program primarily increased self-initiated participation in job training and other postsecondary education after their initial job placement. Over half of this group attended a community, two-year, or four-year college at some point in the five years after entering the program — a 66 percent increase as compared to a control group. For those without a high school diploma, the program increased use of basic education and postsecondary education or training. It should be noted that while education and training were common activities, job search was also used extensively. (Hamilton et al 2001)

Whether provided before or after employment, the type of skill upgrading that is provided and how it is provided are important determinants of how much it will pay off in the labor market. In particular, programs that provided primarily basic education, without strong links to job training and employment, have not had better results than job search-focused programs. Instead, a growing body of evidence from the welfare reform arena points to the importance of job training and other postsecondary education in producing wage gains and improving job quality.

- *Job training and other postsecondary education can produce substantial employment and earnings gains, even for those with lower skills, if basic education and training are closely linked.*

Portland increased the proportion of participants who obtained a high school diploma or GED and a second education or training credential (usually a trade license or certificate) — a result no other evaluated program has achieved. While the other education-focused sites in NEWWS did increase receipt of GEDs or high school diplomas, none had an impact on receiving a trade license or certificate. None of the employment-focused programs had impacts on the receipt of any credential. (Hamilton et al 2001) In addition, the three NEWWS sites that most increased hourly pay for nongraduates after two years of follow-up—Portland as well as Columbus and Detroit—also boosted participation in postsecondary education or training for this group. (Freedman et al 2000)

The NEWWS evaluation also showed significant economic returns to job training and other postsecondary education in a study of outcomes in three other sites for those without a high school diploma. This nonexperimental research found that those who participated in basic education had substantially larger increases in longer-term earnings and self-sufficiency if they subsequently participated in skills training or college—an additional \$1,542 (or 47 percent increase) in earnings in the third year of follow-up compared to those who participated only in basic education. (Figure 2) (Bos et al 2001) Other studies have shown the benefits of job training when integrated with basic education, such as the evaluations of the Center for Employment Training, which allowed people to enter job training immediately, regardless of their educational attainment, and integrated remedial education directly into this training for a specific job. (Zambrowski and Gordon 1993; Cave et al 1993)



While job training and other postsecondary education can pay off for those with lower skills, an ongoing issue has been that few individuals without high school diplomas gain access to these activities. For example, in the three NEWWS evaluation sites that produced the large earnings gains from job training and other postsecondary education (this substudy did not include Portland), only 15 percent of those who participated in basic education went on to training. (Bos et al 2001) Low levels of participation appear due to several factors including weak linkages between basic education and training, training programs that bar high school dropouts or people with very low literacy levels, including many welfare recipients, and work first programs that discourage extended participation in education and training.

- *Job training and other postsecondary education can also pay off for high school graduates.*

Welfare-to-work evaluations indicate that job training and other postsecondary education is also an important path to higher wages for high school graduates. As discussed above, the Portland program produced the largest earnings impacts of all the NEWWS sites for this subgroup and substantially increased use of job training and other postsecondary education by high school graduates. Although the Portland program did not have any effect on the proportion getting college degrees, over the long term it did have a positive effect on the receipt of trade licenses or certificates for this group. (Hamilton et al 2001) Further, the basic education-focused program with the largest earnings impacts for high school graduates in the NEWWS evaluation, Atlanta, produced a substantial increase in participation in job training and receipt of trade certificates for these recipients. (Hamilton et al 2001) Finally, the Alameda County, California GAIN program, which operated in the 1980s and increased the level of training received by high school graduates, also helped high school graduates find higher-paying employment. (Riccio et al 1994)

- *Helping people increase their basic skills and/or obtain a GED also pays off in the labor market but more modestly than job training and other postsecondary education.*

A non-experimental analysis from the NEWWS evaluation in three sites showed that program participants also increased their earnings if they obtained a GED or increased their basic skill levels (Portland was not one of the sites studied). Receipt of a GED increased annual earnings by \$771 in the third year after starting the program. The analysis showed the increase in earnings was due to having the credential itself, rather than any increase in basic skills that occurred in the process. Increased reading skills resulted in a smaller annual earnings gain of \$354. While these gains are significant, they are considerably smaller than the \$1,542 increase in annual earnings that resulted

when individuals participated in job training and other postsecondary education after basic education. (Bos et al 2001)

- *For those with lower skills, it can take a substantial amount of time to participate in both basic education and training, yet that combination pays off much more than basic education alone.*

The Portland program, which produced large impacts on receipt of educational and occupational credentials for those without a high school diploma, used relatively short stays in basic education and encouraged individuals to go on to training, typically in community college certificate programs. The total length of time needed to participate in both basic education and training at the college was about a year.⁴ Similarly, in the three NEWS evaluation sites that showed the large financial gains for those who participated in basic education and then went on to postsecondary skills training, the average length of time spent in these programs was 12.7 months. This is likely an underestimate of how long it typically took as almost 30 percent were still enrolled in postsecondary programs at the end of the two-year follow-up period. (Bos et al 2001)

Lessons for policy and practice. While skill upgrading can help low-income adults advance to better jobs, policymakers and workforce intermediaries should pay close attention to program design and outcomes over time. Among the most important steps policymakers and workforce intermediaries can take to increase the effectiveness of skill upgrading are involving employers in the design and delivery of services, making occupational training accessible to those with low skills and to those who are working, and connecting shorter-term training with opportunities to earn postsecondary degrees. Promising practices for designing effective skill upgrading approaches are discussed in detail in Sections III and IV but some key steps that policymakers and intermediaries can take to increase the effectiveness of skill upgrading programs are:

- Target local employers who can offer jobs with higher-than-average wages, benefits, and potential for advancement.
- Give participants an opportunity to learn about different career options before choosing a training program.
- Assess student strengths and goals, as well as supportive service needs, to ensure a good fit between individuals and training and to arrange for necessary supports.
- Use a curriculum developed in partnership with employers that is based on mastering specific job competencies, as well as teaching broader skills.

⁴ Interview with Nan Poppe, former director of Portland's JOBS program, known as Steps to Success, May 2002. No formal data is available from the NEWS evaluation on length of participation in Portland by type of activity.

