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## Workforce Development Partnership Serves Both Employers and Employees

By Cheryl Feldman, Executive Director, District 1199C Training and Upgrading Fund, Philadelphia

The health-care industry is the largest employer in Pennsylvania, and as a result, this industry has a huge impact on the state's economy.<sup>1</sup> As baby boomers age and their health-care needs increase, however, the state is facing a health-care workforce shortage that is magnified by high turnover rates, an inadequate pool of qualified employees, and a lack of qualified instructors.<sup>1,2</sup>

In Philadelphia, the workforce crisis is further exacerbated by candidates' lack of basic skills. Literacy skills are essential in the health-care field. The health-care industry, which constituted 20.8 percent of private employment in Philadelphia in 2009, has shown growth during the recession, but new jobs require literate, trained employees.<sup>3</sup>

<sup>1</sup> Pennsylvania Workforce Investment Board, "Health Care Industry Partnerships and the Pennsylvania Center for Health Careers: The Interconnected Relationship," December 2010, available at <http://tinyurl.com/3hne8sw>.

<sup>2</sup> Institute of Medicine of the National Academies, "Retooling for an Aging America: Building the Health Care Workforce," Fact Sheet, April 2008, available at <http://tinyurl.com/6d8vbq2>.

<sup>3</sup> This statistic is from the Bureau of Labor Statistics' Current Employment Survey from 2009.

The District 1199C Training and Upgrading Fund (Training Fund) has a dual mission:

- Provide health-care employers with qualified, trained employees who can fill open positions.

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Credit: Maida Odum

During a visit to the Training and Upgrading Fund in February 2011, Arne Duncan (left), U.S. secretary of education; Henry Nicholas, president of District 1199C and of the National Union of Hospital and Health Care Employees; and Hilda L. Solis, U.S. secretary of labor, welcomed students who received asylum from Myanmar.



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## Message from the Community Affairs Officer

Many of us in the community development field are concerned about the persistently high rate of unemployment during the recession. The bleak employment prospects for less educated populations, males, and members of racial and ethnic minorities are distressing and worrisome.

We've started to explore workforce development issues and challenges at the Philadelphia Fed and other Reserve Banks. There's a mixed record of success in this field; therefore, we've set out to understand which approaches are successful. One impressive model is the 37-year-old partnership that exists between the District 1199C Training and Upgrading Fund (Training Fund) and 52 health-care employers in the Philadelphia area. The Training Fund works closely with employers to understand their staffing and training needs and develop programs accordingly. It provides a wide range of services at one location by blending many government and philanthropic programs and funding streams. It serves both employed and unemployed workers, and union members as well as nonmember community residents.

In addition, Jane Oates, assistant secretary of the Department of Labor's Employment and Training Administration, gives us a valuable federal perspective and discusses successful earn-while-you-learn models such as on-the-job training (OJT) and registered apprenticeships. With OJT, employers can attract and retain employees who can assist their businesses, and in return, employees gain valuable work experience. The U.S. Department of Labor also provides a helpful road map into how the public workforce development system is organized.

In another article, Neeta P. Fogg and Paul E. Harrington, both with Drexel University's Center for Labor Markets and Policy, discuss the collapse of the labor market for young people between the ages of 16 and 24. They describe a growing urban issue of disconnection of teens from the job market and indicate that pathways need to be rebuilt from high schools to employers, who look for occupational and behavioral traits as well as academic skills.

Meanwhile, Marty Smith reports on a study that found that average wages and salaries for young women and men who enroll in community colleges and who earned associate's degrees are substantially higher than those of their peers whose education did not extend beyond high school. The study notes that the most substantial earnings benefits associated with community college education and postsecondary education in general accrue to women.

Additionally, readers can learn more through a useful resource list of research studies, articles, and tools on workforce development issues concerning high schools, community colleges, and disadvantaged populations. It includes some of the latest research studies in the field.

We will continue to examine workforce development issues, particularly in our Federal Reserve District, and welcome your comments and reactions to this edition.



# A Federal Perspective on Workforce Development Issues

By Jane Oates, Assistant Secretary, Employment and Training Administration, U.S. Department of Labor

The Department of Labor's Employment and Training Administration (ETA) is the federal agency charged with supporting the efficient functioning of the U.S. labor market by providing job training, employment, labor market information, and income support for workers who have lost their jobs. With an annual budget of about \$10 billion, the ETA administers programs that annually serve about 39 million unemployed workers and incumbent employees and respond to the workforce needs of employers.

Today's economy poses unique challenges. The workforce development field faces a vastly changed national labor market in which millions of employees have been dislocated from their jobs in traditional industries and need new skills to compete for jobs in the labor market. Now more than ever, there is fierce global competition for an educated workforce with industry-recognized credentials and postsecondary education and skills. To address these economic dynamics, the ETA is strengthening partnerships across federal agencies, developing clear career pathways that lead to attainment of industry-recognized credentials, developing better virtual career tools, and investing in "earn and learn" training strategies.

