Can we give employers the skills they want?

*If not, what’s the next best response?*

Peter Cappelli

The Wharton School
Employers Continue to Complain about Not Finding Candidates They Want

Explanation?
1. shortage of appropriate grads
2. skill gap – k-12 schools failing
3. Jobs today require more skill
Is Education the Problem or the Answer?

• Need more STEM degrees
  • Every report from the business community says this
• Bill Clinton – more four year degrees
• President Obama – at least one year of post grad for everyone
Are They Right?

- Is more education necessarily good and for whom?
  - Fallacy of composition: Pays to have an MBA, e.g., but not if everyone has one
  - Who pays for it? Is it a good investment for individuals?
  - Are employers using the workforce skills they have already?
Where the Jobs Are...


- Doctoral or professional degree: 877
- Master's degree: 431
- Bachelor's degree: 3,656
- Associate's degree: 1,440
- Postsecondary non-degree award: 1,101
- Some college, no degree: 142
- High school diploma or equivalent: 7,576
- Less than high school: 5,246

Thousands of jobs

Source: BLS Division of Occupational Outlook
## Most New Jobs

Most new jobs: 20 occupations with the highest projected numeric change in employment.

Click on an occupation name to see the full occupational profile.

<table>
<thead>
<tr>
<th>OCCUPATION</th>
<th>NUMBER OF NEW JOBS (PROJECTED), 2012-22</th>
<th>2012 MEDIAN PAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal care aides</td>
<td>580,800</td>
<td>$19,910 per year</td>
</tr>
<tr>
<td>Registered nurses</td>
<td>526,800</td>
<td>$65,470 per year</td>
</tr>
<tr>
<td>Retail salespersons</td>
<td>434,700</td>
<td>$21,110 per year</td>
</tr>
<tr>
<td>Home health aides</td>
<td>424,200</td>
<td>$20,820 per year</td>
</tr>
<tr>
<td>Combined food preparation and serving workers, including fast food</td>
<td>421,900</td>
<td>$18,260 per year</td>
</tr>
<tr>
<td>Nursing assistants</td>
<td>312,200</td>
<td>$24,420 per year</td>
</tr>
<tr>
<td>Secretaries and administrative assistants, except legal, medical, and executive</td>
<td>307,800</td>
<td>$32,410 per year</td>
</tr>
<tr>
<td>Customer service representatives</td>
<td>298,700</td>
<td>$30,580 per year</td>
</tr>
<tr>
<td>Janitors and cleaners, except maids and housekeeping cleaners</td>
<td>280,000</td>
<td>$22,320 per year</td>
</tr>
<tr>
<td>Construction laborers</td>
<td>259,800</td>
<td>$29,990 per year</td>
</tr>
<tr>
<td>General and operations managers</td>
<td>244,100</td>
<td>$95,440 per year</td>
</tr>
<tr>
<td>Laborers and freight, stock, and material movers, hand</td>
<td>241,900</td>
<td>$23,890 per year</td>
</tr>
<tr>
<td>Carpenters</td>
<td>218,200</td>
<td>$39,940 per year</td>
</tr>
<tr>
<td>Bookkeeping, accounting, and auditing clerks</td>
<td>204,600</td>
<td>$35,170 per year</td>
</tr>
<tr>
<td>Heavy and tractor-trailer truck drivers</td>
<td>192,600</td>
<td>$38,200 per year</td>
</tr>
<tr>
<td>Medical secretaries</td>
<td>189,200</td>
<td>$31,350 per year</td>
</tr>
</tbody>
</table>
Are US Schools *Really* Failing?

Figure 2. Status dropout rates of 16- through 24-year-olds, by race/ethnicity: October 1972 through October 2009.
How about compared to other countries?

Latvia and Liechtenstein are gaining on us!
In Asia – 75% also go to cram schools....
Most Americans are Overqualified for their Jobs*

<table>
<thead>
<tr>
<th>JOB Title</th>
<th>% WITH SOME COLLEGE</th>
<th>%=BA</th>
<th>% Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parking Lot Attendants</td>
<td>56.1</td>
<td>4.1</td>
<td>60.2</td>
</tr>
<tr>
<td>Retail Salespersons</td>
<td>40.8</td>
<td>19.3</td>
<td>60.1</td>
</tr>
<tr>
<td>Bartenders</td>
<td>43.9</td>
<td>12.7</td>
<td>56.6</td>
</tr>
<tr>
<td>Waiters and Waitresses</td>
<td>41.9</td>
<td>7.0</td>
<td>48.9</td>
</tr>
<tr>
<td>Counter and Retail Clerks</td>
<td>37.2</td>
<td>10.5</td>
<td>47.7</td>
</tr>
<tr>
<td>Stock Clerks</td>
<td>33.1</td>
<td>6.9</td>
<td>40.0</td>
</tr>
<tr>
<td>Cashiers</td>
<td>33.1</td>
<td>6.1</td>
<td>39.2</td>
</tr>
<tr>
<td>Ushers, Lobby Attendants</td>
<td>23.0</td>
<td>14.3</td>
<td>37.3</td>
</tr>
</tbody>
</table>

How about that big college wage premium?

• It is an average for the economy as a whole
  • Not necessarily true for new hires or in future
• Real wages for college grads are flat since 2002
• The premium – gap - driven as much by declining real wages for high school grads
• Assumption behind argument is that high school only are identical to college grads except for the degree
• Actual return on college degree varies wildly
  • As many as ¼ college degrees have negative return
The Jobs STEM Grads Take


**Occupational field of STEM college majors one year after graduation, 2009**

<table>
<thead>
<tr>
<th>Major</th>
<th>Job in field of major</th>
<th>Job in any STEM field</th>
</tr>
</thead>
<tbody>
<tr>
<td>Computer and information sciences</td>
<td>64.5%</td>
<td>67.8%</td>
</tr>
<tr>
<td>Engineering and engineering technology</td>
<td>53.9%</td>
<td>63.7%</td>
</tr>
<tr>
<td>Biology, physical sciences, science technology, math, and agriculture</td>
<td>22.5%</td>
<td>38.7%</td>
</tr>
<tr>
<td>All health</td>
<td>74.4%</td>
<td>76.2%</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of National Center for Education Statistics (2013)
Hiring managers *Not* complaining about academic skills in new hires
Why do we assume complaints about hiring are about new grads?
Schools aren’t failing, there’s no shortage of college grads, jobs aren’t requiring more skill,

**So what’s the problem?**

*Employers can’t plan*
So they don’t want to train
AND they want a just-in-time workforce
Why Not?

• Rise of Institutional Ownership and Shareholder Value:
  • *The Scott Paper Case*
• Pressures from Markets: Speed and Variety
• The Third Wave of Corporate Restructuring
• New Management Techniques:
  • Bringing the Market Inside the Firm
• P&L – decentralized operations
  • *It’s their problem now*
VW’s Carmaking Co-op

Like Tom Sawyer and his fence-painting project, Jose Ignacio Lopez de Arrotua designed Volkswagen’s new truck plant in Resende, Brazil, above, with work done for Volkswagen’s benefit by others. Major suppliers are assigned space in the plant and supply their own workers to add components to trucks rolling down the assembly line. Volkswagen’s employees, a minority in the plant, supervise the work and inspect finished trucks; only when they pass are the suppliers paid.

---

Remon workers attach the wheels as other parts of the truck are assembled simultaneously.
Evidence?

- In the management ranks - 2003 SHRM firm survey – 60% have *no* succession planning of any kind
  - *More than 70% had it in late 1970s*

- In the workforce as a whole - 2004 IPMA-HR survey – 63% have *no* workforce planning of any kind
  - *Virtually every large company did it in 1950s*
The big change is the plug-and-play labor market:

- Experienced hires now
- 90% jobs filled internally before 1980
- 30-40% filled internally now.
Who Provides Experience?

Less Than Half as Many 16-24 yr olds are in Registered Apprenticeships Now Compared to 1950.*


[Image of Active Apprentices chart]

*Totals do not include USMAP data.
Colleges want to fill the gap

• Business is by far the biggest major – 3x liberal arts
• Education is second – tight link to teaching
• “Liberal arts” is shrinking all the time
  • Adventure tourism?
  • Turf management?
  • Casino construction?
  • Pharmaceutical marketing?
College costs have risen 4x the rate of inflation

Percentage of US student loans in default largely because of a lack of jobs after graduating...

Source: College board
Time lags 4+ years are long in this supply chain

And the lags exacerbate disequilibrium...
Highest paying majors 2013—*all in the most cyclical occupations*

<table>
<thead>
<tr>
<th>Major</th>
<th>Average Starting Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Petroleum Engineering</td>
<td>$96,200</td>
</tr>
<tr>
<td>Computer Engineering</td>
<td>$70,300</td>
</tr>
<tr>
<td>Chemical Engineering</td>
<td>$66,900</td>
</tr>
<tr>
<td>Computer Science</td>
<td>$64,100</td>
</tr>
<tr>
<td>Aerospace/Aeronautical/Astronautical Engineering</td>
<td>$63,900</td>
</tr>
<tr>
<td>Mechanical Engineering</td>
<td>$63,900</td>
</tr>
<tr>
<td>Electrical/electronics and Communications Engineering</td>
<td>$62,500</td>
</tr>
<tr>
<td>Engineering Technology</td>
<td>$60,900</td>
</tr>
<tr>
<td>Management Information Systems/Business</td>
<td>$60,300</td>
</tr>
<tr>
<td>Logistics/Materials Management</td>
<td>$59,500</td>
</tr>
</tbody>
</table>
Warning letter to new petroleum engineers...

Dear Admitted Aggie PETE Applicant,
Recent data suggests that some concern about the sustainability of the entry level job market during a time of explosive growth in the number of students studying petroleum engineering in U.S. universities may be prudent....
What do employers actually look for in school leavers?
Internships and employment during college rose to the top of the list as the most heavily weighted attributes considered by employers.