- Train on job content (“hard skills”), general workplace skills (“soft skills”), life skills, and basic education skills (including English language proficiency).
- Provide training in employer facilities or in a job-like setting, using a mix of instructional methods.
- Make training intensive, with a substantial number of hours of instruction each week, and closely monitor participant attendance and progress.
- Develop links to community partners—such as substance abuse, mental health, and vocational rehabilitation agencies—for other services that enable individuals to succeed in training and employment.
- Offer college credit for training and link shorter-term training with opportunities for further skill upgrading.
- Integrate basic education and English as a Second Language (ESL) into occupational training, or at least provide it concurrently and in the context of real work and life tasks.
- Create fast-track GED courses to enable those with moderately low skills (roughly 7-8th grade) to obtain a GED quickly, and move on to occupational training.
- Create short-term “bridge” training, as described in Section III, to open up training opportunities, either with employers or service providers, to low-skilled individuals who might not otherwise gain entry to them.
- Compress existing long-term occupational certificate and degree programs into short, intensive ones so that low-income people can enter training year-round and complete it quickly.
- Divide training into “chunks” or modules that can be completed at different points in time.
- Create supportive work placements for the lowest skilled (roughly 0-3rd grade) that incorporate close supervision and opportunities for learning basic skills, soft skills, and marketable job skills.

Other features of high-quality education and training programs include developing a well-defined mission; providing classes in cohorts so that students can support each other’s learning; having skilled, experienced teachers; emphasizing staff development; communicating regularly with staff of other relevant agencies; and promoting a high degree of teacher-student and student-student interaction. (Bos et al 2001)

Upgrading Skills While Working

Three main approaches have been tried to helping low-income workers upgrade their skills: 1) creating public-private partnerships with employers to do training at the worksite; 2) redesigning existing employment and training services to make them more accessible to workers; and 3) providing financial support for low-income workers to upgrade skills on their own. Little rigorous research has

been conducted so far on any of these approaches, though there is now a national evaluation underway of services for current and former welfare recipients. That evaluation and several state pilots of postemployment services have focused on the latter two approaches to skill development, which largely depend on low-income workers being willing to pursue skill upgrading in the evenings or weekends, in addition to their hours on the job. Participation to date in such services by low-income workers has been very low. (Bloom et al 2002; Hill et al 2001; Paulsell and Stieglitz 2001)

What the research says. Rigorous research on postemployment skill upgrading services for low-income workers is not yet available. Nonexperimental research and the experiences of practitioners suggest that services provided at the worksite achieve the best participation by workers and that state-funded, employer-focused training for existing workers can raise earnings and retention. A study of California’s Employment Training Panel—the state’s customized training agency—found that participants had higher earnings and job security than nonparticipants. (Moore et al 1995) Nonexperimental research on customized training in New Jersey also found higher wages, more promotions, and greater job retention among training participants than among similar workers not in the training. (Regional Technology Strategies 1999) The scale of this approach is limited, however, by the extent to which employers can be persuaded to do it. And until recently, these types of programs have rarely included low-income, low skilled workers.

Partnering with existing state customized training agencies could speed efforts to open up such training to low-income people. These agencies are experienced in creating the public-private partnerships central to customized training. States that are already using customized training agencies to help low-income workers advance in the labor market include California, Iowa, Minnesota, New Jersey, and North Carolina. Two of these agencies, Minnesota’s Job Skills Partnership and California’s Employment Training Panel, have large efforts to deliver customized training to welfare recipients or other low-wage workers. (Strawn and Martinson, 2000)

Lessons for policy and practice. Because there is so little rigorous research in this area, these tentative lessons are based on the experiences of practitioners. The most promising strategy for helping people to upgrade skills while working is to create public sector/employer partnerships, with training provided at or near the work site, during work hours. Both the Minnesota Pathways and California Career Ladder programs, run by the states’ customized training agencies, take this approach. A study of state customized training programs by the National Governors Association found that certain elements were important for the success of such initiatives (Simon 1997):

- Fund training with grants or contracts, not tax credits or wage subsidies, as this ensures that the public funds go directly to offset the employer’s costs of training
- Require release time for training so that it can be conducted during work hours

- Customize training curriculum but only for skills transferable to jobs with other employers
- Include training on soft skills, specific job skills, and basic and English language skills
- Offer upgrade training for the existing workforce beyond the target population

Because the scale of customized training programs tends to be small, workforce intermediaries are likely to find it necessary to also adapt existing job placement, career counseling, adult education, and job training services outside the workplace to make them more accessible and responsive to the needs of working parents. These services have to be provided when workers are off work, chiefly in the evenings and on weekends. Practitioners who have run such programs suggest that they should include these features:

- Offer incentives to participate such as cash bonuses, gift certificates for children's clothing, movie tickets, haircuts, etc.
- Help stabilize the family. Workers cannot participate successfully unless their family situation is secure and stable.
- Build on job success. Workers are typically not ready to begin working on job advancement until they are settled in their current job and feel successful in it.
- Provide activities for kids and child care. Working parents are more likely to come if they can bring their children and feel positive about what their children are gaining from being there, too.
- Provide meals for the workers and their families. Especially on weekday evenings, it is often difficult for workers who are parents to participate if they have to go home and feed their families before attending class.

Finally, for the smaller number of low-income workers who can navigate all the logistics on their own, policymakers should consider providing financial aid and support services for low-income workers to upgrade their skills on their own through existing postsecondary services in the community. Several states, such as Michigan, Ohio, Utah, Washington, do this for at least some low-income workers. Policymakers can increase the likelihood that workers can use such aid by also investing in community college and other postsecondary institution efforts to meet the needs of low-income workers, through modularizing curriculum, expanding evening and weekend classes, providing on-site child care and by providing career counseling, bridge training, and other needed services.

In sum, recent research on workforce development services for low-income workers, which comes principally from evaluations of welfare-to-work programs, shows that both better job matching services and preemployment skill upgrading combined with job search can be effective in increasing wages and job stability over time. There is little research on postemployment services, but employer-

based efforts are likely to be the most successful in engaging workers to participate in a sustained way. Policymakers and workforce intermediaries should, therefore, create a continuum of pre- and postemployment services that provide a comprehensive array of activities and use job matching and skill upgrading to help people move up to better jobs. In particular, career pathways are a promising means of helping service providers and participants think long-term about the mix of pre- and postemployment services that can help people get on a career path and move up to better jobs.

III. Creating and Implementing a Job Advancement Strategy

Workforce development policy has traditionally focused on job placement as its end goal. This focus has been successful in moving many welfare recipients and other low-income individuals into entry-level jobs. However, it is clear that in and of themselves, these initial job placements rarely lead to long-term economic independence. To ensure that individuals and families make it above the poverty threshold, attention must be given to job advancement. Creating and implementing a successful job advancement strategy is a formidable challenge and requires coordination among a range of intermediaries in the workforce development and social services system, as well as the engagement of employers.