## **New Federal Partnerships**

Particularly in the face of today's budget constraints, the ETA is committed to finding new ways to work across federal programs to improve outcomes for employees and businesses. The ETA has strong ties with the Department of Education's Office of Vocational and Adult Education,

the Department of Health and Human Services' Administration for Children and Families, the Department of Commerce's Economic Development Administration, and other agencies, in convening regional meetings, providing joint guidance, offering shared grant opportunities, and conducting research.

## ***Jobs Accelerator Initiative***

The Jobs and Innovation Accelerator Challenge initiative coordinates resources from 16 federal agencies to spur economic growth through public-private partnerships in regions around the country. Under the Jobs Accelerator funding competition, which was held from May through July of 2011, regions competed for complementary federal resources for workforce development, economic development, and small business development. The ETA will invest up to \$20 million for technical skills training, the Department of Commerce's Economic Development Administration will invest up to \$10 million in economic adjustment assistance funds, and the Small Business Administration will invest up to \$3 million in technical assistance. In addition, multiple federal agencies are committed to providing technical assistance to support the 20 regions that will be selected in the competition.



Instructor James Scott (left) guides apprentice Doug Bonner in a welding class at Gloucester County College in New Jersey. The U.S. Department of Labor's apprenticeship office registered both the apprentice and the college's apprenticeship program to ensure that they meet standards for technical instruction and other areas.

In the past, different federal agencies would typically award funding separately to state or local governments or other entities. These resources may or may not have been awarded to the same geographical area, and if they were, the level of coordination on the ground varied considerably. However, the Jobs Accelerator represents a new approach in which federal agencies award economic development, small business development, and workforce development funds to integrated projects that support industry clusters in defined regional economies.

This interagency collaboration allows applicants to submit one application to access three complementary federal sources to comprehensively support cluster development. The award announcements are expected in September 2011.<sup>1</sup>

<sup>1</sup> For program information, see <http://www.eda.gov/InvestmentsGrants/jobsandinnovationchallenge>.

### ***Career Pathways and Credential Attainment***

Another interagency collaborative effort focuses on career pathways, which are clear sequences of coursework and employer-valued credentials that help individuals train for positions that are in demand in growing industries.<sup>2</sup> Career pathways enable employees, at different points in their work history and educational history, to access training and progressively advance in the workplace.

The ETA's interest in career pathways reflects its commitment to lifelong learning and skills upgrading and its focus on attaining credentials. In January 2010, in a training and employment guidance letter to grantees and other workforce stakeholders, the ETA announced its goal of increasing the credentialing rate of individuals enrolled in ETA-supported programs.<sup>3</sup> In addition, the guidance letter outlined strategies that stakeholders can take to achieve this goal.

The ETA recognizes that career pathway models are developed at the state, local, or regional levels and should involve a range of stakeholders in education, workforce development, human services, economic development, and businesses. The ETA, the Department of Education's Office of Vocational and Adult Education, and the Department of Health and Human Services' Administration for Children and Families have joined forces to promote career pathways. For example, the Administration for Children and Families and the Office of Vocational and Adult Education staffs worked with the ETA staff to develop the Department of Labor's

(DOL) Career Pathways Institute, a technical assistance initiative that brings together stakeholders to participate in a strategic planning process with career pathway content experts. The three agencies are developing joint communications to be shared with the agencies' stakeholders on the guiding principles and essential elements in developing career pathway programs.

### **Virtual Career Tools**

Another priority for the ETA is improving virtual access to career information. Over the past year, the ETA has enhanced existing virtual tools and launched new online resources that make it easier for youth to explore possible careers, for unemployed workers to get the assistance they need to get back to work, and for incumbent workers to seek out new opportunities. Virtual career tools are one of the key strategies the agency is using to equip workers with the knowledge needed to navigate the labor market and connect them with employers with job openings.

One virtual career tool, [www.mySkillsmyFuture.org](http://www.mySkillsmyFuture.org), enables job seekers and intermediaries to match a worker's occupational skills and experiences with the skills needed in other occupations. The website is designed for use as either a self-help tool or with the assistance of expert advisers. Another online tool, [www.MyNextMove.gov](http://www.MyNextMove.gov), allows individuals to explore careers. The site includes an online interest assessment; an easy-to-read one-page occupation profile highlighting knowledge, skills, abilities, technologies used, and simplified salary and outlook information; and links

for specific training and employment opportunities.

### **Earn-While-You-Learn Models**

Many unemployed Americans, particularly the growing number of long-term unemployed, need to earn wages while they complete training in order to support themselves and their families. Therefore, the ETA is focusing on effective models — such as on-the-job training (OJT), registered apprenticeships, and work experiences for youth — that provide earnings and increase employability, skills, and opportunities for advancement, particularly for disadvantaged populations.

### ***On-the-Job Training***

In OJT, workers are hired by employers and earn wages while training at the workplace. Employers are reimbursed for a portion of the cost of training a new employee. OJT requires active participation from employers for training to take place at a worksite and is based on an agreement between the employer and the OJT provider. Participants have a chance to “learn and earn” while working in a job that provides a regular paycheck. OJT works because the training provider takes into consideration the skill set of laid-off and/or unemployed employees and the job needs of local industries. Employers using OJT are in health care, information technology, construction, manufacturing, and many other industries.