Relative Importance of Attributes in Evaluating Graduates for Hire

- Internships: 23
- Employment During College: 21
- College Major: 13
- Volunteer Experience: 12
- Extracurricular Activities: 10
- Relevance of Coursework: 8
- College GPA: 8
- College Reputation: 5

Q: How much weight do you give each of the following educational credentials when you evaluate a recent college graduate’s resume? How much weight do you give each of the following types of experience when you evaluate a recent college graduate’s resume to see if further discussions are warranted? (weighted by importance of academic vs. experience on hiring of recent graduates to obtain an aggregate score)
Why it is a bad idea for colleges to provide practical job skills

1st – they aren’t good at it. Classrooms are a bad way to do it
2nd – it’s really expensive for parents who now have to front-load the costs of learning
3rd – students and their parents take a lot of risk: No promise of jobs in these “hot” fields
4th – who do you trust for info on job prospects from different fields?
5th - the entire focus here is on the first job. Who is thinking longer-term?
Are there alternatives?

- Employers could be more realistic about hiring
  - Be reasonable about requirements, wages, credentials
  - Spend some $ on hiring – “pennywise and pound foolish”
  - “Recruiting” is easier than “selection”
    - Scare away the wrong ones
    - Get close to colleges
Yes, we can afford to train

- Consulting firms, accounting firms, all make money doing it and still lose virtually all their trainees!
- Training wages are legal
- Requiring course work in advance
- Set up arrangements with not-for-profits
FUTURE FOCUS:
Preparing for Workforce 2020

USING DATA TO IDENTIFY FUTURE WORKFORCE NEEDS

FEBRUARY 19, 2015
“There’s a big onus on the business community.

This isn’t a skills gap, this is a training gap.

You can’t expect these students ... to know where the jobs are. You can’t expect the community colleges, technical schools and universities by themselves to understand where the jobs are. You have to go and work with them to do that.”

*Eric Spiegel, CEO of Siemens USA*
Where are we on the Road to Workforce 2.0?

- Training Gap
- Lack of Structured Training in key sectors
- Returns to Skill & Education
- Global Labor Market
- Need for New Models
Apprenticeship Participation in Top 5 countries

Apprenticeship Program Participation

% of Labor Force

- U.S.: 0.02
- Canada: 2.2
- U.K.: 2.7
- Australia: 3.7
- Germany: 3.7
Using Data to Identify Future Workforce Needs

Presenting
Karin M. Norington-Reaves, CEO
About The Partnership

- The successor agency to the Chicago Workforce Investment Council (CWIC) – the City’s workforce policy and strategy-making organization.

- Replaces the three administrative agencies that oversaw federal workforce development funds and programs throughout Cook County and the City of Chicago.
  - Chicago Department of Family & Support Services (DFSS)
  - Cook County Works (CCW)
  - Workforce Board of Northern Cook County

- Strategically engages a variety of local, regional, state, and national partners in workforce and economic development to ensure program effectiveness. The breadth of these activities allows us to connect businesses and individuals to a wide array of resources.

- Designs and implements initiatives that result in dynamic outcomes for businesses and job seekers alike. Offering creative solutions to current and future workforce development challenges.
Vision

Every person has the opportunity to build a career; every business has the talent to grow and compete in a global economy.

Mission

To create, promote, and effectively manage a network of workforce development organizations that:

- Designs innovative solutions to address business needs, and,
- Prepares individuals for, and connects them to, career opportunities
Foundational Goals

Train for business demand

Integrate Labor Market Information into WIA front-line services

Leverage additional funding

Engage employer partners

Strengthen Quality performance review
### Career Pathways

#### MANUFACTURING OCCUPATIONS

**MANAGEMENT**
- Industrial Production Manager
- Design Engineer
- Industrial Health and Safety Engineer
- Plant Manager

**SKILLED**
- Assembler (less than 5 yrs. experience)
- Machine Operator (less than 5 yrs. experience)
- Forklift Operator

**ENTRY LEVEL**
- Assembler (less than 5 yrs. experience)
- Machine Operator (less than 5 yrs. experience)
- Forklift Operator

**Semi - Skilled**
- SKIN $18 - $20 PER HOUR

**Skilled**
- MACHINIST $20 - $27 PER HOUR AND UP

**First Line Supervisor**
- Occupational Health and Safety Specialist
- CBC Machine Programmer, Op/Operator, 3rd and 4th Year (35% Benchmark)
- Maintenance Technician

**Other** (less than 5 yrs. experience)
- Machine Operator (less than 5 yrs. experience)
- Electronic Technician, Machine Operator (less than 5 yrs. experience)
- Electronic Manufacturing Engineer (less than 5 yrs. experience)
- Quality Control Inspector (less than 5 yrs. experience)

---

### Target Occupational Profiles

#### PHYSICAL THERAPY AIDE and ASSISTANT

<table>
<thead>
<tr>
<th>Target Occupation Profile</th>
<th>Job in 2016</th>
<th>Expected Growth by 2026</th>
<th>Yearly Openings</th>
<th>Entry Level Wage</th>
<th>Mid-Level Wage</th>
<th>Experienced Wage</th>
<th>Average Annual Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Physical Therapist Aide</td>
<td>1,500</td>
<td>30%</td>
<td>94</td>
<td>$10</td>
<td>$24</td>
<td>$54</td>
<td>$49,700</td>
</tr>
<tr>
<td>Physical Therapist Aide</td>
<td>1,218</td>
<td>29%</td>
<td>71</td>
<td>$9</td>
<td>$11</td>
<td>$24</td>
<td>$35,600</td>
</tr>
</tbody>
</table>

**Additional Requirements**
- Professional education (bachelors, manufacturing, medical, scientific)
- Mental independence, ability to multi-task
- Ability to lift and move objects
- Good communication and problem-solving skills
- Ability to work in a fast-paced environment

**Where Are the Jobs in Cook County?**

- [Chicago Cook Workforce Partnership](http://www.cookworkforcepartnership.org)
- [Illinois Department of Labor](https://www.idol.illinois.gov)

---

### Chicago Cook Workforce Partnership
Train for Business Demand

The Partnership analyzed...

Labor market information (LMI) on industries and occupations
- Projected job growth and openings
- Wages
- Education/training requirements

Career pathways within industries-transferability of skills

Job placements of recent ITA recipients
- Job title
- Employer

Input of local workforce experts and stakeholders

7 target industries*

40 target occupations
(95 SOC/ONET codes)
7 Target Industries*

- Business and Professional Services (6 occupations)
- Healthcare (14 occupations)
- Hospitality, Culinary, and Retail (4 occupations)
- Information Technology (5 occupations)
- Manufacturing (5 occupations)
- Transportation, Distribution, and Logistics (7 occupations)

* The Partnership has 7 target industries, but for discussions purposes, we have combined hospitality/culinary and retail in order to group similar occupations together.
Introducing Career Connect
Regional Data Collection

130+ Workforce Service Providers

Blended Funding Sources
- UI
- WIA
- TANF
- Voc Rehab
- CDBG / CSBG
- Private Grants

Siloed Data Systems
- IBIS & JobLink
- IES
- WebCM
- ECM
- Various

Separate Data Owners
- IWDS
- EdLink
- The Partnership
- IDHS
- DFSS
- Private Funders
Proposed Career Connect Systems Interfaces Environment

- Illinois Workforce Data System (IWDS) DCEO
- Web CM IDHS/DRS
- Career Connect The Partnership
- Illinois JobLink (UL) IDES
- Wage Information System (WIS)

Interfaces:
- WIA Customer and Other Data (2-way interface)
- Job Seekers (Accounts & Resumes)
- Client Referrals to WIA (2-way interface)
- Job Orders
- Spidered Job Listings
- Existing Interface
- Wage Data
Case Management Features

- Collect special population characteristics
- Assess needs & barriers
- Determine eligibility for multiple programs
- Development employment / service plans
Employer Services

- Manage employer leads & contacts
- Provide labor market information
- Identify & refer qualified candidates
- Post job orders
- Track job interviews & placements
- Manage paid work experience opportunities
Partners & Advisors

**Private Funders**
- Boeing
- Chicagoland Workforce Funder Alliance
- Joyce Foundation
- Lloyd A. Fry Foundation
- McCormick Foundation
- Polk Bros. Foundation

**Public Agencies**
- IL Commerce & Economic Opportunity (DCEO)
- IL Employment Security (IDES)
- IL Human Services (IDHS)
- Chicago Housing Authority
- Chicago Dept. of Family & Support Services

**Workforce Providers**
- Aunt Martha’s
- The Cara Program
- Central States SER / SERCO
- Employment & Employer Services
- Howard Area Community Center
- Inspiration Corporation
- Instituto del Progreso Latino
- Jane Addams Resource Corp.
- MicroTrain Technologies
- National Able
- OAI, Inc.
- South Suburban College

**System Requirements Team**:  
- Chapin Hall
- Chicago Jobs Council
- Marty Miles

**System Developer**: Geographic Solutions, Inc.

**Evaluator**
- Social IMPACT
- Research Center at Heartland Alliance

Chicago Cook Workforce Partnership
System Development Progress

**Inception**
- Contract executed
- Project planning
- Project kick-off

**Elaboration**
- Review requirements
- Plan for data conversion
- Plan for system interfaces

**Construction**
- Configure & customize system
- Develop interfaces & conversion
- System Testing
- Prepare for Go Live

**Transition & Go Live**
- Training
- Data Conversion
- Final Preparation
Questions?

Karin M. Norington-Reaves  
Chief Executive Officer  
312-603-0223  
Karin.Norington-Reaves@workforceboard.org
Workforce Issues in 2020 to 2025

Norman Walzer
Senior Research Scholar

Presentation to

Future Focus: Preparing for Workforce 2020
Federal Reserve Bank
Chicago, IL

February 19, 2015
Key Points

• Immediate Critical Skills Shortages Must Be Addressed
• Population Projections Suggest Fewer Workers in 2020-25
• Growing Wage Differential Between Metro and Rural
• Rural (nonmetro) Will Have Larger Declines
• Can Immigration Make Up the Difference?
• Have to Plan Based on Regional Labor Markets
Projected Population Changes by Age Group