A successful job advancement strategy has two parts. The first part is the initial preparation or package of services provided by intermediaries before an individual begins employment (preemployment). The second part (postemployment) is the services that allow individuals to continue their learning and skill development after they have gone to work. It is absolutely essential that there be connections between pre- and postemployment services. Better integration would allow individuals to pursue longer-term career and educational goals as each education or training class builds on the previous ones. It would also enable localities to pay more attention to the appropriate balance of investment between pre- and postemployment services. All too often, in our fragmented workforce development system, those connections are missing because the different workforce intermediaries are not coordinating their services with each other or with employers.

In the end, individual outcomes for job advancement are difficult to predict because they are influenced by a wide variety of personal, social, job, and labor market factors. For example, a single parent with a child who develops a chronic health condition may never have time to pursue the additional education needed for career advancement. How far individuals ultimately advance is dependent upon their motivation and personal and family situations. However, a successful strategy allows low-income individuals multiple opportunities for accessing a holistic set of services that support participation.

Key Elements of Preemployment Services

Preemployment services form the foundation or “jumping off” point for postplacement advancement services. In other words, planning for job advancement should begin the first day a participant begins a preemployment program. This critical notion often gets lost when workforce intermediaries charged with providing preemployment services are focused solely on the “quantity” of job placements rather than the “quality” of those placements or use only performance measures that reflect job placements rather than continuing education and long-term retention and advancement measures. The goal of all preemployment programs should be to use the allotted time and resources to leverage the participant into the best possible initial job placement and build a foundation for future advancement.

Shifting the focus from job placement to planning and building career pathways

If job advancement over time is the goal, then staff should work with participants to shift their focus from “getting a job” to “planning for a career.” This is not an easy proposition. Individuals need to be able, in very concrete terms, to see how they can move from an initial entry-level job along a pathway that eventually leads to a high-wage job. This notion of building career pathways is a model that allows individuals to visualize their career developing over a long period of time. It also provides a framework for workforce development intermediaries to align their education and support services to focus on moving low-income individuals along a career pathway. Holding a vision of career pathways—beyond the job placement end game—requires workforce intermediaries to sustain momentum for culture change across their organizations.

It is important in mapping career pathways that all intermediaries in the workforce development system share a common understanding and model of career progression. The model should include a solid foundation of basic skills, entry-level occupational training, and opportunities for further skill training and education upgrades. A career pathway, in essence, is a road map that shows how an individual progresses from an entry-level job to a high-wage job in a particular career field. It identifies multiple entrance and exit points that are tied to specific jobs in the labor market. In turn, the education, training, and work experience required for each job is delineated as well. In a broad sense, individuals should always be able to see where they are in the “pathway,” what the next level of job opportunities is, and what additional education or work experience they need to achieve the next step. Intermediary staff need to build their capacity to influence an individual’s worldview beyond the immediate goal of getting a job to the value of commitment to a career. Staff and participants must also understand that to be successful in this new economy it will be necessary to continually blend work with education.

Helping individuals choose the right career pathway

Workforce intermediaries who are providing preemployment services should identify the eight to ten, high demand, growth occupations in their region and work with employers and industry representatives to chart out potential career pathways. A clear understanding of what employers and employees need at each point in the pathway allows for better articulation with the education and training system.

Participants in workforce development programs should select potential career fields after they have had the opportunity to assess their interests and aptitudes and align those with the realities of their regional labor market. Individuals should be directed into high-demand growth occupations that have good job mobility and progression opportunities. Intermediaries should pay special attention to those industries and occupations that require a relatively low level of skills and formal education at entry, but allow workers to progress to a moderate wage with on-the-job experience and further training.

Intermediaries should help individuals to acquire a clear understanding of the occupational area and the typical job classifications, and also grasp exactly what is going to be required to advance within a given occupation. In addition to advancement opportunities, the staff can help individuals to be realistic about what kinds of occupations best fit the realities of their life and home responsibilities. For a single mom with three young children and limited child care options, an occupation where rotating shifts and irregular work hours are the norm probably is not the best fit, even if it offers rapid job advancement.

In order to help individuals make informed career decisions, it is imperative that workforce intermediaries hire the appropriate staff. Staff should be able to identify barriers and assess skills and interests. They also need to understand career development principles and provide guidance in mapping out an advancement plan. Success in mapping paths for advancement requires a high level of knowledge about the overall labor market as well as about specific local industries and employers.

Designing preemployment services that maximize postemployment outcomes

Successful workforce preparation programs focus on job readiness and retention skills as well as basic education, English proficiency, and technical training. A vital aspect of job readiness services is to help individuals resolve personal and social barriers, such as substance abuse or mental health issues, that can prevent successful full-time employment. Ensuring that support services, such as child care and transportation, are available for the transition to work is also critical. Integrating the soft skills training with the basic education and/or occupational training increases an individual's job "fit" and ability to adapt to workplace culture.

Beyond job readiness training, any job advancement strategy must have access to postsecondary education and training as its core guiding principle. To advance to a high-wage job, individuals must acquire the necessary education and skills. The latest Census data (2000) confirms that women with an associate degree earn more than twice as much as those without a high school diploma (about \$24,000 compared to about \$11,000). Degrees, certificates, and credentials recognized by employers are key and for many will determine how far they can progress in their career pathway.

With this in mind, it is clear that postsecondary educational institutions should be a key partner in the provision of both pre- and postemployment services. Recent literature including Fitzgerald (2002), Grubb (2001) and Alssid (2002) has focused on the community college as the most logical institution to perform this role. Given its national infrastructure of over 1,100 institutions and its wide range of credit and non-credit offerings, community colleges are poised in many areas to serve as the foundation for a comprehensive job advancement strategy.

The goal of any preemployment services plan should be ensuring that the resulting initial job placement is the best possible one for the participant's individual circumstances and long-term career goal. It is important that whatever time and resources are allotted for preemployment services are well spent. Throughout the process (both pre- and postemployment services) the individual's time and training dollars will always be in short supply. Therefore, it is critical that every service supports the long-term goal of a high-wage job.

Workforce intermediaries often make two critical mistakes. The first is encouraging people to take "any job" quickly, rather than think strategically about how a particular job placement can help individuals move along a career path. The second common mistake is providing technical training that does not carry credit or articulate towards a degree or certificate. In the current workforce development environment very few individuals are going to get all the training they need for a high-wage job before their initial placement into a job. This is because most preemployment programs work with individuals for three months or less and have limited training dollars to spend on each person. Even when policy mandates and/or program resources are more generous, most people simply cannot afford to be unemployed for a long time. Therefore, it is important that what they begin during preemployment services can be continued after placement and that it all build towards a recognized credential, such as a degree or certificate. All too often an individual will complete a non-credit, short-term training program, get a job, and then discover that when he or she is ready for more education, the previous training does not count towards a degree. Again, because time and resources are so constrained, it is important to help individuals access credit or alternative credentialing programs as quickly as possible.