OJT is an allowable activity under the Workforce Investment Act (WIA) in which employers can be reimbursed for up to 50 percent of the cost of training employees at a job

<sup>2</sup> A Center for Law and Social Policy report states: “Ideally, career pathways are not a separate program, but a framework for weaving together adult education, training, and college programs that are currently separated into silos and connecting those services to employers’ workforce needs.” See <http://tinyurl.com/42bw6yy>.

<sup>3</sup> See <http://wdr.doleta.gov/directives/attach/TEGL15-10.pdf>.

site. The ETA has also awarded \$75 million in OJT national emergency grants that allow employers to be reimbursed for 50 percent to 90 percent of the cost of training employees for up to six months.

Employers may hesitate to add employees in uncertain economic times, and OJT helps assure employers that participants can quickly become a valuable asset. OJT provides employees with job experience and

sometimes a permanent job, even if there has been substantial time since the participant's last job. OJT is a suitable training option for various workers, including low-income and low-skilled individuals, dislocated

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## The U.S. Public Workforce System

### Overview

The Workforce Investment Act (WIA) of 1998 established a national public workforce system funded by the federal government and operated by states and local agencies and organizations. The system consists of a network of One-Stop Career Centers that provide information and access to a wide array of job training, education, and employment services. About 2,900 One-Stop Career Centers are operated across the country by community colleges, community-based organizations, for-profit entities, and government agencies.

### Services for Job Seekers and Employers

Through One-Stop Career Centers, millions of job seekers each year receive:

- Up-to-date labor market information that identifies job vacancies, skills necessary for available jobs, and local, regional, and national employment trends;
- Career counseling and assessments of skill levels, aptitudes, and abilities;
- Information on employment-related services, including information about education and training programs and referrals to supportive services, help filing claims for unemployment insurance, and help evaluating eligibility for job training and education programs and student financial aid;
- Access to job postings, job search, and placement assistance; and
- Training, including skills upgrading, adult education, and occupational skills, on-the-job, entrepreneurial, and job readiness training.

One-Stop Career Centers also provide employers with a single point of contact to supply information about current and future workforce needs, to list job openings, and to hire skilled workers.

### One-Stop Partner Programs

The WIA established that programs administered by the four federal departments listed below would be part of the One-Stop system to ensure job seekers' access to a comprehensive range of services. As a result, information and access to the following federal programs are available at the One-Stop Career Centers:

- U.S. Department of Labor programs — adult, dislocated worker, and youth programs under WIA; Job Corps;

- the Wagner-Peyser Employment Service; the Senior Community Service Employment Program; the Trade Adjustment Assistance program; veterans' employment and training programs; and unemployment insurance
- U.S. Department of Education programs — adult education and literacy programs under the WIA; Vocational Rehabilitation Act programs; and postsecondary vocational education under the Perkins Act
- U.S. Department of Health and Human Services programs — community services block grants
- U.S. Department of Housing and Urban Development — employment and training activities

States may also choose to provide information at the centers on other programs, such as Temporary Assistance for Needy Families, the Supplemental Nutrition Assistance Program, and programs under the National and Community Service Act.

### Federal-State-Local Partnerships

The public workforce system is a collaborative effort between the federal government, state governments, and local agencies and organizations. The WIA is administered at the national level by the Department of Labor's Employment and Training Administration (ETA). Most WIA funds are distributed by the ETA through statutory formulas to state governments and by states to local agencies and organizations, where services are delivered to adult and youth job seekers through the One-Stop Career Center system.

Over 600 Workforce Investment Boards (WIBs) operate at the state and local levels to develop strategic plans and set funding priorities for the public workforce system. Most of the members of the WIBs must be from the business sector. Members also include representatives of education providers, labor organizations, community-based organizations, economic development agencies, and One-Stop partner programs.

### Locating One-Stop Career Centers

To find a One-Stop Career Center, visit [www.servicelocator.org](http://www.servicelocator.org) or call 1-877-US2-JOBS.

*—U.S. Department of Labor's Employment and Training Administration*

# The Collapse of the Labor Market for 16- to 24-Year-Olds

By Neeta P. Fogg, Research Professor, Center for Labor Markets and Policy, Drexel University, and Paul E. Harrington, Director, Center for Labor Markets and Policy, Drexel University

Young adulthood — between the ages of 16 and 24 — is a critically important time for individuals to develop work-related abilities so that they can become productive members of society. In other words, this is the time when young people make important decisions about developing what economist Frederick Harbison calls their “human capital,” that is, the “energies, skills, talents and knowledge...which can be applied to the production of goods or the rendering of useful services.”<sup>1</sup>

Young people who are not engaged in work or school do not adequately develop their productive abilities, resulting in diminished lifetime earnings.<sup>2</sup>

Employment is an important way for young adults to acquire human capital in the form of work experience and behavioral traits. These behavioral traits, or soft skills, such as reliability, honesty, respectfulness, and communications competencies, are customarily acquired from paid labor market work experience and are valued by employers. Unfortunately, opportunities for young people to acquire work experience have been declining during the past decade. Even during the economic

recovery after the 2001 recession, opportunities for the nation’s youth to find work have continued to decline.

