



Toward Ensuring America's Workers and Industries the Skills to Compete

"Every U.S. worker should have access to the equivalent of at least two years of education or training past high school—leading to a vocational credential, industry certification, or one's first two years of college—to be pursued at whatever point and pace makes sense for individual workers and industries. Every person must also have access to the basic skills needed to pursue such education."

This is the vision that guides The Workforce Alliance's policy agenda. With our economy in crisis—and with longer-term competitive challenges on the horizon—the need for greater national investment in the skills of the American workforce is more pressing than ever. Even with spiraling unemployment rates, many U.S. employers are unable to find skilled employees. Millions of workers displaced by the current economic disruption need access to skills training so they can reenter the workforce, while millions of other workers struggle to support themselves and their families, in part, because they lack the skills to secure a good job or career. We should never have both of these problems at the same time.

In the face of these economic realities, we must adopt a federal workforce development policy agenda built on a new national skills strategy that guarantees more Americans the 21st-century skills necessary to meet industry needs and to grow broadly shared prosperity.

[Research sponsored by the national Skills2Compete campaign](#) shows that nearly half of all future U.S. jobs will be middle-skill jobs, requiring more than a high school diploma but less than a four-year college degree. Yet we have no national strategy for filling those jobs, fail to invest in the capacity of local or regional industry partnerships to target public investments in the skills of our nation's workforce, and do nothing to track how our combined investments in occupational training and traditional college are meeting labor market needs.

Our strategy must focus not only on our young people—who need more options for both college access and occupational training—but also adults already in the labor market. The [National Commission on Adult Literacy](#) found that 88 million U.S. workers lack the basic skills to earn a postsecondary credential, limiting their capacity to get and keep family-supporting jobs. Furthermore, almost half of our workforce in 2030 will be comprised of today's working adults—hard-working individuals who are beyond the reach of K-12 or traditional higher-education reforms and who must often balance education and training with work and family responsibilities. A national skills strategy should make all of these Americans part of the solution, creating a diversity of career pathways whereby millions of young people and adults can raise their skills over their lifetimes.

These are ambitious goals, but they are not without precedent. In the 1920s, the U.S. promised every person a high school education, in part to meet the needs of an industrializing economy. In the 1950s and 60s, the U.S. gave millions of adults and young people access to vocational training or a college education through the GI Bill as a way to fuel the post-war economy. Here in the early 21st century, we once again need visionary leaders to champion bold, new investments in the skills of our nation's people.

Toward that end, The Workforce Alliance urges policymakers to adopt a broad framework that stretches across multiple federal programs to support a robust workforce development system that responds to the reality of today's labor market needs. By drawing on a set of core strategies—sector partnerships, career pathways, and proportionate investment—federal policy can begin to make a new 21st-century skills guarantee a reality for U.S. workers and firms.



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Meeting the Skilled Workforce Needs of U.S. Business and Industries

Cross-Policy Strategy: Sector Partnerships

Too often, workers lack the specific skills employers require, and as a result employers struggle to find skilled workers in certain industries, even in times of economic slow down. Nearly half of all jobs in the labor market today (and for the foreseeable future) are middle-skill jobs requiring more than high school but less than a 4-yr college degree. Another third of all jobs require a college degree—meaning about 8 in 10 jobs are beyond the reach of workers who lack a postsecondary credential such as an industry certification, occupational credential, or college degree.

As we develop policies for economic recovery and beyond, we must make sure that investments in training and education are targeted to meet the full range of skill needs of local industries, and that all stakeholders connected to those industries are engaged to ensure the greatest return for local workers and firms. **Sector partnerships** do this by creating capacity to organize key stakeholders connected to an industry—multiple firms, labor, education and training providers, community-based organizations, trade associations, and the workforce and education systems—to develop customized solutions for that industry at the regional level. Sector partnerships promote industry growth and competitiveness by developing immediate strategies to fill pressing skilled workforce needs, as well as long-term plans to grow the industry with a better trained and more productive workforce. In addition, these partnerships improve worker training, retention and advancement by developing cross-firm skill standards, career pathways, job redefinitions, and shared training and support capacities that facilitate the advancement of workers at all skill levels, including the least skilled.

Policy Proposals

Create new sector partnership title in the Workforce Investment Act (WIA), as proposed in the SECTORS Act.

Create a congressionally authorized program with designated funding and distinct performance measures supporting unique capacity for sector partnerships that can help a range of stakeholders connected to a local industry plan, grow, and re-tool their workforces for the future.

Create new sector partnership grants under the Trade Adjustment Assistance (TAA) program. Create capacity for sector partnerships to prevent additional job loss in declining local industries or to promote re-employment of trade-impacted workers in expanding local industries.