The purpose of basic education and occupational training in a career pathway approach is to provide the foundation for continued skill upgrading and educational attainment after someone goes to work. One of the most significant impediments to low-wage workers accessing the education and

training they need to qualify for high-wage jobs is that they are not academically prepared for college-level work. They cannot score high enough on the placement tests or meet the prerequisites to get into the training and educational programs that provide the credentials they need to advance their career. Therefore, the workforce intermediary who is providing preemployment services should focus on enhancing each individual's basic skills as well as providing occupational training. Basic skills include reading, writing, math, and computer literacy, in addition to language acquisition for non-native speakers.

Strategic job placement efforts

The final element in preemployment services is a strong job development and placement component. The goal should be placement into the best job possible at the time with the understanding that this job will be the first step on a career pathway. With this in mind it is important to look for employers who are committed to advancement and lifelong learning and to sectors that have strong advancement potential. Not all employers are created equal when it comes to career advancement opportunities for their employees. Some quality employer indicators to consider include:

- Willingness to partner with educational institutions to provide pre- and postemployment training
- Supportive supervision at the worksite that encourages creativity and learning
- Clearly defined jobs with skills standards
- Management support for career advancement
 - Work release time for training
 - Tuition reimbursement for all levels of employees, not just mid- or high-level ones
 - On-the-job training programs
- Overall quality of the workplace
 - Maintain a culture of respect
 - Value continuous learning
 - Offer a range of employee benefits

In addition to targeting job placement efforts on select employers and industries, including the following elements can help intermediaries ensure that job placement efforts are an effective component of a job advancement strategy:

- Train front-line staff on career development strategies and tools, so that they can craft individual paths to obtaining better jobs.
- Help parents develop short- and long-term career goals.

- Develop assessment tools to help staff match the skills needed in particular jobs with the skills of training participants.
- Maintain close and continuous contact with local employers.
- Create mechanisms for identifying up-front any potential logistical, personal, or family challenges to employment.

Key Elements of Postemployment Services

The second part of a successful job advancement strategy is the services provided to individuals after their initial job placements. These services should be available to all low-wage workers in a community. Services should be targeted at both job retention and job advancement.

Retention services are those that allow an individual to keep his or her job, such as child care, emergency transportation services, and short-term or one-time cash aid. Initially, it is critical to have a structure in place that ensures that individuals are knowledgeable of and receiving all the transitional benefits or work supports, such as the Earned Income Credit, that are available to them. In addition, the ability to quickly connect people who need support services with community resources can help prevent job loss. Ultimately, job advancement strategies will not work until stability is achieved on the job and in an individual's personal life.

In terms of advancement, the goal should be moving individuals along their career pathways. The individual should have a detailed plan about his or her next job goal and what it will take to get there. It is important for the individual to look at what resources or opportunities are available at his or her place of employment. In-house training programs, tuition reimbursement or work release time for education need to be explored. It is important for the workforce intermediary to work closely with employers, unions, and trade associations. Often college classes can be offered at the workplace or college credit can be earned by completing an employer-training program.

Continued access to education and training leading to a recognized credential is critical. For a person working 40 hours a week with family responsibilities, time and money are going to be the biggest obstacles to upgrading skills. Individuals need help in putting together a schedule that will fit with the reality of their lives. It may be taking one class a term; it may be a distance education class; it may be a class at their worksite; or it may be a weekend college accelerated program. The key to sustaining motivation is a clear understanding of the pathway and the economic payoff for completing each step along the way.

In addition to retention services, access to further education and training, and ongoing support for career development, the final piece of a postemployment strategy is ongoing job placement assistance as described earlier. As people gain more skills and work experience, job placement

assistance to help them get to the “next job” is crucial. A workforce intermediary’s knowledge and connections can greatly enhance movement along the career pathway.

In providing the above postemployment services, the following proven strategies should be utilized:

- Most job loss occurs within the first three months. Intermediary staff should have frequent contact during this time to help participants make a successful transition to work.
- When appropriate, intermediary staff should let employers know that they are available to help with workplace or personal issues that arise.
- Providing small work-related payments to low-income parents can help overcome unexpected financial crises that could result in job loss.
- Intermediary staff providing postemployment services should have a practical problem-solving orientation and be comfortable and experienced in working closely with the private sector.
- Intermediary staff and services need to be available during evenings and weekends.
- Intermediary staff should provide opportunities for individuals to maintain the peer and staff relationships they developed during preemployment services.

Implications for Workforce Intermediaries

If the goal is job advancement, not just job placement, it has implications for workforce intermediaries—who they are and what kinds of capacity is required.

- No one organization is going to be able to meet all the needs of individuals and employers. To be successful, it takes a group of workforce intermediaries and partners working seamlessly together.
- Employers should be engaged throughout the process as key partners in both pre- and postemployment strategies.
- The services of the workforce intermediaries, both pre- and postemployment, should be coordinated.
- Postsecondary institutions should be key players in continually providing access to education and training that will help individuals move up a career pathway.
- Intermediaries must have the capacity to analyze the regional labor market, map out career pathways, and provide career development services.
- Community-based intermediaries need to have the infrastructure to provide support services and connections to vital community resources over the long term.
- Intermediary staff should be trained in-depth in the provision of services to individuals as well as to employers.

IV. Creating Career Pathways

As the primary provider of occupational or technical training in many localities, community colleges across the country are trying to repackage their curriculum into smaller sets of courses that can be taken in one or two terms and that prepare students for discrete jobs. This bundling of educational experiences into smaller “chunks” than a typical one- or two-year degree is the framework upon which career pathways can be constructed. This makes it much easier to truly connect pre- and postemployment services. Ideally, during the preemployment phase participants can bring their academic skills up to college level and complete the first “chunk” of an occupational program that leads to an entry- or mid-level job. Then after they get stabilized on the job, they can continue on to the next “chunk” of the occupational program until eventually they earn a credential.