## Declines in Employment Opportunities for Young Adults

Many of the nation’s young adults have withdrawn from active participation in the labor market and stopped looking for work. This trend is evident in the sharp reductions in the youth labor force participation rates. Across the nation, the share of teens actively engaged in the labor market has declined from 52 percent in 2000 to 35 percent in 2010. There have also been large decreases in the number of 20- to 24-year-olds in the labor force. The labor force participation rate of these young adults declined from nearly 78 percent in 2000 to just over 71 percent in 2010 (see Table 1).

Along with the sharp decline in the labor force attachment of young people over the past decade, the likelihood that a young person — who

chooses to remain engaged in the job market — will be employed has also fallen considerably. The youth unemployment rate, which measures the proportion of young people in the labor force who are jobless but are actively trying to find work, doubled over the first decade of the 21st century. The nation’s teen unemployment rate rose from 13 percent in 2000 to 26 percent in 2010. Among young adults between the ages of 20 and 24, the unemployment rate increased from 7 percent in 2000 to over 15 percent in 2010 (see Table 1). It seems likely that part of the labor force withdrawal of young people that occurred over the past decade is a product of the extraordinary rise in unemployment rates among teens and young adults. As young people see reduced opportunities for finding employment, they stop their job search and effectively withdraw from the labor force.

Rising labor force withdrawals and unemployment among the nation’s

**Table 1: Labor Market Outcomes of U.S. Teens and Young Adults; 2000, 2007, and 2010**

|                                | 2000  | 2007  | 2010  | 2000–2010       |                 |
|--------------------------------|-------|-------|-------|-----------------|-----------------|
|                                |       |       |       | Absolute Change | Relative Change |
| <b>16–19 Years of Age</b>      |       |       |       |                 |                 |
| Labor force participation rate | 52.0% | 41.3% | 34.9% | –17.1%          | –32.9%          |
| Unemployment rate              | 13.1% | 15.7% | 25.9% | 12.8%           | 97.7%           |
| Employment rate                | 45.2% | 34.8% | 25.9% | –19.3%          | –42.7%          |
| <b>20–24 Years of Age</b>      |       |       |       |                 |                 |
| Labor force participation rate | 77.8% | 74.4% | 71.4% | –6.4%           | –8.2%           |
| Unemployment rate              | 7.2%  | 8.2%  | 15.5% | 8.3%            | 115.3%          |
| Employment rate                | 72.2% | 68.4% | 60.3% | –11.9%          | –16.5%          |

Source: U.S. Bureau of the Census, Current Population Survey, Monthly Public Use Data Files — 2000, 2007, and 2010, tabulations by the Center for Labor Markets and Policy, Drexel University

<sup>1</sup> Frederick H. Harbison, *Human Resources as the Wealth of Nations*. New York: Oxford, 1972.

<sup>2</sup> In 2006, male high school dropouts in Philadelphia had expected lifetime earnings of just \$457,000 over their working lives, while those who completed high school had expected earnings of \$870,000. See Neeta P. Fogg, Paul E. Harrington, and Ishwar Khatiwada, “The Tax and Transfer Impacts of Dropping Out of High School in Philadelphia City and Suburbs,” Center for Labor Market Studies, Northeastern University, Boston, January 2009, available at [http://www.inpathways.net/Fiscal\\_consequences\\_dropout\\_Philly.pdf](http://www.inpathways.net/Fiscal_consequences_dropout_Philly.pdf).

youth have resulted in a sharp decline in the youth employment rate, which is a measure of the share of all young people who have a job. The employment rate of young adults 16 to 19 years of age declined from 45 percent in 2000 to 35 percent in 2007. Since 2007, the employment rate has fallen another 9 percentage points, to 26 percent in 2010 — which is a historical low. The employment rate of 20- to 24-year-olds in the nation declined from 72 percent in 2000 to 68 percent in 2007. The rate further dropped to 60 percent in 2010, representing a decline of 8 percentage points during the three years that included the Great Recession (see Table 1).

In 2010, only one in four teens and six out of 10 young adults in the nation were employed. The Great Recession has simply exacerbated the increasingly tenuous employment situation among the nation's youth that characterized the earlier period of recession and recovery. The current environment of slow/no job growth that the country has experienced since the end of the recession in June 2009 has made the nation's labor markets very competitive, as large numbers of unemployed workers chase very few jobs. Over the first half of this year, the ratio of unemployed workers to job vacancies has remained in the 4.5 to 5.0 range.<sup>3</sup>

Young people are competing for jobs with adults and increasingly with older workers. We have found that nationally employers have shown a preference for older workers (55 years of age and older) — even for jobs that were traditionally staffed

by young people. The share of older workers in the nation's workforce has increased from 17 percent in 2006 to 20 percent in 2010, with increases occurring across all industries and occupations.<sup>4</sup> In the absence of policies and strategies targeted toward creating employment pathways for young adults, a rebound in youth employment is unlikely in this environment.