OEDC Tri-State Region (Metro Counties), 2014-2025*

*Includes the states of Illinois, Indiana and Wisconsin.
Projected Population Changes by Age Group

OEDC Tri-State Region (Non-Metro Counties), 2014-2025*

Percent Change 2014 - 2025

Population Age Cohort

*Includes the states of Illinois, Indiana and Wisconsin.
### Employment by Selected Industry

**OECD Tri-State Region***

<table>
<thead>
<tr>
<th>Population by Age Group (Figures in Thousands)</th>
<th>Metropolitan Counties</th>
<th>Non-Metropolitan Counties</th>
<th>Change (2014-2025)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2014</td>
<td>2025</td>
<td>2014</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>1,144.0</td>
<td>1,024.8</td>
<td>347.9</td>
</tr>
<tr>
<td>Transportation &amp; Warehousing</td>
<td>477.7</td>
<td>526.1</td>
<td>99.0</td>
</tr>
<tr>
<td>Finance &amp; Insurance</td>
<td>746.4</td>
<td>808.9</td>
<td>97.6</td>
</tr>
<tr>
<td>Professional &amp; Technical Services</td>
<td>807.9</td>
<td>973.4</td>
<td>68.2</td>
</tr>
<tr>
<td>Management of Companies &amp; Enterprises</td>
<td>182.7</td>
<td>222.1</td>
<td>13.5</td>
</tr>
<tr>
<td>Administrative &amp; Waste Services</td>
<td>851.1</td>
<td>1,052.3</td>
<td>99.1</td>
</tr>
<tr>
<td>Health Care &amp; Social Assistance</td>
<td>1,473.1</td>
<td>1,805.3</td>
<td>255.0</td>
</tr>
<tr>
<td>Total Employment</td>
<td>12,939.8</td>
<td>13,762.0</td>
<td>2,442.9</td>
</tr>
</tbody>
</table>

*Includes the states of Illinois, Indiana and Wisconsin.

Average Wage per Job

OECD Tri-State Region*

Note: Wages are expressed in current dollars.
Where Do We Go From Here?

• Rural and Metro Need to Plan Together
• Some Supply Chain Businesses Will Be in Rural Areas
• Rural Residents Must Have Key Skills Needed
• What Regional Resources and Links Can We Build?
• Active Collaboration Among Workforce Agencies
For More Information, Contact

Norman Walzer and Diana Robinson

Senior Research Scholar
nwalzer@niu.edu

Director
drobinson@niu.edu

Center for Governmental Studies
148 N. Third Street
DeKalb, IL 60115
NiuCGS.org
Who We Are

The National Skills Coalition is a non-profit, non-partisan, coalition of business, labor, education and training providers, and community-based organizations that advocates for raising the skills of workers for a strong economy.
About SWEAP

The State Workforce and Education Alignment Project (SWEAP) is an initiative of National Skills Coalition that is helping state policy makers use information from data tools to better align workforce and education programs with employer skill needs.
Supply and Demand Reports

• Compare the supply of skilled workers completing training programs with employer demand as measured by the number of job openings.

• State and local leaders can use this information to assess where education and training programs in the state and local area are not at scale to address industry skill gaps.

• Direct resources to where they are most needed to meet employer demand.

• SWEAP’s focus is on middle-skills.
Counting the Supply of Skilled Workers Completing Training Programs

Counting the Whole Supply

- Degree and Non-Degree Credentials
  - Certificates, Certifications, Licensures
  - Credit and Non-Credit
- Traditional Higher Education and Other Programs
Counting the Supply of Skilled Workers Completing Training Programs

Figure 2: Middle-Skill Credential Attainment in Maryland

Counting the Supply of Skilled Workers Completing Training Programs

Total Middle-Skill Credential Attainment in MD
Source: MD StateStat

Middle-Skill Credentials

www.nationalskillscoalition.org
Counting the Supply of Skilled Workers Completing Training Programs

Adjusting the supply to estimate newly available workers

<table>
<thead>
<tr>
<th>FIGURE 4</th>
<th>Supply of Workers Available to Meet Employer Demand Calculation of Middle-Skill Workforce Supply in Washington State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Completions</td>
</tr>
<tr>
<td>Middle-Skill Degree Completers</td>
<td>100%</td>
</tr>
</tbody>
</table>

Estimating Employer Demand

Bureau of Labor Statistics Projection of Net Job Openings (Growth and Separations) for over 800 Occupations
10-year Occupational Outlook

What about “Real Time” Labor Market Information?
• Not a forecast
• Sensitive to the business cycle
• Bias (B.A.+ and STEM)

Both approaches have value.
Comparing Supply and Demand

Comparing Annual Supply and Future Demand Middle-Skill Occupations in Washington State
Source: WA’s “A Skilled and Educated Workforce”

- Installation, Maintenance Repair
- Manufacturing, Production
- Protective Service
- Selected Health Care Occupations
- Science Technicians

Annual Number of New Workers

www.nationalskillscoalition.org
Comparing Supply and Demand

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Supply</th>
<th>Demand</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>EMTs and Paramedics</td>
<td>80</td>
<td>195</td>
<td>115</td>
</tr>
<tr>
<td>Health Technologists and Technicians</td>
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<td>Dispensing Opticians</td>
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<tr>
<td>Ophthalmic Medical Technicians</td>
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</tr>
</tbody>
</table>

Regional Application

• Adjust Supply Count for Graduate Mobility

If Shorter Time Horizon
• Include unemployed job seekers
• Include “real time” labor market information

Margin of Error
Context of State Supply and Demand
Policy Applications

Sector Partnerships and the Workforce Innovation and Opportunity Act (WIOA)

• Example: WA Health Care Skill Panels

Earmarking public resources

• Example: WA High Demand FTEs
Matching Supply and Demand RNs in Washington State

FIGURE 8  Responding to a Skill Gap—Annual RN Program Completions in Washington State


www.nationalskillscoalition.org
Considerations, Concerns and Caveats

• Employer Validation
• Accuracy of Projections

Focus on Large, Persistent Gaps!
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www.nationalskillscoalition.org
Contact

Bryan Wilson, State Policy Director
bryanw@nationalskillscoalition.org
202.223.8991 x115
Get Real and Get A Plan

(It’s not the 20th Century any longer!)

James M. Golembeski
Executive Director
Bay Area Workforce Development Board
Part I
(A Millennial Story)

With thanks to www.waitbutwhy.com
This is Luke and Lucy.

They belong to Generation Y otherwise known as *Millennials*, people born between 1981-2000.

Another name for this group is

- **Gen Y**
- **Protagonists and Special Yuppies**
- **GYPSYs.**

Luke and Lucy are kind of unhappy!

Why are Luke and Lucy unhappy?
Happiness = Reality - Expectations
Luke and Lucy’s parents are **Baby Boomers**, born in the 1950s.

Baby Boomers are a numerically large group of about 80 million people in the USA born between 1946-1964.
Luke and Lucy’s grandparents were members of the Veteran Generation. They grew up during the Great Depression and fought in World War II.

Having known hard times, they valued economic security. They raised Luke and Lucy’s parents to build practical, secure careers.
"Look at those dang fool teenagers, wearin' their pants hangin' down low like a coupla idiots!"
But they knew they would have to put in years of hard work to achieve it.

So Luke and Lucy’s Baby Boomer parents envisioned getting to that lush, green lawn of a successful career.
Baby Boomer Career Path Expectation

SUCCESS

YEARS

Hard work over many years
Happy Baby Boomers raised their GYPSY children
With a sense of optimism and unbounded possibility!

They told Luke and Lucy that they could be whatever they wanted to be, instilling the special protagonist identity deep within their psyches.
JEREMY, THANK YOU FOR EMPTYING THE DISHWASHER...

...BUT I'M NOT GOING TO MAKE A MAJOR DEAL OUT OF IT.

SINCE WHEN?

SHOWED UP
GAVE IT A TRY
11TH PLACE
FAIR EFFORT
12TH PLACE
NICE TRY
NOT TOO BAD

OKAY-ISH
MEH
WAY TO GO!
HOO-HUM
NOT TOO BAD

KINDA TRIED
MEH
WAT TO GO!
HOO-HUM

SORTA CARED
COULD BE WORSE
GAVE IT A SHOT
SHOWED UP

EACH OTHER IS A WINNER
HMM
MEH
DIDN'T QUIT RIGHT AWAY
BETTER THAN SOME

©2014 ZITS Partnership. Dist. by King Features
This left **GYPSYS**s feeling tremendously hopeful about their careers to the point at which their parents’ goals of a green lawn of secure prosperity didn’t really do it for them.

A **GYPSY**-worthy lawn has **flowers**!
Where Baby Boomers wanted to live the American Dream,

GYPSYs want to live Their Own Personal Dream!

GYPSYs want to “follow their passion” and have a “fulfilling career!”
GYPSYs are wildly ambitious.

They want more from a career than just a nice, green lawn of prosperity and security.

That isn’t unique or exceptional enough!
Just as significantly, Luke and Lucy, as well as most other Millennials, have been given a very important message from their earliest days:

Luke             Lucy
You're Special
GYPSYs are delusional about real life!

“Sure,” Luke and Lucy have been taught, “everyone will go and get themselves a fulfilling career, but I am unusually wonderful and as such, my career and life path will stand out in the crowd.”

So on top of the Millennial generation as a whole having the bold goal of a flowery career lawn, each individual GYPSY thinks that he or she is destined for something even better---
A shiny unicorn on top of the flowery lawn!
MIT? You put MIT on your list?

Why not? Alex went there.

Dad, you guys have told me since I was a baby I could be anything I wanted to be!

Now you're telling me I can't be an MIT student if I want?

We may have overdone the self-esteem thing. Not our fault. It used to be a best practice.
So as Lucy prepares to enter the job market, she considers a great career an obvious given for someone as exceptional as she is.

For Lucy, it is just a matter of time and choosing which way will be most fulfilling for her.
Lucy's Career Path Expectation

Because just wait till the world sees how amazing I am
Unfortunately, the funny thing about the real world is that it turns out not to be that easy of a place, and the weird thing about careers is that they are actually quite hard!