A fully developed career pathway system includes the following features:

- “Bridge programs” that prepare academically underserved populations or non-native English speakers to enter credit-based occupational programs.
- “Chunked” or modular curriculum where certificate and degree programs are broken into smaller sets of courses that can be taken independently and ultimately linked towards a credential.
- Access to support services such as tutoring, career counseling, child care and transportation resources, and emergency student loans.
- Opportunity for internships or cooperative work experiences related to the content of the training.
- Job placement services that help students quickly obtain jobs in their career area.
- Pathways or “road maps” that graphically depict the alternative courses or curriculum chunks a student can take to achieve their specific educational and employment goals.
- Staff and faculty who work closely with business and industry to determine which sets of courses prepare students for which jobs.
- A research and development operation that conducts research with business and industry to crosswalk skill sets needed for specific jobs with the college curricula, identifies effective and accessible instructional delivery methods, develops employer partnerships, and provides ongoing feedback to improve the system.
- Advocacy by the leadership of workforce intermediaries for state-sanctioned credentialing of modularized curriculum, such as Oregon’s new Employment Skills Training Certificates.

One of the benefits of a career pathway system is that it can utilize both new and existing community college curricula. This allows for preemployment training to be offered on a tuition basis for college credit. Using the existing community college curricula allows for programs and pathways to be sustainable over the long term because they are a part of the regular infrastructure of the college. Too often government agencies spend thousands of dollars setting up training programs that are not

connected to existing certificates and degrees and disappear when the pilot or demonstration is over and the funding goes away. Using existing college curricula also allows a wide range of individuals to benefit regardless of eligibility for specific federal or state programs.

Another advantage of the career pathway system is the development of “road maps” that graphically show the various routes a student can take to achieve employment outcomes. This has been lacking in the past. With thousands of courses to choose from in a given community college catalog, it has often been unclear even to “insiders” which collection of courses, short of a one- or two-year certificate or degree, lead to which jobs in the local labor market. Without a clear road map or structure, too many students bounce from course to course, without achieving a meaningful credential. Finally, another unique feature of pathway programs is the creation of “learning communities” where students can progress through a block of courses as a group or cohort. Cohort activities increase student success and job readiness, and tutoring components can be easily added.

Portland Community College (PCC) in Portland, Oregon, has put together a number of career pathway programs that allow students to complete an initial term of courses that will qualify them for a job in their career field, and get them on a pathway to a degree. (Box 1) These pathway programs have some unique features. All courses are existing PCC classes. However, the delivery of the courses is often restructured to allow students to complete more coursework in a term than would normally be possible. For example, if course “X” were a prerequisite for course “Y” normally a student would take course “X” (30 hours) in the first 10-week term and course “Y” (30 hours) in the second 10-week term. Under the pathway programs, the college often divides the term into two parts. During the first five weeks the student would take course “X” (30 hours) and then the second five weeks the student would take course “Y.” Typically, students in these programs attend classes 20-25 hours per week versus the 12-15 hours per week a traditional student would be in class. It is important to note that not all curricula lend themselves to this type of acceleration.

Figure 1 shows a particular pathway, in microelectronics, in its entirety. The first box in Figure 1 illustrates the “bridge” component that was designed specifically for limited English proficiency students. From there students can proceed through various “chunks” of PCC’s two-year degree program. Each set of courses they complete qualifies them for a better paying job. This pathway was developed in conjunction with a consortium of high tech employers in the area.

Box 1. EXAMPLES OF PORTLAND COMMUNITY COLLEGE CAREER PATHWAY AND BRIDGE PROGRAMS

Business Administration (BA) Pathway (14 credits)

Over a 10-week term students attend classes 20 hours per week and complete four credit classes and one non-credit class. Upon completion, they can exit with entry-level jobs (\$9-10 per hour) in the Accounting/Bookkeeping field or continue on to a second term, which includes four more classes of the one-year Accounting Certificate, plus an internship.

Accounting/Bookkeeping

BA 95 – Introduction to Accounting

BA 101 – Introduction to Business

BA 131 – Computers in Business

BA 228 – Accounting Applications

Job Readiness Class (non-credit)

Criminal Justice Administration (CJA) Pathway (12 credits)

Over a 10-week term students attend classes 15 hours per week and complete four credit classes. Upon completion they exit with entry-level jobs (\$9-10 per hour) in the Criminal Justice field.

CJA 100 – Introduction to Professions in Criminal Justice

CJA 113 – Introduction to Criminal Justice System

CJA 260 – Corrections/Introduction to Penology

CJA 263 – Introduction to Corrections Casework

Machine Technology (MCH) Pathway (20 credits)

Over a ten-week term students attend classes/labs for 35 hours per week and complete 20 credits. Upon completion they exit with jobs as Computer Numerical Control (CNC) Operators (\$9-10 per hour).

MCH 269/270 – Computer Numerical Control – Levels 1 and 2

MCH 280 – 3.0 Credit Internship

MCH 199a – Job Readiness for CNC Operators

For students who are not ready for college-level work, workforce intermediaries should develop “bridge” programs customized to occupational sectors.

Healthcare Bridge Program

Training is 19 weeks long, Monday through Friday, 8:00 AM to 4:00 PM. The focus is on entry-level jobs within health care.