### Postsecondary Education as a Career Alternative

The collapse of the teen labor market over the past few years has led an increasing number of teens and young adults to seek postsecondary education, accelerating the long-term trend of more and more teens and young adults enrolling in the nation's postsecondary schools. In its October supplement to the annual Current Population Survey, the Bureau of Labor Statistics found that a record share (70 percent) of 2009 high school graduates entered into a postsecondary program in the fall immediately after graduation; the 2010 share was nearly as great. One explanation for this record college enrollment rate is that, as the job prospects for teens deteriorated so significantly, they have sought an alternative activity in the form of schooling instead of remaining idle.



A student receives training in the culinary vocational program at Shawsheen Valley Technical High School in Billerica, MA, 20 miles northwest of Boston. The school integrates vocational–technical and academic curricula.

It is likely that some of these young people would not have enrolled in school if more plentiful job opportunities were available to them.

Much of the rise in postsecondary enrollments has occurred in the nation's community college system. These open enrollment institutions have experienced total enrollment increases in the 15 to 20 percent range since the beginning of the recession, placing great stress on this segment of the higher education system. Per capita full-time student funding is well below that of the four-year higher education system, yet the community colleges enroll students with low basic skills proficiencies compared with other college students. The share of their entering cohort of newly minted high school graduates enrolled in

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<sup>3</sup> Although real GDP had recovered to its pre-recession peak by the first quarter of 2011, payroll employment levels have remained below the June 2009 recession trough, with large payroll employment declines continuing through the first two quarters of the recovery followed by very sluggish employment expansion since then.

<sup>4</sup> Neeta P. Fogg and Paul E. Harrington, "Rising Demand for Older Workers Despite the Economic Recession: Accommodation and Universal Design for the New American Workforce," *Public Policy and Aging Report*, 21:1 (Winter 2011), pp. 11–17.



## The Economic Benefit of a Community College Education

The persistently high rate of unemployment during the economic recovery continues to challenge policymakers and frustrate those seeking employment. At the same time, the federal government continues to pursue policies to stimulate job growth. However, many of the unemployed lack the skills or training required for the jobs that are available. More reliance on workforce development might be the avenue to take in order to equip low-skilled workers with the proficiency to obtain jobs and help those at risk of losing their job to acquire the additional skills necessary to retain their employment. One type of institution that might provide the needed building or upgrading of skills is a community college. The research on the effect of community colleges on employment and earnings is mixed. However, Dave E. Marcotte provides a fresh perspective on the issue by focusing not only on the labor market returns to a community college degree or certificate but also on the credits earned without receiving a degree or certificate.<sup>1</sup>

### Background

Marcotte pointed out that “since the early 1980s, the earnings of workers with a postsecondary education have grown substantially, relative

to those of their high school peers.” One rationale for the increase is the “shifts in the structure of demand in the labor market that have favored workers with more skill.” While most attention has been focused on four-year institutions as a source for providing postsecondary education, community colleges<sup>2</sup> have been given little consideration. Marcotte observed that “nearly 40% of all students enrolled in postsecondary education are at [community colleges].” Moreover, enrollment in community colleges has been increasing. The author further noted that the “recent economic downturn has been cited as an important factor behind large increases in enrollment in community colleges across the country.” According to Marcotte, “because of open enrollment policies, low tuition, and their applied courses, community colleges can be relatively attractive during difficult times for adults looking to upgrade skills and traditional college students facing financial hardship.”

Given the current economic environment, it is important not only to get a better understanding of the economic returns to a community college education but also to determine which segments of the population might benefit the most, the pos-

sible appeal of a community college education, and the receptiveness of community college enrollment to policy initiatives. In regard to the latter, Marcotte offered the following observations: “First, community colleges provide educational opportunities to students who are typically economically disadvantaged, and whose academic preparation is typically not as strong. These are the students most at risk of being left behind by ongoing changes in the labor market. Second, community colleges are a principal mechanism for upgrading skills of those already in the workforce because of their open admissions policies and flexible courses of study, which include degree programs, certificates, and nondegree courses. Finally, as others have argued, community college enrollment is likely to be particularly amenable to policy intervention because they enroll a larger share of students affected by state and federal financial aid.”

### Data and Methodology

In light of the established body of research that underscores the effect of postsecondary education on earnings and employment, the author sought to augment our knowledge of the value of enrolling at a community college. He used

<sup>1</sup> Dave E. Marcotte, “The Earnings Effect of Education at Community Colleges,” *Contemporary Economic Policy*, 28:1 (January 2010), pp. 36–51.