Create designated capacity for sector partnerships within legislation addressing specific sectors such as Transportation, Infrastructure, and Energy. As Congress makes new investments in our nation's infrastructure—our roads, bridges, schools, and hospitals, for example—or addresses pressing problems such as climate change, the demand for skilled workers in key fields will greatly expand. Legislation across these sectors should include funding for sector partnerships to ensure an adequate supply of skilled workers to meet current and future demand.



Ensuring Every U.S. Worker Can Obtain 21st-Century Skills

Cross-Policy Strategy: Career Pathways

Current policy often fails to recognize that a wide range of workers enter the labor market in different ways and with different needs: young people entering an apprenticeship, low-wage working adults enrolling in community college, trade-impacted union workers re-training for a new occupation, limited English speakers, or ex-offenders re-entering the workforce. Eighty-eight million adults currently in the workforce (57 percent) have low literacy, limited English proficiency or lack an educational credential past high school. Furthermore, two-thirds of the workforce of 2020, and about 45 percent of the workforce of 2030, are in the workforce today, beyond the reach of K-12 or traditional college access reform.

Career pathways expand access to workforce education and training for all workers by better aligning adult basic education, job training and higher education systems to create pathways to postsecondary educational credentials for people while they continue to work and support their families. Career pathways ease transitions between programs and across institutions; expand investments in education and training, particularly for “non-traditional” students; and provide supports and services that allow individuals enrolled in education and training programs to succeed. Career pathways adapt existing programs and services—and add new ones—to enable individuals to advance to successively higher levels of education and employment. Where most effective, career pathways help transform institutions and organizations involved in education, employment and social services by strengthening cooperation to improve capacity to respond to the needs of workers and employers.

Policy Proposals

Improve current law across programs—Workforce Investment Act (WIA) Title I and Title II, Temporary Assistance for Needy Families (TANF), Trade Adjustment Act (TAA), Perkins, Higher Education Act (HEA)—to better align systems.

Ease transitions between programs such as Adult Basic Education (ABE), Limited English Proficiency (LEP), and the Workforce Investment Act (WIA); reform federal financial aid to better serve working adults, part-time student, and non-degree seeking students; and improve access to services and supports that allow individuals enrolled in education and training programs to stay enrolled and ultimately succeed in obtaining the skills and credentials they need.

Provide grants to states to begin aligning adult education, job training, and higher education policies. Many states have begun this work already, but WIA Title II funds are statutorily limited for these purposes, as is other funding. New funding should be made available to states to use as “glue money” to begin connecting and aligning systems.

Create a federal cross-agency taskforce or center to focus on workforce education and training. Workforce education and training programs are scattered across multiple agencies and committee jurisdictions. Too often the same individuals are accessing multiple programs, but are treated each time like they are entering the system for the first time. Create capacity to look across agencies and designate responsibility for connecting programs in one entity, not limited to a specific agency or jurisdiction.



Matching Federal Skills Investment to the Demands of Today's Labor Market

Cross-Policy Strategy: Proportionate Investment

U.S. investments in skills are not aligned with labor market realities. The U.S. has cut investments in skills attainment—particularly for workforce education and training that occurs outside K-12 and traditional higher-education systems—at a time when a skilled workforce is more critical than ever if our nation is to remain competitive in the global economy. Since 2002, funding for education and training programs under the Department of Labor has been cut by more than \$2 billion (in 2008 \$), and workforce funding at Department of Education has not even kept up with inflation. The U.S. spends only .02 percent of its GDP on job training, ranking 21st out of 25 countries in the Organization for Economic Cooperation and Development internationally and far behind countries like Great Britain, Germany, France, and Canada.

What's more, the measures currently used for these limited investments do not well document whether federal programs across all agencies are preparing people for skilled jobs in the labor market. While public policy tracks attainment of traditional high school and college degrees, it tends to ignore most of the middle-skill credentials required for the majority of skilled occupations in today's economy. Competing nations collect such credential data, and therefore know the skills they are producing with their workforce investments. Without this information, policymakers cannot set national targets for raising the skills of the U.S. workforce.

It is time to develop a national strategy for investing resources that is shaped by the actual skill demands of the 21st-century labor market and the necessity of preparing all types of workers for skilled jobs. Public policy must invest in people to keep the U.S. workforce at the cutting edge of the global economy, and ensure those investments are producing the full spectrum of skilled credentials demanded by our economy—job-readiness certificates, occupational credentials and industry certifications, in addition to secondary and postsecondary degrees.