Classroom Training

Computers

Workplace Communication

Safety Procedures

Hospital Culture

Medical Vocabulary

Job Readiness

Internship Training

Pharmacy Packaging

Sterile Processing

Lab Assistant

Medical Records

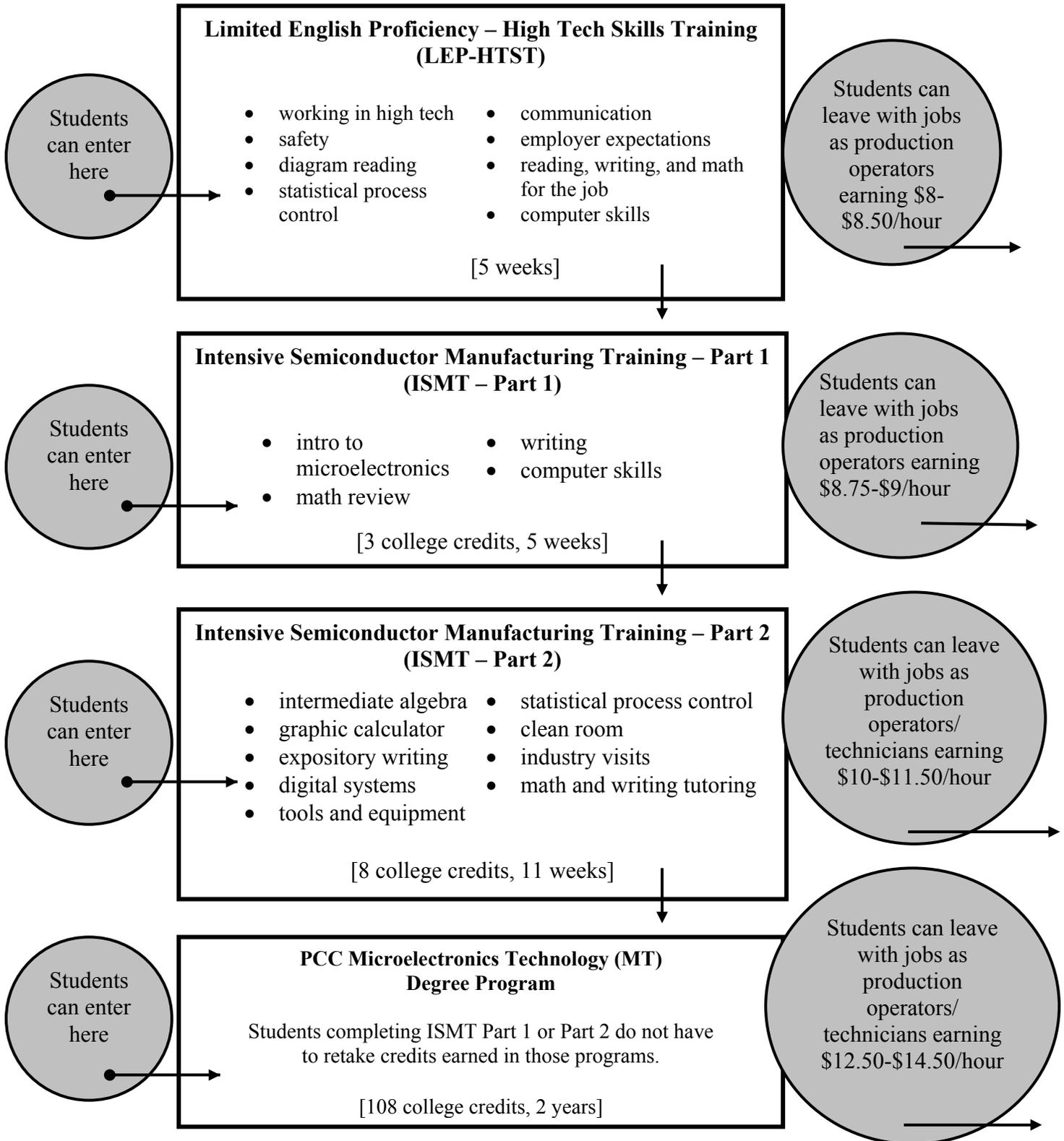
General Clerical

Physical Therapy Aide

Like most bridge programs, this one combines basic skills and “hands-on learning” to leverage students into entry-level jobs in area hospitals.

Figure 1. CAREER PATHWAY TO HIGH TECH TRAINING AND JOBS

Students enter different trainings based on their skill level. Once students complete a training component they can move to the next training, or they can obtain employment and pursue the next level of training later, or they can combine work and training.



V. Key Challenges and Policy Recommendations

The experience of workforce intermediaries that have pursued one or more of these job advancement strategies suggests that significant challenges lie ahead. These include:

Building leadership and a stable resource base for job advancement strategies. In recent years, public policy toward workforce development and welfare reform has moved in the opposite direction, deemphasizing advancement and focusing on rapid placement in entry-level jobs. In addition, overall federal funding for job training outside of welfare reform has shrunk dramatically. For substantial federal funds to be devoted to advancement, Congress would have to broaden the focus of workforce development and welfare reform efforts to include supporting work and job advancement. At the state and local level, for the workforce development and welfare systems to take on a new job advancement mission, there would need to be concrete leadership, staff development, and specific rewards to localities, service providers, and front-line workers for making this shift. In states that have launched job advancement efforts without an accompanying shift in incentives, the result has been a low rate of referrals to job advancement services. Another issue is how to share resources and credit across all the partners needed to make a job advancement strategy successful. This can be especially complicated in light of often-conflicting missions and rules of principal federal and state funding streams.

Involving employers in job advancement efforts. Employer involvement is critical to the success of any workforce development effort. It is especially important for postemployment job advancement services, however. The logistical obstacles to combining work and learning are most easily overcome when skill upgrading can take place at or near the worksite and during work hours. Employers typically have been willing to partner in this way on skill upgrading when the training related to specific workplace needs and involved mid- or upper-level employees. It has been less clear that employers were willing to invest in training for entry-level employees, especially when training did not directly relate to carrying out jobs (such as GED preparation or other basic skills). Most states have customized training agencies, however, that with leadership by the Governor or the legislature could become the building blocks of employer partnerships with workforce intermediaries around career ladders for low-wage workers.

Engaging low-income workers in job advancement services. Combining work and learning can be a daunting proposition for many people, especially single parents who frequently lack good transportation and child care options. In addition, there can be real short-term financial tradeoffs between working additional hours or leaving time for school, even though skill upgrading may increase wages in the long-term. Finally, many low-income people have had poor experiences with

the education system in the past, do not see themselves as successful learners, and may not be able to envision a different career and educational path for themselves in the future. These issues may all contribute to the low participation that a number of providers have experienced when they offered evening and weekend job advancement services to low-income workers.

Increasing access by low-income workers to mainstream postsecondary education and training. To date, job advancement services typically have been provided as “add-on,” contract-funded services outside of the certificate and degree-granting programs of community colleges and other postsecondary institutions. This allows states and localities to get services up and running quickly, yet over the long term, there are important reasons for trying to improve access to mainstream postsecondary programs. First, when a community-based organization or community college provides short-term training but without college credit, the worker cannot apply this toward a longer-term educational goal, such as an Associate or Bachelor’s degree. Second, current funding for job advancement services—primarily the federal welfare block grant—may not be a stable source over the long term; already these services are being cut back as welfare caseloads rise in many states during the current recession. Third, financing job advancement with welfare funds raises equity arguments as to why certain low-income workers—namely single parents—should gain access to job advancement services while others are denied them. However, low-income workers seeking access to postsecondary education face a number of financial, logistical, and educational barriers. These arise from a complex array of policies in individual colleges, states, accreditation bodies, and federal student aid programs. Resolving these issues will be a long-term task—but one that is necessary to creating a permanent infrastructure of job advancement services for low-income workers.