<sup>2</sup> The author uses the terms two-year postsecondary institutions and community colleges synonymously. The former also includes junior colleges.



data from the 2000 follow-up of the National Education Longitudinal Survey (NELS). "The NELS follows a nationally representative sample of students who were in the eighth grade in 1988." The author used only those "sample members who completed interviews in all years, and who were not still enrolled in a postsecondary institution in 1999 or at the time of the 2000 interview." The data contain information on the postsecondary education and labor force experiences (including employment, earnings, and occupation) of the cohort following high school in 1992. The cohort was between 25 and 27 years of age by 2000.

During the course of his analysis, Marcotte estimated several regression models. Since he could "measure completed degrees" as well as "years of postsecondary study among those not earning degrees," he was able to estimate the returns to degrees separately from the returns to postsecondary study without degrees. The author also estimated the returns to credits earned in occupational versus academic courses. To isolate these returns, he controlled for other possible influences "between those who enroll in postsecondary institutions and those who do not as well as among those completing different levels of postsecondary education." Among those likely influences were differences in the educational environment or expectations at home, the economic status of the sample members, the academic culture of their high schools, and "any preexisting differences in academic ability in core subjects."

## Results

According to Marcotte, the schooling and work decisions of men and women are shaped by different influences; thus, he estimated the regression models separately by

gender. He found that "on average, young men who enrolled in a community or technical college earned approximately 5.1% more annually for each year of full-time equivalent coursework completed, even though no degree was obtained." As far as the returns to the receipt of a degree are concerned, the author estimated that "men who obtained an associate degree earn about 12.2% more annually...than their high school educated peers." His further analysis determined that the "observed relationship between enrollment in community colleges and labor market earnings is in large part the result of relatively more employment hours for workers who attended community college."

The author also found that compared with young men, young women had larger returns to enrollment in and degrees from community colleges. For instance, he estimated that "women who earn associate degrees earn about 45.8% more annually...than similar high school educated women." Marcotte pointed out that the gender differences in returns "to postsecondary education suggest there are important differences in the educational and/or economic experiences of young men and women." He suggested that this might be due to the fact that "women who enroll in postsecondary education more commonly enroll in programs that provide training for occupations where postsecondary study is particularly important. For example, in the context of community colleges, a common major for women is in nursing or other health fields..." Men, however, "may be more likely to enroll in occupational programs for which work experience or apprenticeship might be better substitutes, such as electronics or automotive technology."

The author was less successful in iso-

lating the returns to academic versus occupational credits. He observed that since most community college students take a mix of both types of courses, "the substantial correlation between academic and occupational credits earned makes it difficult to identify whether enrollment in one type of course or the other is particularly advantageous."

## Conclusions

Marcotte augmented our knowledge of the economic benefit of a community college education. He found "consistent evidence that average wages and salaries for young women and men who enroll in community colleges and those who earned associate degrees are substantially higher than their peers whose education extends no further than high school." Moreover, the author determined that the "most substantial earnings benefits associated with community college education, and postsecondary education in general, accrue to women." In light of the current economic conditions, one implication of Marcotte's findings is that "increases in enrollment at community colleges, regardless of whether they lead to a degree, are likely to result in improved employment opportunities in the future."



Marvin M. Smith, Ph.D.,  
Community Development Research Advisor

# Workforce Development Partnership Serves Both Employers and Employees ...continued from page 1

- Help low- and moderate-income employees and unemployed residents to increase their skills and access training in order to obtain health-care positions and advance in their careers (see Career Pathways below for more information).

In essence, the Training Fund has two lines of business: 1) a stand-alone educational institution for union members and community residents; and 2) an employer partnership that works directly with employers to meet their training needs.