Great careers take years of blood, sweat and tears to build, even ones with no flowers or unicorns on them...

This can be a hard reality for Millennials whose entitlement perceptions are based on an unfounded sense of superiority and deservingness.
Luke and Lucy’s career experience makes them unhappy!
It gets worse...

On top of all this, **GYPSYs** have an extra problem that is unique to their whole generation:

**GYPSYs** are taunted!
Luke and Lucy have to deal with Facebook Image Crafting!
That’s why Luke and Lucy are unhappy, and feeling frustrated and inadequate!

Their careers may be starting off perfectly well, but it feels very disappointing to them.

Here are three pieces of advice for Luke and Lucy:
1. Stay wildly ambitious!

The world is full of opportunity for an ambitious young person to find flowery, fulfilling success.

The specific direction may be unclear, but it will work itself out—just dive in somewhere and start showing what you can do.
The fact is, right now, you’re not special. You’re another inexperienced young person with a lot to offer and a lot to learn yet.

You can become special by working really hard for a long time.
In today’s image crafting world, Other people’s grass can look like a glorious meadow.

The truth is that almost everyone else is just as indecisive, self-doubting and frustrated as you are.

If you use your talents and work hard, you will never have any reason to envy others.
Part II
Millennials
The Good, the Bad, and the Ugly
(with thanks to The Motley Fool)
In their lives, Millennials have witnessed:

- 3 Wars (including the longest in U.S. history)
- A presidential impeachment
- The Dot-Com bust
- The 9/11 attacks
- 2 Recessions, including the Great Recession
- The growth of Internet technology
- Columbine and Sandy Hook

Millennials see the world as a dynamic place.

Their lives are both local and global—all interconnected.

An infinite amount of info is available anywhere 24/7/365.

Baby Boomer suburbia looks antiquated.
Millennials are overeducated, underemployed and in debt.

...but they still want to do a good job!

- 63% of Millennials have a bachelors degree.
- 48% of those with a degree have a job that does not require it.
- The average Millennial has $45,000 in debt, mostly student loans.
- Getting a college degree has not lived up to the promise of career success that Baby Boomer parents raised them with.
- Millennials want to work hard, but they want to know where their work is going—how it fits in making a better world.
- Millennials prefer on-going recognition instead of formal performance reviews.
- Millennials want the workplace to be fun and social with flexible work hours.
Millennials will surpass the spending power of the Baby Boomers by 2018 and they will increasingly dominate the American workforce!

Generational Cohorts of Working Age (Ages 16-65) as a Percent of Wisconsin Population
Jeff Sachse, DWD Local Labor Market Analyst
Millennials will surpass the spending power of the Baby Boomers by 2018 and they will increasingly dominate the American workforce!

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Millennials will surpass the spending power of the Baby Boomers by 2018 and they will increasingly dominate the American workforce!
### THE BE BOLD 2 SUPPLY/DEMAND STUDY

#### PROJECTION OVERVIEW

<table>
<thead>
<tr>
<th>Skill Cluster</th>
<th>Agriculture, Dairy &amp; Food Processing</th>
<th>Financial Services, Insurance &amp; Real Estate</th>
<th>Healthcare</th>
<th>Manufacturing</th>
<th>Transportation</th>
<th>Water &amp; Water Research</th>
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<tbody>
<tr>
<td>Systems &amp; Network Software Development</td>
<td>📈</td>
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<tr>
<td>Accounting &amp; Financial Analysis</td>
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<tr>
<td>Nursing &amp; Health Related Professions</td>
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**Graph:**

- **Today's Shortfall**
- **2016 Shortfall**
- **2021 Shortfall**

<table>
<thead>
<tr>
<th>Skill Cluster</th>
<th>Today's Shortfall</th>
<th>2016 Shortfall</th>
<th>2021 Shortfall</th>
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<tr>
<td>Metal Manufacturing</td>
<td>2,100</td>
<td>7,100</td>
<td>13,000</td>
</tr>
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</table>
Older generations do not understand Millennials!

• 85% of hiring managers say Millennials have too high a sense of entitlement, expecting higher pay, flexible work options, and faster promotions.

• Companies don’t understand the need to bring social media into the workplace while Millennials live in a fast-paced interconnected world.
Millennials are loyal, just not to their employer!

- 69% of Millennials don’t see regular office attendance as necessary to do a good job;
- 89% don’t want to work a 9-5 traditional schedule;
- 91% expect to stay in their current job for less than three years;
- 60% have switched careers already; and
- Only 33% say their current job will be their career.

But Millennials say they will always be loyal to the brands they love;

Peer influence and user generated content determines product choices;

It is all about adding value to their experiences.
Millennials love technology and social media!

- Social media has evolved way beyond staying in touch with friends.
- For millennials, social media is the organizing tool for personal interactions, day-to-day communication, entertainment and shopping. It is interwoven in almost every aspect of life.
- A recent survey showed that 53% of Millennials would rather give up their sense of smell than give up their technology.
THE GREEN OR THE DARK BLUE?

WE’LL KNOW IN A MINUTE.

PLING!

PLING!

PLING!

PLING!

PLING!

APPARENTLY THE GREEN.

PLING!

PLING!

PLING!

PLING!

PLING!

ARE WE SHOPPING OR CROWD-SOURCING?

YOU DON’T EXPECT ME TO TAKE YOUR ADVICE, DO YOU??
Millennials care about the future!

They ARE the future!

- Even though Millennials are very different from previous generations, the world is changing rapidly as well, and in ways that they understand.

- Millennials are 70 million young Americans experiencing a world that is profoundly different from their parents’ world.

- The Internet has made the world smaller and changed the methods and modes of human interaction. Millennials will lead the U.S. successfully into that rapidly changing world.
The Evolving Nature of Work
[from Jacob Morgan, The Future of Work]

Who is best equipped to succeed in this new world?
Millennial World
Thank You!

Questions?
Attracting and Retaining Talent: Trends in Higher Education:

Future Focus: Preparing for Workforce 2020
February 19, 2015
Federal Reserve Bank of Chicago

Dr. Alan Phillips
Deputy Director
Illinois Board of Higher Education
Topics to be Covered

• The Changing Landscape
• Forces for Change
• Obstacles
• Conclusion
The Changing Landscape
The Changing Landscape

• Once No. 1 in college degrees held by 25- to 34-year-olds; by 2010 the United States was 12th among 36 developed nations.

• Graduation rates (except for the handful of students at our most selective institutions) lag.

• Fall 2012 enrollment declined by 467,000 from the previous year, and in 2013-2014 it is expected that traditional 4-year colleges will begin a contraction that will last for several years.

• For those that do enroll, close to one out of two will fail to complete the bachelors degree.

• Tuitions rise, while the unemployment rate is at record highs for recent college graduates.

• Imagine, $1 trillion in student debt—and then our graduates enter the worst job market in years.

• Additionally, nearly half of working Americans with college degrees are in jobs for which they are overqualified.
The Changing Landscape

• While the **demand** for postsecondary education has never been higher, the **cost** of obtaining a college degree **continues to rise at unsustainable levels** with student loan debt at all–time highs.

• At the same time, the **United States is losing ground internationally** in educational attainment and employers are increasingly finding **students ill-prepared** for the **demands of the workplace**.
The Changing Landscape

• In a recent Northeastern University study based on more than 1000 interviews:
  - 70% believe that higher education is extremely or very important to securing the American Dream.

• However:
  - 46% consider the current state of higher education to be fair or poor.
  - 61% consider higher education to be a fair or poor value for their money.
  - 83% said that higher education is desperately in need of a shake-up.
  - 60% of Americans age 18 to 30 say online programs offer the same quality of education as traditional college.
  - 68% believe that online degrees will soon be just as respected as traditional four-year degrees.
  - 73% of Americans surveyed say that a “no-frills” approach to college minus things such as dorms and athletics is a perfectly good option.
  - 85% say the high cost of higher education is a significant obstacle to earning a degree.
  - 94% of young Americans say mixing job experience with classes better prepares them for the future.
The Changing Landscape

• Colleges and universities have been protected by the prestige of their brands and the lack of any real competition.

• However, an array of forces is now working to disrupt the traditional business model of higher education.

• Factors threatening the status quo include:
  - A decline in government/state funding => Unsustainable Costs
  - The emergence of new commercial providers => Competition
  - Technology and the digital revolution => Technology
  - Changing demographics
  - New-tech savvy students that expect anytime, anywhere customized learning.
  - Increasing international competition
  - We no longer have a common definition of “higher education.”
  - There is no longer any such thing as a traditional learner.
Higher Education Business Model (?)

• Can colleges and universities continue to manage a **fixed asset operating model** (with fixed and limited operating capacities) in a time of limited and declining resources, increasing tuition, declining enrollments, and increasing competition.

• Higher education comforts itself with the thought that that universities are more important than ever, because society needs educated citizens more than ever, and **only they can issue an accredited degree, the entry ticket to the knowledge economy.**

• However, colleges and universities will not have that advantage forever.

• **The value of the diploma is symbolic,** backed not by gold but by the graduate's sense of its worth relative to its cost, and the employer's willingness to accept it as the currency of competency.

• **That view is starting to change.** As average student debt has piled up, students are wondering if the price is worth it, and they have begun to look for alternatives.
Higher Education Business Model (?)

• If traditional colleges cannot keep costs affordable, other college models will take their place.

• Many of the most promising initiatives with the potential to transform higher education are coming from outside the education establishment.

• Many of these emerging innovations challenge the basic cost structure, delivery system, and organization of traditional higher education, and point the way to a new future for education leaders who want to transform their institutions.
Elite Colleges and Universities

• Colleges have three basic business models for attracting and keeping students. Two will continue to work in the next decade, and one almost certainly will not.

• The business model for the most elite colleges with sterling brand names, and for most flagship public universities, will continue to work for the foreseeable future.

