



# America Forward on Workforce Development

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## *Innovation, Flexibility, and Data-Driven Results*

In our nation known for opportunity, the number of people moving from poverty to the middle class has been on the decline notwithstanding the recent good news from the Census Bureau about the progress made in reducing the poverty rate. And despite the assertion by economists that the current unemployment rate of less than five percent means that the U.S. is basically at full employment<sup>1</sup>, 16 percent of working age men are not attached to the labor market and nearly a fifth of nonelderly household heads in the bottom third of the income distribution did not work at all in 2014.<sup>i ii</sup> Additionally, almost six million youth and young adults are not in school or working, a group known as “opportunity youth,” and are costing taxpayers \$93 billion annually and \$1.6 trillion over their lifetimes in lost revenues and increased social services.<sup>iii</sup>

At the same time, many U.S. employers say that a shortage of qualified workers is their biggest obstacle to growth.<sup>iv</sup> Employers indicate they are unable to find qualified workers for an estimated five million U.S. jobs and, based on the current pace, the U.S. will produce only slightly more than half of the degrees and credentials needed to fill these jobs of the future.<sup>v</sup> By 2020, 65 percent of all American jobs will require post-secondary education and training beyond high school.<sup>vi</sup> But our nation is not preparing its citizens to meet these workforce demands, wasting the extraordinary human potential represented by Americans trapped in poverty.

Any effort to change the circumstances of those now left out of the economic mainstream – and reverse the negative impact on our overall economy – demands that we rethink the way we invest public resources, as well as learn from and expand proven programs and practices that work in order to enable students, youth, and adults from all backgrounds to succeed economically. To date, our policies make it extremely difficult for organizations to work across programmatic silos by treating the spheres of education and workforce development as entirely separate universes, despite their obvious connections. These same policies have historically allowed the essential connection between workforce development and business to fray. And they have also failed to align training and skills development programs with the specific needs of employers, ultimately failing to integrate workforce and economic development so that we are training workers for the jobs of the future.

### **Specific policy proposals**

#### **Implementation and Regulatory Opportunities of the Workforce Innovation and Opportunity Act**

Many important changes were made by the passage of the Workforce Innovation and Opportunity Act (WIOA) that will positively impact the structure and approach to providing and contracting for training and workforce development activities at the state and local level. Implementation activities and the regulatory process have been under way for a number of months, but there is still much the Department of Labor and Congress can do to support states and localities as they assess and determine how to

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<sup>1</sup> Full employment is the condition in which virtually all who are willing and able to work are employed

modify their practices and integrate the changes made by WIOA across all elements of their workforce development systems.

### Support Bridge Building Opportunities for Youth and Adult Workers

Bridge building jobs are an important way that young people and adults with limited work experience or barriers to employment step into the workforce through work-based learning that provides substantive job experience while providing training and supports. There are many barriers associated with the availability of these types of jobs in the workforce system, but creative strategies to encourage the development of, and sustainable funding streams for, these job opportunities are necessary to connect the individuals who face significant barriers to employment and to career pathways.

- a. **Support the growth of social enterprise:** Social enterprise is proven as a high-leverage, market-driven model that expands economic opportunity for job seekers and develops talent to meet employer needs. We therefore encourage the federal government to play a robust role in creating a supportive ecosystem in which social enterprise can thrive. Specifically, we recommend that Congress seek to:
- b. **Expand civilian service opportunities:** National service has played an important but poorly understood role in developing America’s workforce in three ways: (1) providing “bridge building” work experience to youth and young adults; (2) providing a reliable employment pathway to the nonprofit sector and other sectors; and (3) building the supply of volunteers available to assist others in preparing for and finding employment. We propose:
- c. **Expand to full scale the federal YouthBuild program that is authorized as a national program under WIOA:** YouthBuild engages low-income opportunity youth ages 16-24 in a comprehensive full-time education, job training, and community service program in which students earn their high school credentials while learning job skills by building affordable green housing, or through training for healthcare or technology career in their communities. They internalize the ethic of service while also charting a path toward post-secondary and economic success with the support of caring adult staff and a positive peer group. At least seventeen qualitative and quantitative studies over 20 years have reported excellent academic and job placement outcomes, leadership development results, and return on investment. The most recent multi-site randomized controlled trial study of 75 sites found that YouthBuild students are significantly more likely to live with their children, less likely to receive government benefits, and 76% more likely to engage in public service than a comparable opportunity youth cohort that received other services.

### Connect Skills and Experience with Job Placement

It is critical that institutions of higher education, other post-secondary providers, and workforce system players recognize the realities facing students and workers and consider the core competencies employers seek. As part of this effort, it is important that post-secondary providers and workforce agencies work together to create and support innovative credentialing and certification opportunities that reward the development of in-demand skills that apply directly to areas of need in the economy, no matter where the learning and skills development takes place.

### Improve Data Access and Utilization to Emphasize Accountability

Access to, standard definitions of, and resources to engage in measurement and evaluation of data are crucial in order to ensure achievement of the results we seek in the workforce system. Many of the changes made in WIOA are aligned around the need and desire for a focus on outcomes but investments in and common practices around data and evaluation are still needed in order to achieve this goal.

### **Support Flexibility and Continued System Reform**

Even with the important changes made through the reauthorization of the federal workforce development system by WIOA, there are still deficiencies and inefficiencies in the federal workforce system that require additional change to our federal workforce and post-secondary education policies. These changes are needed to promote additional flexibility among and coordination between programs to achieve specific workforce and employment benchmarks tied to specific populations and to achieve workforce and employment outcomes demanded by local employers and job seekers. To achieve these changes, we propose:

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<sup>i</sup> <https://www.brookings.edu/research/one-third-of-a-nation-strategies-for-helping-working-families/>

<sup>ii</sup> <https://www.brookings.edu/research/an-agenda-for-reducing-poverty-and-improving-opportunity-2/>

<sup>iii</sup> C.R Belfield, H.M. Levin and R. Rosen. "Economic Value of Opportunity Youth," January 2012, [www.civicenterprises.net/MediaLibrary/Docs/econ\\_value\\_opportunity\\_youth.pdf](http://www.civicenterprises.net/MediaLibrary/Docs/econ_value_opportunity_youth.pdf); <https://opportunitynation.org/latest-news/5-6-million-youths-school-work/>

<sup>iv</sup> High Growth Entrepreneurs Plan to Continue Growing," Kauffman Foundation, <http://www.kauffman.org/newsroom/high-growth-entrepreneurs-plan-to-continue-growing.aspx>

<sup>v</sup> <http://www.bls.gov/news.release/pdf/jolts.pdf>

<sup>vi</sup> [https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES\\_Web\\_.pdf](https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.ES_Web_.pdf)