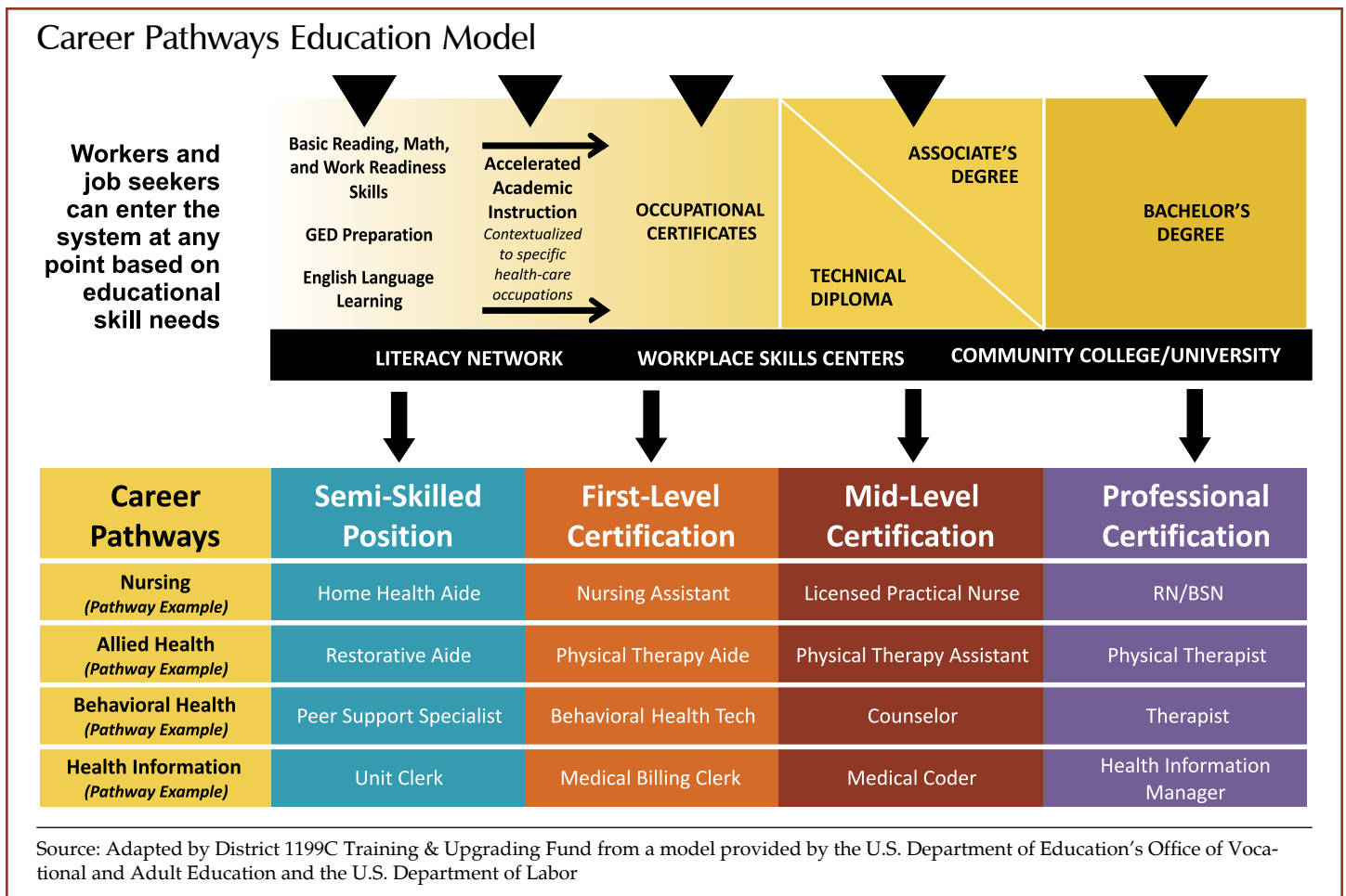
In order to operate an effective sectoral workforce development program, it's important to understand the industry in detail. Employers trust the Training Fund with data and information, and the fund works with employers to use this information to develop a strategy that meets the employer's needs.<sup>4</sup>

At present, 52 health-care employers in the Delaware Valley, primarily hospitals and long-term care and behavioral health providers, work with the fund's staff to identify talent gaps and develop training. The Train-

ing Fund has a staff of 35 full-time and 50 part-time individuals and a 2010–2011 budget of \$5.7 million.

The Training Fund has helped a total of approximately 100,000 employees to advance in their careers since the fund's inception. It is one of very few organizations nationally that serve nonunion residents,<sup>5</sup> as well as union members, and provide a full range of services encompassing literacy and workforce skills, training, education, industry-recognized credentials, and linkages to community colleges and universities.

<sup>4</sup>A multi-year study of the effectiveness of the sector approach has indicated positive findings in increased earnings, better benefits, and steadier employment. Sheila Maguire, Joshua Freely, Carol Clymer, et al., "Tuning In to Local Labor Markets: Findings from the Sectoral Employment Impact Study," Public/Private Ventures, 2010, available at [http://www.ppv.org/ppv/publications/assets/325\\_publication.pdf](http://www.ppv.org/ppv/publications/assets/325_publication.pdf).



## Meeting of Health-Care Employers Convened on Workforce Issues

A health-care industry partnership formed by the District 1199C Training and Upgrading Fund (Training Fund) is addressing emerging health-care issues and their impact on training and human resources planning. The partnership, called the Pennsylvania Partnership for Direct Care Workers, includes 70 employers, six colleges and universities, five technical training programs operated by nonprofits, and nine workforce development partners. The 70 employers include 18 employers or employer bargaining units that are not part of the Training Fund. The term direct care workers refers to semi-skilled to professional-level employees in nursing, allied health, behavioral health, and health information.

In 2010, the partnership convened a meeting of health-care executives, government officials, and educators for a symposium on how best to prepare health-care and clerical employees for a transition from paper to computerized patient records.

Shortly thereafter, the Training Fund developed a 30-week course in which employees receive credentials in computer proficiency and in creation of digital patient records, as well as training in customer service and medical terminology. The program has proven useful to both employers and employees.

This year, the Training Fund embarked on an important pilot initiative with the Inglis Foundation in Philadelphia. Inglis was concerned about turnover among its first-year nurse's aides and asked the Training Fund to collaborate on designing a three-week program of coursework and on-the-job training at Inglis that goes beyond the state-required nurse's aide certification course. The partnership pays for the costs of providing the three-week program as well as books, uniforms, supplies, and the licensing exam fee. Ten nurse's aides are currently taking the program.