• They will always have their constituencies and a ready supply of students looking for a traditional college education.
  - Brand Name Degree (+)
  - Traditional Residence Model (+)
  - Exorbitant Costs (-)
For-Profit & Community Colleges

- The model for for-profit colleges and community colleges is also strong.
  - Provide convenience (+)
  - Cater to older students who have no time for a traditional college experience. (+)
  - Capture a large portion of the minority demographic (+)
  - Can have large classes (-)
  - May be unable to provide enough courses in some subjects to satisfy their students (-).
  - Create greater debt for students (-)

- Predictions are that for-profit colleges will be educating 15 percent of all college students by 2020, compared with the 7 percent that they educate now.
Colleges in the Middle

• And then there are the many colleges in the middle.
  - For students who cannot get into elite institutions or cannot afford them, the large, nearby public university may be their best choice. (+)
  - They do not have well-known brand names and wide recognition that draw crowds. (-)
  - They have been able to maintain a steady supply of students because the population of 18-to-24-year-olds has been growing for decades, but that population is declining (-)

• Many colleges that have focused on a residential, four-year model will find that they need to attract more adult students, more part-time students, and more students who will want all or many of their courses online.

• This will put them in competition over time with the community colleges and the for-profit colleges that primarily serve these students, and they are historically and constitutionally unequipped for such a major shift.

• This has led some institutions toward consolidation. The University System of Georgia is in the process of consolidating eight institutions into four.
Colleges in the Middle

• For too long, these colleges have stuck with the **same business model**.

• They have hesitated to take courses online, to cater to adult and part-time students, and to offer courses at any time other than on weekdays between 9 and 5.

• However, many regional public universities are starting to offer what is a still a **relatively inexpensive education** in more flexible ways: off campus, online, part time.

• They generally are **not research institutions**, so they can also offer students more access to professors.

• However, many are **stuck with infrastructures** that no longer interest a growing number of students - most notably **dormitories** and **academic programs** built up in earlier years which now do not attract enough students to justify their existence.

• Additionally, the **survival** of many of these institutions will be increasingly threatened by both domestic and foreign **for-profit institutions**, as well as by **nonprofit competitors**.
Forces for Change
The High Cost of Higher Education

- In the 1980s, college funding shifted from a low-tuition, high-appropriation model to a high-tuition, high-student-aid model.
- Over the past 20 years, tuition rose four times faster than the consumer price index and far outstripped growth in health care spending.
- A study by the American Institute for Economic Research looked at consumer prices over a 20-year period from 1990 to 2010 and found that only the cost of tobacco products, up 378%, grew faster than college tuition and fees, which were up 286%.
- In fact, college tuition has increased at twice the rate of health care costs over the past 25 years.
The High Cost of Higher Education

• The College Board reports in its 2014 publication on college costs that:
  - **Public four-year in-state tuition and fees** average $9,139.
  - **Total expenses** for a residential student for one academic year averages $18,948.
  - The comparable figure for **private four-year schools** is $42,419.

• At these rates, students and families are looking at a sticker price of roughly:
  - $80,000 for a **public** four-year degree.
  - Over $160,000 for a **private** four-year degree.

• Even at these levels, according to a recent Moody’s survey, **one-quarter** of non-profit institutions have **predicted a drop** in net revenue for fiscal year 2015 and 55% of public institutions predict they will see revenue grow, at most, 2% more than the inflation rate.

• About **40%** of private institutions also predict they will **fail to increase revenue past the point of inflation** at all, and **24%** predict a **net revenue decline** in fiscal 2015.
The High Cost of Higher Education

College costs and median family income, 1982 to 2012

Inflation-adjusted increases

- Public four-year college costs
- Private nonprofit four-year college costs
- Public two-year college costs
- Median family income

Sources: The College Board, Annual Survey of Colleges; National Center for Education Statistics, Integrated Postsecondary Education and Data System.

Center for American Progress
The High Cost of Higher Education

• According to a January 2013 TransUnion report, more than half of student loan accounts are delaying payments on their principle and interest.
• The average debt per borrower has increased by over 30% since 2007, to $28,400 in 2014.
• It is estimated that 65.5 million of the 128.8 million student loans outstanding are deferring payments.
• This represented $388B of the $893B in student debt outstanding, which was up from $288B in 2007.
• Student debt is now over $1 trillion dollars.
• The percent of student loan balances 90 or more days delinquent stands at 11%. This is higher than most other credit products, including mortgages, home equity lines of credit, credit cards, and auto loans.
• The latest three-year default rate stands at 13.7% (650,000 borrowers)
Disaggregation of the Degree

• Colleges currently have a virtual monopoly on higher-education credentials.

• A degree signifies a period of successful college attendance; the class rank indicates the relative success of the student; and the name of the college marks the quality of the degree.

• With the change in emphasis from institutional process to educational outcomes, degrees will become far less meaningful.

• A transcript of each student's competencies, or portfolio, including the specific information that the student knows or the skills that he or she can perform, will be far more desirable.

• If degrees become less important, how will colleges and universities continue to attract students in a world offering limitless educational choices?

• Why would a student stay at the same college for periods of up to five years if degrees give way to specific competencies?
The Changing Nature of Students

- Higher education is becoming more individualized; students, not institutions, will set the educational agenda.
- Increasingly, students will come from diverse backgrounds and will have a widening variety of educational needs.
- Students will increasingly expect access to classes from cell phones and other portable computing devices.
- New technologies will enable them to receive their education at any time and any place -- on a campus, in the office, at home, in the car, on vacation.
- Each student will be able to choose from a multitude of knowledge providers the most compatible form of instruction and courses.
- Classroom discussions, office hours with a professor, lectures, study groups, and papers will all be online.
- Colleges will need to offer those options in addition to the face-to-face instruction.
The Changing Nature of Students

• **The average age** of students **will continue to rise**; the mix of cultures, ages, and learning styles will become increasingly varied and rich.

• Recent high school graduates taking part in the residential college experience represent just 15% of all college students, and 38% of college students in 2011 were 24 or older.

• **The fastest-growing demographic group** in the next decade will be those ages 25 to 44. They have the greatest potential for growth, and they are willing to pay for convenience and support.

• **The highest growth rate in the U.S. workforce is among workers aged 55 to 64**, and by 2015, nearly one in five workers will be 55 or older.

• Women make up almost 60%, and minorities 35%, of college student enrollment.

• Community colleges enroll 46% of all undergraduates in the country - almost 12 million in early 2009 – with an average student age of close to 30. Full-time students are in the minority.

• Student bodies will increasingly be made up of members of minority groups, and at around 2020, **minority students will outnumber non-minority students** on college campuses for the first time.
Technology and the Digital Revolution

• Technology’s ability to take limited educational resources and scale them quickly and affordably to learners across the campus or across the globe is starting to pay off as potentially “game-changing” innovations are emerging from a host of startup ventures.

• These emerging innovations challenge the basic cost structure, delivery system, and organization of traditional higher education and point the way to a new future for higher education.

• Implications:
  
  • Technology and the digital revolution may have a negative impact on universities similar to that experienced by the newspaper industry.
  
  • On-line learning may systematically replace face-to-face teaching and learning in the classroom. In 2013, 7.1 million, or roughly a third of all students enrolled, took at least one course on-line.
  
  • Entire introductory courses may be developed on-line and used as substitutes for faculty-taught courses at many institutions.
Innovations in Access

- Massive Open On-Line Courses (MOOC’s) are classes that are taught online to large numbers of students, with minimal involvement by professors.

- Typically, students watch short video lectures and complete assignments that are graded either by machines or by other students. That way a lone professor can support a class with hundreds of thousands of participants.

- This makes some college leaders nervous about having to compete with free courses from some of the world’s most exclusive universities.

- Notable MOOCs: edX, Coursera, Udacity, Marginal Revolution University, Crash Course
Innovations in Affordability

- **StraighterLine** offers online access to 56 three-credit courses, mostly introductory and remedial courses in math, science, and business for a $100 a month plus $39 for each course started, $399 per course, or a full freshman year education for $1K.

- It does not grant degrees but has agreements with 80+ accredited, degree granting partner institutions guaranteeing transfer credit for StraighterLine classes.

- This year, 15,000 students will take **StraighterLine** courses and over 400 colleges have accepted credit for **StraighterLine** courses.

- **Western Governors University (WGU)** was founded in 1997 as a nonprofit virtual university by 19 western governors.

- WGU enrolls more than 50,000 students in all 50 states, supported by over 20 major corporations and foundations. Tuition is about $6,000 per year, average student age is 36, 72% work full-time.

- All courses are online. Credits are based on students’ demonstrated competency in a subject. Students may test out of courses and proceed at their own pace, guided by a mentor who helps them manage their course schedule.

- The average WGU graduate receives a B.A. in 2 ½ years and 95% of employers rate WGU grads as equal to or better than employees from other colleges or universities.
Corporate Competition

• Corporations are increasingly taking a “Do It Yourself” approach to both undergraduate and graduate education.

• They are creating their own internal universities because they feel business schools have failed at training the managers and leaders needed to run their companies. Over 4000 at last count.

• Older students are steered into carefully planned and structured programs that lead to degrees and certificates in particular fields in the shortest time possible time.

• Hospitals in Cincinnati, Louisville, and elsewhere are providing higher-level training to prospective nurses and technicians they have already hired for lower-level jobs.

• Shipyards trainees in Newport News, Va., and newly minted jet mechanics and machinists in Seattle are earning college credits while starting their careers, preparing them to advance to higher-skilled work.

• All they need to do now is figure out the accreditation piece, and in many cases, they already have.
International Competition

- The International Finance Corporation estimates that the global demand for higher education will expand from 97 million students in 2000 to 262 million students in 2025 and calculates that the size of the private higher education market is approximately $350 billion worldwide—and growing fast.

- Communications and information technology have created a global market for education able to deliver customer-specific online products and services anytime, anyplace.

- The most successful institutions will be those that can respond quickest and offer a high-quality education to an international student body.

- As a result, we should expect new brand names and a new hierarchy of quality in higher education institutions.

