



Developing a Highly-Skilled Workforce Prepared to Compete in Today's Global Economy

Presented to the Obama Transition Team by KnowledgeWorks Foundation

Problem: United States lacks a national workforce development policy

The U.S. Department of Labor estimates that by 2014, the number of jobs requiring some form of post-secondary training or education will grow 60 percent faster than the job market as a whole. These skills gaps will likely be compounded by the immediate need to train infusions of low-skilled workers as unemployment rates increase. Yet at a time when our nation is experiencing profound economic shifts, the United States lacks a national workforce development policy to meet the needs of the 21st century.

The federal government spends over \$50 billion annually on programs categorized as workforce development, which is more than enough to “skill up” our nation’s workforce en masse. Unfortunately, this money is spread out over six federal agencies, and filters down into education and training systems that operate in relative isolation from broader economic development efforts. State policies governing postsecondary education, workforce and economic development, and social and human services are therefore implemented with few meaningful connections. As a result, these systems do not effectively work together to produce the kinds of skilled workers needed in today’s economy. If these disparate workforce funds were aligned to train workers for jobs in growth industries, the result would be equivalent to a GI Bill for workforce development.

Solution: Develop Workforce Innovation Fund modeled after the Workforce Innovation in Regional Economic Development (WIRED) grants¹ that challenge every state to enlist their community college systems to create Career Pathways in emerging regional industries

The Workforce Innovation Fund would offer incentives to states to create regional collaboratives among public and private entities to expand worker development opportunities and attract jobs.² Community Colleges provide the existing infrastructure needed to quickly and effectively train large numbers of people via career pathways,³ with the potential to provide education and training for 1 million low skilled workers annually for work in leading industries.⁴

¹ http://www.doleta.gov/usworkforce/whatsnew/eta_default.cfm?id=1347

² The Innovation Fund could provide a mechanism for implementing US Senators Sherrod Brown (D-OH) and Olympia Snowe’s (R-ME) proposed “Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act of 2008” that addresses the shortage of skilled workers for many industries.

³ *Building a Career Pathways System: Promising Practices in Community College-Centered Workforce Development* (Julian L. Alssid, David Gruber, Davis Jenkins, Christopher Mazzeo, Brandon Roberts, and Regina Stanback-Stroud; Workforce Strategy Center; August 2002)

⁴ According to analysis by Policy Matters Ohio, “career pathways programs had clearly superior outcomes in leading participants to credentials, whether certificates or degrees” versus traditional education.



The Fund would incent the creation of Career Pathways to pair industries offering new jobs with workers seeking specialized skills and training. While federal legislation must necessarily be crafted to align disparate workforce funds, the Innovation Fund would aid in economic stimulus and create exemplary solutions to systemic disconnects via Career Pathways methodology built on:

- Extensive reliance upon data, from the initial step of selecting industries or occupations for pathway development, through the work of identifying gaps in education and training for the target industries, to the final evaluation of how successful efforts have been made to improve educational attainment and economic advancement in those industries
- Clear linkages between remedial, academic and occupational programs within educational institutions
- Curricula defined in terms of competencies required for jobs, industry skill standards, certifications or licensing requirements
- Programs offered at times and places (including workplaces) convenient for working adults
- “Wrap-around” support services, including career assessment and counseling, case management, childcare, financial aid and job placement
- “Bridge programs” for educationally disadvantaged youths and adults that teach basic skills like communication, math and problem solving in the context of training for advancement to better jobs and postsecondary training
- Alignment of both public and private funding sources, such as Perkins, Workforce Investment Act (WIA), TANF, state and federal financial aid and employer tuition reimbursement, and sharing of costs among partners to provide needed education and support services in a cost effective way⁵

3) *Use Ohio as Model for New Federal Workforce Development Initiative*

- KnowledgeWorks Foundation is working in partnership with the state to design and implement Ohio Skills Bank,⁶ which is transforming a decentralized state into tightly knit regional collaboratives built on Pathways methodology
- Ohio is not only serving as a proving ground for developing career pathways at scale, but in the process is redefining the role of community and technical colleges by organizing its postsecondary education system around workforce/economic development goals. This must also be a national imperative for higher education.

Costs:

Pathways rely on the realignment of existing resources towards targeted workforce and economic development outcomes. The only *new* resources required would come in the form of grants of \$400,000 over two years to cover each of the nation’s 1200 community

⁵ A similar strategy is recommended in Derek Price and Angela Bell’s October, 2008 report for the Center for American Progress, “Federal access policies and higher education for working adults.”

⁶ KnowledgeWorks Foundation and its partners have invested or leveraged over \$4 million in innovative workforce development programs while successfully advocating for complementary policy reforms



colleges—up to a \$480 million national investment over two years—to help them build the capacity to serve as regional intermediaries for developing career pathways.