Federal policy recommendations

Workforce intermediaries could be helped to meet a number of the challenges described above if there were leadership from national policymakers and from employers to address the issue of job advancement and better align federal policies, incentives, and program funding with this goal. For example, Congress could revise existing programs—at minimum the Workforce Investment Act (WIA), the Temporary Assistance for Needy Families (TANF) block grant, and the Higher Education Act (HEA)—to better support the efforts of low-income adults to advance in the workforce. These programs have moved away from skill upgrading in recent years to emphasize rapid placement in entry-level jobs. For example, both participation in and spending on education and training programs have declined substantially under TANF. Less than one percent of federal TANF funds were spent on education and training in 2000 and only five percent of TANF recipients participated in these

activities in the same year. (Center for Law and Social Policy) Similarly, the number of adults receiving job training nationally appears to have declined by about two-thirds since implementation of the Workforce Investment Act. (Savner et al 2002) This curtailment in the use of education and training, prompted in part by disincentives in these laws to invest in skill upgrading, is not supported by the research, which unequivocally shows the benefits of a more balanced approach.

The Higher Education Act sets policy and provides funding for federal student aid programs and for improving postsecondary institutions. The aid programs were largely written with traditional students in mind, yet a majority of undergraduates now have nontraditional characteristics, such as being financially independent from their parents, working full-time, being older, or having dependents. Given the importance of for-credit skill upgrading in helping workers obtain portable occupational credentials and build toward degrees over time, it is imperative that student aid programs be updated to better reflect the needs of the new undergraduate, including low-income, working adults.

There are a number of possible federal policy changes that would increase the ability of workforce intermediaries to help low-income workers advance. In WIA, Congress should increase funding to reflect new responsibilities associated with One-Stop Centers and Individual Training Accounts. It should also set aside a portion of WIA funds for training to ensure that at least as many adults can receive training as did prior to WIA. The sequential eligibility process should be changed so that training is no longer viewed as the service of last resort. Eligibility and reporting requirements for training providers and the system as a whole should be simplified and provide Congress with better core information on what is happening in the program. Outcome measures and funding cycles for WIA and those for TANF should be made as consistent as possible with each other.

For TANF, Congress should consider giving states additional room to count education and training toward work requirements; allowing adults more than a year in full-time training so that they can complete both basic education and training to earn an occupational certificate; and keeping the overall hours of work required reasonable so that parents can balance work, family, and school. In addition, Congress could provide leadership to states on job advancement by offering incentives to states to provide support services and work-study positions to low-income parents who are students; by encouraging states to provide postemployment services focused on retention and advancement; and by providing demonstration grants and technical assistance that build the capacity to create career ladders in partnership with employers.

For the HEA, Congress should revisit the needs analysis and other aspects of Pell Grants to ensure that low-income adults, whether unemployed or working, with or without a high school diploma or GED, can obtain aid to upgrade their skills. It should also make it easier for adults to

combine aid from Pell Grants, TANF, WIA, and other sources to meet the educational and living expenses associated with college, especially for those who have children. Education tax credits should be restructured so that low- and moderate-income families can benefit from them. Finally, Congress should consider using various HEA grant programs to help institutions build their capacity to serve low-income adults, especially through creation of career ladder programs.

Finally, federal “seed money” should be available to help expand the capacity of workforce intermediaries and to help them replicate best practices. For example, the TANF reauthorization bill passed in 2002 by the Senate Finance Committee included funding for Business Linkages grants that would help state or local consortia of employers and training and social service providers to create job advancement services for low-income workers, especially those least likely to get such training on their own because of low skills or limited English proficiency.

Sources

Alssid, J., Gruber, D., Jenkins, D. Mazzeo, C., Roberts, B, Stanbuck-Stroud, R. 2002. *Building a Career Pathways System: Promising Practices in Community College-Centered Workforce Development*. New York: Workforce Strategy Center.

Bos, J., Scrivener, S., Snipes, J., and Hamilton, G. 2001. *Improving Basic Skills: The Effects of Adult Education in Welfare-to-Work Programs*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Bloom, D. 1997. *After AFDC*. New York: Manpower Demonstration Research Corporation.

Bloom, D., Anderson, J, Wavelet, M., Gardiner, K., and Fishman, M. 2002. *New Strategies to Promote Stable Employment and Career Progression: An Introduction to the Employment Retention and Advancement Project*. Washington, DC: Administration for Children and Families, U.S. Department of Health and Human Services.

Cancian, M., and Meyer, D.R. 1997. *Work After Welfare: Work Effort, Occupation, and Economic Well-Being*. Paper prepared for the Annual Meeting of the Association for Public Policy Analysis and Management, Washington, DC.

Cancian, M., and Meyer, D.R. 2000. Work After Welfare: Women's Work Effort, Occupation, and Economic Well-Being. *Social Work Research* 24 (2): 69-86.

Cancian, M., Haveman, R., Meyer, D., and Wolfe, B. February 2002. *Before and After TANF: The Economic Well-Being of Women Leaving Welfare*. Madison, WI: Institute for Research on Poverty.

Carnevale, A., and Rose, S. 2000. "Who Are the Low-wage workers in the New Economy? Who Employs Them?" In *Low-Wage Workers in the New Economy*. R. Kazis and M. Miller (Eds.). Washington, DC: Urban Institute Press.

Cave, G., Bos, H., Doolittle, F., and Toussaint, C. 1993. *JOBSTART: Final Report on a Program for*

School Dropouts. New York: Manpower Demonstration Research Corporation.

Center for Law and Social Policy analysis of TANF participation and expenditure data from the U.S. Department of Health and Human Services. Data available at <http://www.acf.dhhs.gov/programs/ofa/annualreport5/index.htm>

Connolly, H., and Gottschalk, P. 2001. *Returns to Education and Experience Revisited: Do Less Educated Workers Gain Less From Work Experience?* Working Paper. Chestnut Hill, MA: Boston College.

Fitzgerald, J., 2000. *Community Colleges as Labor Market Intermediaries: Building Career Ladders for Low Wage Workers*. Boston, MA: Center for Urban and Regional Policy, Northeastern University.

Fleischer, W. 2001. *Extending Ladders: Findings from the Annie E. Casey's Jobs Initiative*. Baltimore: Annie E. Casey Foundation.

Freedman, S. December 2000. *National Evaluation of Welfare to Work Strategies: Four Year Impacts of Ten Programs on Employment Stability and Earnings Growth*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education

Freedman, S., Friedlander, D., Hamilton, G., Rock, J., Mitchell, M., Nudelman, J., Schweder, A., and Storto, L. 2000. *Evaluating Alternative Welfare-to-Work Approaches: Two-Year Impacts for Eleven Programs*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Friedlander, D., and Burtless, G. 1995. *Five Years After: The Long-Term Effects of Welfare-to-Work Programs*. New York: Russell Sage Foundation.

