



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)