Policy Proposals

Reverse cuts to workforce education and occupational programs. Restore funding cuts enacted since 2002 to a range of targeted Departments of Labor and Education programs, including WIA, the Employment Services Perkins, and Adult Basic Education.

Establish an annual “Human Capital Investment” Index or Report Card. A cross-agency center or taskforce (see Career Pathways) should include in its charge an annual assessment and report to the President and Congress about what is being spent across all federal agencies on workforce education and training for various types of programs and credentials; assess why national investments in skills continue to decline relative to other countries; and propose how to better align efforts across agencies to meet market needs.

Develop New Measures for Middle-Skill Credentials: Newly created center (or taskforce) should establish new standards and data collection infrastructure to assess number of middle-skill credentials produced through federal programs, and their relation to labor market needs.



CHALLENGE

Industries Cannot Find Skilled Workers for Specific Occupations.

Even in times of economic slow-down, employers in key industries struggle to find skilled workers. Single-firm solutions to fill these skills gaps are rarely brought to scale to help an entire industry, limiting local economic impact.

Traditional Education Policies Do Not Meet Diverse Needs of Wide Range of Available Workers.

Traditional K-12 and college programs cannot accommodate the full variety of pathways by which young people and adults enter the labor market. Most attempt to earn credentials while working and supporting a family. Many want to train for skilled occupations, but lack the necessary basic skills.

U.S. Investments in Skills are Not Aligned with Labor Market Realities.

The U.S. has cut investments in skills—particularly for workforce education and training that occurs outside K-12 and traditional higher-education systems—at a time when a skilled workforce is more critical than ever. This has exacerbated industry skill gaps and limited worker advancement.

EVIDENCE

- ◆ Nearly half of all jobs are middle-skill jobs requiring more than high school but less than a 4-yr degree. Another third require a college degree—meaning about 8 in 10 jobs require some skilled postsecondary credential.
- ◆ Most education systems and individual firms lack the capacity to develop training strategies that change with industry-wide needs—particularly in the middle-skill occupations.

- ◆ 88 million (57%) working adults have low literacy, limited English proficiency or lack an educational credential past high school.
- ◆ 65% of the 2020 workforce will be adults already in the workforce today, beyond the reach of K-12 and traditional higher-education systems.
- ◆ Many high schools lack the capacity to prepare students for today's skilled occupations, or for postsecondary study required to enter them.

- ◆ Since 2002, funding for Department of Labor education and training programs has been cut by more than \$2 billion (in 2008 \$), and workforce funding at Department of Education has not even kept up with inflation.
- ◆ The U.S. spends only .02% of its GDP on job training, achieving the rank of 21st out of 25 OECD countries internationally.
- ◆ While college aid has increased, it lags demand and can only help certain students / programs.

CROSS-POLICY STRATEGY

Sector Partnerships

Create capacity to organize key industry stakeholders (firms, unions, education/training providers, workforce investment boards) to develop shared long-term workforce solutions for that industry or sector. Develop immediate strategies to fill pressing skilled workforce needs, as well as long-term plans to grow the industry with a better trained and more productive workforce. Establish cross-firm skill standards, career pathways, job redefinitions, and shared training and support capacities that facilitate the advancement of workers at all skill levels.

Career Pathways

Expand access to workforce education and training for all workers by better aligning K-12, adult basic education, job training and higher education programs, in order to create new flexible pathways to post-secondary educational credentials, including those for middle-skill jobs. Create new entry points for adult workers; ease transitions between programs and across institutions; create new work-and-learn supports for “non-traditional” students; expand apprenticeships for youth and adults; provide services to help working students succeed.

Proportionate Investment Index

Track federal investments in education and skills attainment across all federal programs, to assess if system is producing the full spectrum of credentials demanded by economy (e.g., job-ready basic skills readiness certificates, industry certifications, occupational degrees, bachelor and graduate degrees). Where necessary, identify means to re-align the balance between these skills investments to better meet labor market demand.

POLICY PROPOSALS

- ◆ Sector Partnership title in WIA
- ◆ Sector Partnership grants under TAA
- ◆ Sector Partnerships within industry-specific legislation: transportation, infrastructure, and energy

- ◆ Reduce barriers that prevent coordination across WIA Titles I /II, TANF, TAA, Perkins, HEA
- ◆ Grants to states to create “pathways” programs involving work, ABE, training, and higher education
- ◆ Federal cross-agency center or taskforce to look across all workforce education and training programs

- ◆ Reverse cuts to de-funded workforce programs
- ◆ Establish annual “human capital investment” report card across federal programs
- ◆ New data collection on credential attainment in US workforce (including for middle-skill jobs)