- Why should a credential from Microsoft University or the British Open University be less prestigious than one from a regional state college?
Obstacles
Obstacles to Innovation

• Innovation can save higher education, but it has to be allowed to flourish. Unfortunately, a number of barriers stand between what students need and what private entrepreneurs and visionary campus leaders can deliver.

• These barriers include:
  
  • A financing system at the state and federal levels that provides few incentives for universities to control costs or improve learning outcomes.
  
  • Numerous state and federal agencies involved in regulating some aspect of higher education, creating onerous compliance burdens, and discouraging new entrants, preventing innovation, and driving up costs.
  
  • An antiquated accreditation system that stymies new providers, imposes significant costs on existing ones, and is based on educational inputs instead of educational excellence.
  
  • A complex 50-state regulatory structure that is poorly suited for the reality of online education. (State Authorization Reciprocal Agreement)
Resistance to Change

- The shift to a global, technology-based knowledge society, as well as competition from international and for-profit institutions, has created a new playing field for higher education.
- However, the pace of change is stuck somewhere between sluggish and glacial as higher education priorities, governance, instructional design, and cost structures have hardly budged.
- About the only thing within academe that has moved rapidly is tuition.
- The problem is that until colleges accept the need to change, they have little incentive to overcome their natural inclination to stay the same.
- The reverence for tradition is a hedge against whatever barbarians are assaulting the academy in the present, and this has stifled the willingness to adapt to the changing environment and address the rapidly changing pathways to learning.
- Unfortunately, many of these institutions have not yet come to terms with how academic programs and instruction must be transformed to serve the changing educational needs of a knowledge economy.
- Over the next decade these institutions will be forced to change, for if they do not, they run the risk of becoming irrelevant - the biggest challenge of all.
Conclusion
Conclusion

• The question is not whether higher education will be transformed, but how.
• Advances in communications and information technology are already disrupting the business models of traditional colleges and universities by creating a global market for knowledge delivered in new ways and in new formats, and frequently at less cost.
• The current business model in a time of limited and declining resources, increasing tuition, declining enrollments, and increasing competition, is no longer sustainable.
• To compete for students, many colleges will need to re-imagine themselves as more convenient and more open, and they will have to leverage technology to make themselves more efficient and more responsive to the needs of the students.
• They will have to successfully confront the impact of globalization, rapidly evolving technologies, an increasingly diverse and aging population, and an evolving marketplace characterized by new needs and new paradigms.
• The competition is stiff. Many colleges, particularly in the for-profit market, already have a huge head start.
• If colleges and universities wish to remain relevant in the future, they will have to catch up. The question they have to answer is - how quickly can they do so?
IBIC PRINCIPLES

- Expand High and Low Skilled Visas
- Expand Agricultural Visas
- Path to Citizenship for 11 million undocumented immigrants
WE NEED HIGH SKILLED IMMIGRATION

U.S. is facing a shortage of Science, Technology, Engineering, and Math (STEM) workers - By 2018, there will be more than 220,000 advanced-degree STEM jobs that will not be filled even if every single American STEM graduate finds a job.

Every 100 immigrants who earn advanced degrees in the US and then stay to work in technical fields create 262 jobs for American workers.

Foreign born make up 27 percent of the US workforce with a doctoral degree, and are strongly concentrated in high skilled occupations—medical scientists (43 percent), physicists (25 percent), or economists (29 percent). One quarter of high-tech startups have at least one immigrant founder.
WE NEED LOW SKILLED IMMIGRATION

75 percent of hired agricultural workers in the United States are foreign born. Over 40% of restaurant workers are undocumented; restaurant and food-service employment will grow by 11 percent in the next decade, while the 16-to-24-year-old workforce that fills most restaurant jobs is expected to grow by only 4 percent.

From 1990 to 2007, immigration was associated with an increase of about $5,100 in the yearly income of the average U.S. worker in constant 2005 dollars. Immigrants don’t compete with native-born workers for jobs, because they often work in complementary areas.

America needs low-skilled workers as the workforce gets older and more educated. In 2012, the median age of the American worker will be the highest in history (41.6 years), and the share of Americans without a high school diploma has dropped from more than 50 percent in the 1960s to below 10 percent today.
WE NEED IMMIGRANT ENTREPRENEURS

Illinois’s 56,567 Latino-owned businesses had sales and receipts of $10.3 billion and employed 77,449 people in 2007, the last year for which data is available. The state’s 59,367 Asian-owned businesses had sales and receipts of $18.5 billion and employed 102,991 people.

Immigrants are nearly twice as likely as U.S.-born to start new businesses.

Immigrants started 28 percent of all new U.S. businesses in 2011, despite accounting for just 12.9 percent of the U.S. population.
WE NEED TO RETAIN IMMIGRANT TALENT TrAINED IN AMERICA

Nearly 90% of patents from the University of Illinois have at least one immigrant inventor.

Providing incentives for undocumented students to pursue college and allowing them to work here legally will add 1.4 million jobs and generate $329 billion in economic activity over the next 20 years.

Every 100 immigrants who earn advanced degrees in the US and then stay to work in technical fields create 262 jobs for American workers.
Immigrants accounted for 18% of total economic output in the Chicago metropolitan area as of 2007, according to a study by the Fiscal Policy Institute.

In just the Chicago metro area, the consumer expenditures of unauthorized immigrants alone generated more than 31,000 jobs in the local economy and added $5.5 billion annually to the gross regional product.

The 2012 purchasing power of Illinois’s Latinos totaled $46.1 billion—an increase of 422.2% since 1990. Asian buying power totaled $28.7 billion—an increase of 463% since 1990.
Unauthorized immigrants in Illinois paid $499.2 million in state and local taxes in 2010, according to data from the Institute for Taxation and Economic Policy, which includes $85.4 million in state income taxes, $45.8 million in property taxes and $368 million in sales taxes.
A 2011 survey conducted by Deloitte and the National Association of Manufacturers’ Manufacturing Institute found that even with unemployment hovering close to 9 percent, US manufacturing companies could not fill 600,000 open positions for skilled workers. More than half the executives who participated in the survey expected the shortage to grow over the next three to five years.
WE NEED IMMIGRANTS TO SUSTAIN AMERICAN HEALTHCARE

The Health Resources and Services Administration (HRSA) projects that, absent aggressive intervention, the supply of nurses in American will fall 36 percent (more than 1 million nurses) below requirements by the year 2020. According to the Association of American Medical Colleges, the nation will face a shortage of 150,000 doctors by 2025.
WE NEED IMMIGRANTS TO SUSTAIN AMERICAN AGRICULTURE

75 percent of hired agricultural workers in the United States are foreign born, and according to the USDA Economic Research Service, over the long haul a decrease in available immigrant labor could reduce US agricultural output and exports even as the demand for food is growing.
WE NEED A PATH TO CITIZENSHIP AND LEGAL STATUS

Common sense immigration reform with a path to permanent legal status would boost the U.S. economy $1.5 trillion over ten years.

Naturalized citizens earn more than their non-citizen counterparts, even after adjusting for higher levels of education, better language skills, and more work experience in the United States, thereby increasing their consumer capacity.
WE NEED IMMIGRANT CONSUMERS

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WE NEED AN END TO WASTEFUL ENFORCEMENT

If all unauthorized immigrants were removed from Illinois, the state would lose $25.6 billion in economic activity, $11.4 billion in gross state product, and approximately 119,214 jobs.

The federal government spent $17.9 billion on border and interior enforcement in FY 2012—more than the amount spent on the F.B.I., the D.E.A., the A.T.F., the U.S. Marshals, and the Secret Service combined. Since 1986 the federal government has spent $186.8 billion on immigration enforcement.
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Exelon Chairman Emeritus John Rowe, Rep. Adam Kinzinger (R), Mayor Rahm Emanuel (D), Sen. Mark Kirk (R), and Rep. Luis Gutierrez (D) unite for a bipartisan panel at the "Immigration Reform: Bridging the Divide" event at the Chicago Council on Global Affairs 2/18/14.
MOVING FORWARD
SENSIBLE IMMIGRATION REFORM 2015

Join our speakers and hundreds of CEOs, immigrant business leaders, and tech entrepreneurs to support common sense immigration reform. Together they will call on Congress to approve commonsense immigration reform that grows the economy, moves our state forward and keeps families together in 2015.

MONDAY, March 9, 2015
10:00-11:00 AM (CST)
Saint Ignatius College Prep
1076 Roosevelt Road
Chicago, IL 60607

SPACE IS LIMITED. RSVP at IBICevent@gmail.com

HOST COMMITTEE
John Rowe, Exelon Chairman Emeritus; Sam Scott, Corn Products Intl Inc former CEO; Todd Maich, Illinois Chamber of Commerce CEO; Sam Tola, Illinois Restaurant Association CEO; Omar Duque, Illinois Hispanic Chamber of Commerce CEO; Dave Bender, American Council of Engineering Companies of Illinois; Ron Gidwitz, Co-Founder, CGC Partners; William Kunkler III, CC Industries, Inc.; Susan Crown, Susan Crown Exchange Inc. President; Rev. Dennis Holtschneider, DePaul University President; Carole Segal, Crate and Barrel Co-Founder; Marc J. Gordon, Illinois Hotel and Lodging Association CEO; Rich Guebert, Jr., Ill. Farm Bureau President; Raul Raymundo, The Resurrection Project CEO; Pat Magoun, Lurie Children's Hospital President; Ezequiel Flores, Flying Food Retail CEO; Sandra Bruce, Presence Health System CEO; Sergio Suarez, North American Institute for Mexican Advancement CEO; Dennis O'Donnell, Metropolitan Chicago Healthcare Council Vice President; Donna Carroll, Dominican University President; Alejandro Silva, Evans Food Group CEO; Josh Hoyt, National Partnership for New Americans; Clare Munana, Ancora Associates President; Karina Sanchez, Aurora Hispanic Chamber of Commerce CEO; Todd Schulte, FWD.us CEO; Phil Barreda, Chicago Minority Supplier Development Council CEO, Inc; Terry Howerton, TechNexus CEO, Fred Hoch Illinois Technology Association CEO; Mark Harris, IL Science and Technology Coalition CEO; Ellen Rudnick, University of Chicago School of Business, Polsky Center; Billy Lawless, Chicago Celts for Immigration Reform President; Sam Sanchez, SamCO CEO; Bogdan Pukstsa, Polish American Chamber of Commerce CEO; Jaime di Paulo, Little Village Chamber of Commerce CEO; Renew Chicago
WRTP/BIG STEP IS A WORKFORCE DEVELOPMENT INTERMEDIARY

Our mission is to enhance the ability of industry to recruit and develop a diverse, qualified workforce in the construction and manufacturing, and emerging sectors of the regional economy.

with an innovative nationally recognized model that centers around an approach designed to be:

- Industry Led
- Community Focused
- Worker Centered
WHAT MAKES US DIFFERENT?