Gladden, T., and Taber, C. 2000. "Wage Progression Among Less Skilled Workers." In *Finding Jobs: Work and Welfare Reform*. D. Card and R.M. Blank (Eds.). New York: Russell Sage.

Greenberg, M. 2001. *How Are TANF Funds Being Used? The Story in FY 2000*. Washington, DC:

Center for Law and Social Policy.

Grubb, N., 2001. *Second Chances in Changing Times: The Role of Community Colleges in Advancing Low Skilled Workers*. Berkeley, CA: University of California at Berkeley.

Hamilton, G., Freedman, S., Gennetian, L., Michalopoulos, C., Walter, J., Adams-Ciardullo, D., Gassman-Pines, A., McGroder, S., Zaslow, M., Ahluwalia, S., Brooks, J., Small, E., and Richetti, B. 2001. *How Effective Are Different Welfare-to-Work Approaches? Five Year Adult and Child Impacts for Eleven Programs*. Washington, DC: U.S. Department of Health and Human Services, Administration for Children and Families and Office of the Assistant Secretary for Planning and Evaluation; and U.S. Department of Education.

Hill, H., Kirby, G., and Fraker, T. 2001. *Delivering Employment Retention and Advancement Services: A Process Study of Iowa's Post-employment Pilot*. Washington, DC: Mathematica Policy Research.

Holzer, H., Lane, J. and Andersson, F. August 2002. *The Interactions of Workers and Firms in the Low Wage Labor Market*. Washington, DC: U.S. Census Bureau.

Hotz, V. J., Imbens, G., and Klerman, J. 2000. *The Long-Term Gains from GAIN: A Re-Analysis of the Impacts of the California Gain Program*, Working Paper 8007. Cambridge, MA: National Bureau of Economic Research.

Johnson, R.C. October 2002. *Wage and Job Dynamics of Welfare Recipients Post-PWORA: The Importance of Job Skills*. Ann Arbor: University of Michigan.

Johnson, R.C. and Corcoran, M. March 2002. *Welfare Recipients Road to Economic Self-Sufficiency: Job Quality and Job Transition Patterns Post-PRWORA*. Ann Arbor: University of Michigan.

Loeb, S., and Corcoran, M. 2001. *Welfare, Work Experience and Economic Self-Sufficiency*. College Park, Maryland: Journal of Policy Analysis and Management.

Loprest, P. September 2002. *Who Returns to Welfare?* Washington, DC: The Urban Institute.

Martinson, K., and Strawn, J. 2003. *Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform*. Washington, DC: The Center for Law and Social Policy and the National Institute for Literacy.

Mathur, A., with Wisely, C., Reichle, J., and Strawn, J. 2002. *Credentials Count: How California's Community Colleges Help Parents Move From Welfare to Self-Sufficiency*. Washington, DC: Center for Law and Social Policy.

McKernan, S., and Ratcliffe, C. 2002. *Transition Events in the Dynamics of Poverty*. Washington, DC: The Urban Institute.

Meyer, D., & Cancian, M. 2000. "Ten years later: Economic well-being among those who left welfare." *The Journal of Applied Social Sciences*, 25 (1).

Miller, C. November 2002. *Leavers, Stayers, and Cyclers: An Analysis of the Welfare Caseload*. New York: Manpower Demonstration Research Corporation.

Mitnik, P., Zeidenberg, M., and Dresser, L. 2001. *Can Career Ladders Really Be a Way Out of Dead-End Jobs?* Milwaukee: Center on Wisconsin Strategies.

Moore, R. W., Blake, D.R., and Phillips, G.M. 1995. *Accounting for Training: An Analysis of the Outcomes of California Employment Training Panel Programs*. Northridge, CA: California State University, Northridge School of Business Administration and Economics.

Nightingale, D. 2002. "Work Opportunities for People Leaving Welfare." In *Welfare Reform: The Next Act*. Weil, A. and Finegold, K. (Eds.). Washington, DC: The Urban Institute.

Nightingale, D. 1999. *Low-Wage and Low-Skill Occupations: Identifying the Best Options for Welfare Recipients*. Washington, DC: The Urban Institute. Unpublished discussion paper. Available at www.urban.org.

Paulsell, D., and Stieglitz, A. 2001. *Implementing Employment Retention Services in Pennsylvania: Lessons from Community Solutions*. Princeton, NJ: Mathematica Policy Research.

Rademacher, I. February 2002. *Working with Value: Industry-Specific Approaches to Workforce Development*. Washington, DC: The Aspen Institute.

Regional Technology Strategies, Inc. 1999. *A Comprehensive Look at State-Funded, Employer-Focused Job Training Programs*. Washington, DC: National Governors Association.

Savner, S., Frank, A., Greenberg, M., Patel, N., and Strawn, J. 2002. *Comments on WIA Reauthorization and Linkages with TANF*. Washington, DC: Center for Law and Social Policy.

Scrivener, S., Hamilton, G., Farrell, M., Freedman, S., Friedlander, D., Mitchell, M., Nudelman, J., and Schwartz, C. 1998. *The National Evaluation of Welfare-to-Work Strategies: Implementation, Participation Patterns, Costs, and Two-Year Impacts of the Portland (Oregon) Welfare-to-Work Program*. Washington, DC: U.S. Department of Health and Human Services and U.S. Department of Education.

Simon, M. 1997. *Investing Public Resources to Support Incumbent Worker Training*. Washington, DC: National Governors Association.

Smith, W., Wittner, J., Spence, R., and Kleunen, A. 2002. *Skills Training Works: Examining the Evidence*. Washington, DC: The Workforce Alliance.

Strawn, J. 1998. *Beyond Job Search or Basic Education: Rethinking the Role of Skills in Welfare Reform*. Washington, DC: Center for Law and Social Policy.

Strawn, J., and Martinson, K. 2000. *Steady Work and Better Jobs: How to Help Low Income Parents Sustain Employment and Advance in the Workforce*. New York: Manpower Demonstration Research Corporation.

Tyler, J.H., Murnane, M., and Willett, J.B. 2000. *Cognitive Skills Matter in the U.S. Labor Market, Even for School Dropouts, Report #15*. Cambridge, MA: National Center for the Study of Adult Learning and Literacy.

Zambrowski, A., and Gordon, A. 1993. *Evaluation of the Minority Female Single Parent Demonstration: Fifth Year Impacts at CET*. Princeton, NJ: Mathematica Policy Research.