• Non-Profit organization

• Unlike traditional job training programs- Demand not Supply driven

• Our strategies and trainings are driven, developed, and conducted based on employer and industry designed demand

• Our model is built on our relationships within the industry, specifically with quality employers who provide family supporting wages and strong benefits
HIGH ROAD WORKFORCE DEVELOPMENT
INTERMEDIARY MODEL

Construction
Manufacturing
Utilities
Emerging Sectors

Public, Private & Philanthropic Resources

Multiple Training Providers

Joint Apprenticeship Committees
High Schools & Technical Colleges
Workforce Development Agencies
Community & Faith-Based Organizations
The Community Workforce Partnership (CWP) is a formal network of community based organizations that provide specialized services often needed to address barriers to employment for Milwaukee residents, including lack of transportation, childcare, education, employability skills, re-entry, and income support.
ENTERING APPRENTICESHIP READINESS

These programs require more resources and skill level.

Requirements include:
- Sixth grade math and reading level
- Ability to pass drug screen and physical exam
- 18 or older
- Driver’s License
- H.S. Diploma, GED, HSED
ADVANTAGES OF REGISTERED APPRENTICESHIP FOR JOB SEEKER

- An immediate job, start working on day one
- Provides pay while the apprentice learns
- Nationally recognized credential
- Provides career advancement
IN MANUFACTURING, A NEW APPRENTICESHIP...INDUSTRIAL MANUFACTURING TECHNICIAN APPRENTICESHIP

- Accommodates food, metal, plastic and other manufacturing industries
- Provides Flexibility to incorporate specific industry needs
- Competency based training in the workplace
- Related instruction can be self-paced
- It takes about 18 months to complete
BENEFIT OF IMT

• Skilled workforce in production
• An IMT Journey worker has advanced standing for other longer apprenticeship (Millwright, Industrial Electrician, Machinist, etc.)
• Can actively promote with customers, that products are produced by journey level production workers
OUR PARTNERSHIPS HAVE LED TO THESE GREAT RESULTS

- Served 1,943
- Trained 939
- Placed in employment 888- including 260 apprenticeships
- Average unsubsidized wage of $16.92
- 73% - people of color
- 74% annual household income at entry of less than $25,000 per year

2013 data
CONTACT INFORMATION

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3841 W. Wisconsin Ave.
Milwaukee, WI 53208
www.wrtp.org

Rhandi Berth
414-573-1918
rberth@wrtp.org
Chicago Jobs Council works with its members to ensure access to employment and career advancement opportunities for people living in poverty.
Career Pathways Framework*

- Well-connected and transparent education, training, credentialing, and support service offerings
- Multiple entry points that enable well-prepared students (as well as targeted populations) to successfully enter the career pathway; and
- Multiple exit points at successively higher levels leading to self- or family-supporting employment and aligned with subsequent entry points.

*Source: CLASP’s Alliance for Quality Career Pathways (www.clasp.org)
Essential functions in quality career pathways and programs include:

- Participant-focused education and training;
- Consistent and non-duplicative assessments of participants’ education, skills, and assets/needs;
- Support services and career navigation assistance to facilitate transitions; and
- Employment services and work experiences.
Contextualized Education

• Adult Education (and other remedial education venues)
  – Literacy
  – Numeracy
  – English language skills

• Career Bridge Programs
Contextualized Education: What makes a difference?

• Leverages desire for work: *Career focused*
• Translates success into post-secondary transfer: *Pathway focused*
• Fills gaps: *Transitions focused*
“Earn & Learn”

• Paid work experience
• Paid internships
• On-the-job training (WIA and otherwise)
• Transitional Jobs
• Apprenticeships
“Earn & Learn”: What makes a difference?

- Wage-paying
- Real work
- Transferable skills
- Credentials, credit and transfer
- One component of a career pathway strategy
FUTURE FOCUS:
PREPARING FOR WORKFORCE 2020

THE FEDERAL RESERVE BANK OF CHICAGO
Future Focus:
Preparing for Workforce 2020

February 19, 2015
Federal Reserve Bank
Chicago, Illinois

Preparing Job-Seekers for Skill Training

Linda Woloshansky
President & CEO
Center of Workforce Innovations

Supporting business retention and expansion through education and workforce solutions.
The Chicago Tri-State OECD Territorial Review Identifies A Skills Mismatch

- Demand is mismatched with supply
State of Indiana

Sixty-five percent of the jobs created this decade will require credentials and training. In Indiana today, 100,000 jobs are going unfilled

~ Indiana Lt. Gov. Sue Ellspermann 11/2014

Northwest Indiana

Needs 160,000 post secondary credentials over the next 10 years to keep pace with employer needs. At current pace we will be short by 110,000 credentials.
Northwest Indiana

Under skilled 232,000

Adult High School Drop Outs: 68,000
Innovations in Adult Education

- Students and employers are customers
- Literacy, numeracy, thinking, reasoning, problem solving, teamwork, and following instructions
- Basic skills taught in work context
- Driven by employment goals
Innovation Work-IN

- Career exploration & planning
- Prepare for High School Equivalency Degree (Diploma)
- Combine with post secondary education leading to certificate
  - Concurrent
  - or
  - Consecutive
For Information Contact:

**Linda Woloshansky**
President & CEO
Center of Workforce Innovations

www.innovativeworkforce.com
Phone: 219.462.2940
Overcoming Barriers to Employment

Federal Reserve Bank of Chicago/Northern Illinois University
Future Focus: Preparing for Workforce 2020
February 19, 2015
Marcia Black-Watson, Industry Talent Director

www.michigan.gov/wda
Michigan Workforce Development Agency

Industry Cluster Approach

Manufacturing

Information Technology

Energy

Health Care

Agriculture

www.michigan.gov/wda
MI Labor Supply vs. Labor Demand

The Growing Talent Gap

- Aging workforce of highly-skilled experienced workers
- Attracting from new & more diverse talent pools
- Keeping pace with technological advances
- Closing gaps in workers’ skills & credentials
Barriers to Employment – Supply
Barriers to Employment

• Background Checks - 1/3 of American adults have been arrested by age 23\(^1\), keeping many from obtaining employment, even if they have paid their dues, are qualified for the job and are unlikely to reoffend.

\(^1\)2011 National Longitudinal Survey of Youth
Barriers to Employment

• Drug Testing - Many employers say they would like to hire, but are having trouble finding candidates who can pass a drug test.
Barriers to Employment

• Transportation - The lack of public transit limits the ability of workers - especially those living outside of cities - to find and keep jobs.
Barriers to Employment

Soft Skills - Soft skills are not just a challenge for entry level employees but for highly educated professionals too.
Barriers to Employment

• STEM - By 2018, our country will have 1.2 million unfilled jobs in the STEM\(^1\) fields because the workforce will not possess the necessary skills or interest to fill them.

\(^1\)The Nation’s Report Card: A First Look: 2013 Mathematics and Reading
Barriers to Employment – Demand
Barriers to Employment

• Experience - There are many experienced individuals unemployed and taking reductions in their wages to regain employment quickly....even entry level jobs now require 2-3 years of experience.
Barriers to Employment

• Skills & Certifications to Support Technology Advances - 2011 Accenture survey of U.S. employees found that only 21% had received any employer-provided formal training in the past five years.
Barriers to Employment

• Wages - After years of stagnant wages, workers aren’t prepared to accept jobs on the terms they are being offered.
Special/Underrepresented Populations

- Veterans
- Disabled
- Low-skilled
- Women
- Minorities
Contact Information

Marcia Black-Watson, Industry Talent Director
Michigan Workforce Development Agency

black-watsonm@michigan.gov
517-241-8221
OVERCOMING BARRIERS TO EMPLOYMENT
“ADVANCING CAREER PATHWAYS FOR ADULT LEARNERS”

Jennifer K. Foster
Deputy Director for Adult Education and Workforce
Illinois Community College Board
February 19, 2015

Future Focus: Preparing for Workforce 2020
Federal Reserve Bank
Programs lack supports and are ill-equipped to meet the needs of non-traditional students.

The "black hole" of developmental education:
- Low completion rates for underprepared students
- Remediation not customized to career pathway requirements

Programs lack supports and are ill-equipped to meet the needs of non-traditional students.

Multiple Loss Points
- Low rates of program completion and credential attainment
Streamlined Adult Education Pathways

- Accelerated and Integrated ABE and GED programs
- Articulated Career Pathways
- Stackable Credentials with Labor Market Value

- Career exploration
- Contextualized learning
- Skill-building for postsecondary/career success
- College and career counseling

- Accelerated skill-building integrated with credit coursework
- Support through gate-keeper courses
- Intensive transition counseling

- Comprehensive supplemental services
- Intensive counseling
- Flexible program options
- Job placement

More Adult Learners Succeeding in Integrated Pathways
More than 1.3 million adults in Illinois have less than twelve grades of Education

639,000 immigrants currently reside in Illinois

2.73 million residents in Illinois speak a language other than English as the primary language in their homes.

22% of those in Adult Education with a goal of postsecondary education and training actually transition.

Of Illinois’ 8 million adults in Illinois over the age of 18, 44% have not completed any college coursework.
Responding to the Illinois Skills Gap

- Identify and meet the needs of employers and bridge the skills gap of the workforce
- Increase transition from adult education to postsecondary education, training and employment
Illinois Shifting Gears Initiative

• Joyce Foundation
  ➢ The Shifting Gears initiative was designed to bolster efforts in six Midwest states to help working-age adults who need to expand their skills.

• Illinois Shifting Gears Initiative
  ➢ Examine existing structure and policies to determine how to institute bridge programs that will lead to postsecondary occupational programs and pathway employment.
Bridge Programs

- **Statewide Bridge Definition**
  - **Three Core Elements:**
    - Contextualization
    - Career Awareness/Career Development
    - Transition Services
  - **Low-skilled Adults**
    - 6.0 and above Reading and Math Level

- **Policies**
  - All programs are required to have at a minimum one bridge program.
  - All programs are required to embed career awareness and career development activities into curricula.
We envision Adult Education as the foundation of a career pathways system that prepares adult learners for economic self-sufficiency.
Strategic Plan

Eight Guiding Principles

- Responsiveness
- Collaboration
- Innovation
- Alignment
- Contextualization
- Accountability
- Evidence-based Teaching and Learning
- Professional Development

Recommendations

- Assessment
- Curriculum and Instruction
- Data and Accountability
- Professional Development
- Partnerships
- Program Design
Workforce Innovation and Opportunities Act

Alignment of Workforce and Education
- Unified State Plan
- Local Plans
- Working across four core programs
- Curriculum

Accountability and Transparency
- Performance Measurements
- Measurable Skill Gains
- Services to Employers
Accelerating Opportunity Initiative

- Blends adult basic skills and career and technical training using a team teaching approach
  - Using Washington State’s I-BEST model
- Accelerate the learning process
- Services to those without a high school diploma
- Earn:
  - Industry recognized certificates,
  - college stackable certificates
  - Twelve credits
  - GED
- Instructional supports
- Supportive Services
- Transitions Specialists
- Next Steps
  - Expanding to other colleges
  - Expanding the concept to Developmental Education
Illinois Adult Education Career Pathway

Creating Pathways for Adult Learners

21st Century Learning: Adult Education & Career Training System
Preparing for Workforce 2020 by Bringing Chronically Unemployed into the Fold

Amy Rynell
Senior Director of Research & Policy, Heartland Alliance
Who We Are

National Initiatives on Poverty and Economic Opportunity

Federal Policy
Field Building Activities
Technical Assistance
State and Federal Advocacy
What We Believe....

■ That work is essential for individuals and society to succeed

■ That America is stronger when everyone who wants to work can find a job

■ That every person deserves the opportunity to work and support themselves and their families

■ In equipping people with the skills and supports they need to get and keep a job

■ That no one who works full-time should live in poverty
What Stands in the Way of Employment Success?

[Image of a roadblock]
Barriers to Employment

Human Capital
- Low education/literacy
- Limited English Proficiency
- Little or no work history
- Limited soft-skills

Health
- Poor health
- Physical disabilities
- Mental health issues
- Substance use issues

Situational
- Transportation issues
- Child care issues
- Family obligations
- Lack of stable address/phone

Structural
- Criminal records
- Weak labor markets
- Discrimination

HEARTLAND ALLIANCE
ENDING POVERTY
... and Then Some
In Their Own Words

‘I can’t learn new things’.
‘I can’t do math’.
‘I am in poor health’.
‘I am a poor writer’.
‘I can’t afford to go back to school’.
‘I lack computer skills’.
‘I can’t juggle work, family & school’.
‘There are no schools in my area’.
‘I can’t take tests’. 
Scale of Chronic Unemployment in the Midwest
Unemployment

- Unemployment Rate
- Comprehensive Unemployment (U-6 Rate)
- Youth Unemployment Rate

<table>
<thead>
<tr>
<th>State</th>
<th>Unemployment Rate</th>
<th>Comprehensive Unemployment (U-6 Rate)</th>
<th>Youth Unemployment Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILLINOIS</td>
<td>6.4</td>
<td>13.7</td>
<td>29.3</td>
</tr>
<tr>
<td>INDIANA</td>
<td>5.7</td>
<td>11.5</td>
<td>21.4</td>
</tr>
<tr>
<td>MICHIGAN</td>
<td>6.7</td>
<td>14.2</td>
<td>26</td>
</tr>
<tr>
<td>WISCONSIN</td>
<td>5.2</td>
<td>10.9</td>
<td>15</td>
</tr>
</tbody>
</table>

HEARTLAND ALLIANCE
ENDING POVERTY
How Do We Rank Nationally on Unemployment?

<table>
<thead>
<tr>
<th>State</th>
<th>Unemployment Rank</th>
<th>Comprehensive Unemployment (U-6) Rank</th>
<th>Youth Unemployment Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILLINOIS</td>
<td>35</td>
<td>44</td>
<td>42</td>
</tr>
<tr>
<td>INDIANA</td>
<td>23</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>MICHIGAN</td>
<td>41</td>
<td>46</td>
<td>32</td>
</tr>
<tr>
<td>WISCONSIN</td>
<td>20</td>
<td>18</td>
<td>4</td>
</tr>
</tbody>
</table>
An estimated **6.7 million youth** ages 16 to 24 are neither enrolled in school nor working.
## Limited English Proficiency

<table>
<thead>
<tr>
<th>State</th>
<th>Population (Ages 18-64)</th>
<th>% LEP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Illinois</td>
<td>861,334</td>
<td>10.6%</td>
</tr>
<tr>
<td>Indiana</td>
<td>152,075</td>
<td>3.7%</td>
</tr>
<tr>
<td>Michigan</td>
<td>220,733</td>
<td>3.6%</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>130,172</td>
<td>3.6%</td>
</tr>
</tbody>
</table>
TANF Recipients

<table>
<thead>
<tr>
<th></th>
<th>Average Monthly # of Families</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>967,305</td>
</tr>
<tr>
<td>Illinois</td>
<td>7,796</td>
</tr>
<tr>
<td>Indiana</td>
<td>2,136</td>
</tr>
<tr>
<td>Michigan</td>
<td>15,138</td>
</tr>
<tr>
<td>Wisconsin</td>
<td>17,408</td>
</tr>
</tbody>
</table>

Approximately \(\frac{1}{4}\) of low-income single mothers have little or no earnings and do not receive government cash assistance.
## Prison Admissions and Releases, 2013

<table>
<thead>
<tr>
<th>State</th>
<th>Admissions #</th>
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<th>Releases #</th>
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Last year, over **623,000** people were released from **prisons**
On a single night in 2013, over 610,000 Americans were experiencing homelessness.
Moving Forward
Why Invest in Chronically Unemployed?

Because...

1. they very much want to work and need to work to make ends meet
2. there are benefits for society when more people are able to work steadily — e.g., public safety and child well-being
3. it will lead to increased economic productivity
4. there is a solid return on investment
Example of the Economic Costs of One Barrier

Over their lifetimes, Illinoisans who drop out of high school make hundreds of thousands, even millions, of dollars less than their graduating and higher-educated peers.

- No high school diploma: $574,000
- GED or equivalent: $832,000
- Regular high school diploma: $1,093,000
- Some college: $1,323,000
- Associate's degree: $1,501,000
- Bachelor's degree: $2,426,000
- Master's degree or higher: $3,389,000

Lifetime Earnings
1. Improve the Public Workforce System Response

*It needs to be...*

- More acculturated to the needs of chronically unemployed
- Adequately funded to provide a range of more intensive programming
- Better integrated with other systems – e.g., income supports, prisoner reentry, homeless system
2. Invest in Proven Program Models for Hard to Employ

<table>
<thead>
<tr>
<th>“Attachment to Work” Approaches</th>
<th>Advancement “Next Step” Strategies</th>
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<tbody>
<tr>
<td>• Transitional Jobs</td>
<td>• Contextualized Basic Adult Education</td>
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<td>• Supported Employment</td>
<td>• Bridge Programs</td>
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<td>• Alternative Staffing</td>
<td>• Sector-based Training</td>
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<td>• Job Corps Models</td>
<td>• Pre-apprenticeships</td>
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<td>• Paid Summer Jobs</td>
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Unpacking Transitional Jobs...

- Subsidized jobs in a non-profit, for profit, and/or government setting
- Time-limited. The job typically lasts 3-9 months depending upon the population & participant needs
- Wage-paid
Research Outcomes of Subsidized Employment & Transitional Jobs

• Highly successful at getting people with barriers to employment successfully working again.

• Participants show increased wages and less reliance on public benefits over time.

• TJ results in reduced recidivism for people recently released from prison.

• Impacts on employment and recidivism are stronger for those who are more disadvantaged or at higher risk of recidivism.
3. Promote Promising Program Design Features

- Person-centered assessment
- Social and peer support
- Work readiness skills building
- Enhanced job development
- Motivational Interviewing
- Intensive retention services
- Reemployment services
- Linkages to supportive services
- Stackable credentials
- Career mapping
4. Launch a Large-Scale Publicly Funded Jobs Program

- 1930’s Works Progress Administration
- 1970’s Public Service Employment program through CETA
- The last recession spurred unprecedented growth in subsidized employment through the TANF ECF

40 states and DC participated

Over 280,000 placements in SE
Lesson’s learned from TANF ECF SE expansion

- SE and TJ programs served a range of low-income, unemployed populations
  - TANF recipients, UI recipients, noncustodial parents, youth, low-income families
- States identified subsidized employment programs as a new way to “engage” clients
- States demonstrated ability to scale-up and implement cost-effective programs quickly
Impact of SE on Individuals, Communities, and Employers

- **Stabilized** individuals and families through earned income & increased total family earnings
- "Stimulus" effects in local communities
- Increased payment of federal and state income, Medicare and Social Security taxes
- Employers reported **improved financial health**, increased quality of work, and increased productivity

“Our business was able to service more clients, do more outreach, marketing and capacity building.”

Chicago TJ Employer
5. Address Structural Barriers

- Remove unnecessary employment bars based on criminal records
- Increase opportunities for record sealing and expungement
- Put real teeth behind anti-discrimination policy
- Increase capacity for labor law enforcement
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http://www.heartlandalliance.org/national-initiatives.html