Credit: Harvey Finkle

Wilbur Lo, M.D., speaks at a training session on electronic medical records organized by District 1199C's Training and Upgrading Fund.

The Inglis Foundation has agreed to hire the aides if they pass the licensing exam and the three-week course. The aides have already taken the state-required course at the Training Fund's nonprofit privately licensed school. The Training Fund plans to replicate this strategy of designing pre-employment programs with other employers.

The partnership, established in 2005 with support from the Pennsylvania Department of Labor and Industry, is funded by the Job Opportunity Investment Network in Philadelphia<sup>a</sup> and the National Fund for Workforce Solutions<sup>b</sup> and supported by the Philadelphia Workforce Investment Board.

—Cheryl Feldman, Executive Director, District 1199C Training and Upgrading Fund, Philadelphia

<sup>a</sup> See [www.joincollaborative.org](http://www.joincollaborative.org).

<sup>b</sup> See [www.nfwsolutions.org](http://www.nfwsolutions.org).

### Background

The Training Fund was established as a labor-management partnership in 1974 through a trust agreement with nine founding employer partners. The initial trust agreement

established that the Training Fund would address the workforce needs of the health-care industry by helping health-care employers in the region recruit and retain a highly skilled workforce, while providing

education and training for incumbent as well as laid-off and unemployed community residents.<sup>6</sup>

The employers contribute 1.5 percent of gross payroll for covered District

<sup>5</sup> Employers that serve nonunion residents are viewed as good corporate citizens in their communities, since such residents may be able to get training and positions through employer-supported workforce programs.

<sup>6</sup> The employers agreed to contribute to an education trust fund through collective bargaining agreements with the Philadelphia Hospital and Health Care Employees union, which is now part of the National Union of Hospital and Health Care Employees. The national union is an affiliate of the American Federation of State, County, and Municipal Employees.

1199C members into a pooled education trust fund that is governed by the provisions of the Taft-Hartley Act of 1947 and Employee Retirement Income Security Act regulations. The board of trustees consists of an equal number of employer and labor representatives, with co-chairs representing each group. For the past 20 years, the board co-chairs have been Henry Nicholas, president of District 1199C and of the National Union of Hospital and Health Care Employees, and a representative of the Temple University Health System.

### Core Programs and Services

The Training Fund provides most of its services at a 35,000-square-foot learning center at 100 South Broad Street, a central location for Philadelphia residents. Programs are also offered at employers' workplaces.

The Training Fund provides:

- Professional vocational and technical programs in nursing, allied health, behavioral health, and health information technology that enable participants to pursue occupational goals;
- Full-time and part-time programs that provide college credit and lead to certificates and degrees at area colleges and universities;
- Reading, math, and accelerated academic skills contextualized in health-care training materials, work readiness, a high school diploma program, and English as a second language;
- Employer-based customized workforce and technical training programs; and

- Employment services in which the fund's staff refers pre-screened candidates to more than 100 health-care facilities.

The Training Fund provided or funded training for 3,557 individuals from July 1, 2009, to June 30, 2010. Of this number, approximately 50 percent were union members and 50 percent were nonunion community residents, including laid-off employees, the unemployed, and immigrants. Of the 3,557 individuals, nearly 80 percent were female and 72 percent were African American, 10 percent were Caucasian, 8 percent were Hispanic, 3 percent were Asian, and the balance was from other groups.

The Training Fund also provided an additional 15,433 individuals with skills assessment, career services, and community services, such as tax return assistance, during the 2009–2010 fiscal year.

The Training Fund blends funds from many public and private sources to operate its programs, which are organized in two nonprofits, including an educational trust fund. For example, it uses Workforce Investment Act (WIA) Title I funds to train employees; WIA Title II funds to teach employees reading, writing, and math skills; and Temporary Assistance for Needy Families funds to help low-income residents.

The Training Fund's workforce development programs are funded largely by the Pennsylvania Department of Labor and Industry, the U.S. Department of Education, the U.S. Department of Labor, the Pennsylvania Department of Education, the Philadelphia Youth Network, the

Philadelphia Workforce Development Corporation, and the United Way of Southeastern Pennsylvania, as well as by foundations, course tuition, and fee-for-service.

### Work-Based Education

In one initiative, the Training Fund created a work-based educational model for entry-level mental health workers of Temple University Hospital's Episcopal Campus and the Philadelphia Health Management Corporation. A psychologist at the University of Medicine and Dentistry of New Jersey developed a curriculum with on-the-job learning assignments instead of traditional classroom instruction.

Employees received wage increases upon completion of training. Employees who were trained at Philadelphia University received 21 college credits toward an associate's degree. The initiative was funded by the Robert Wood Johnson Foundation, the Hitachi Foundation, and the U.S. Department of Labor.<sup>7</sup>

### Conclusion

Workforce development practitioners must find ways to use and integrate programs that normally function separately. For example, the Training Fund has learned to closely link workforce development and literacy programs. Individual workforce development programs that aren't closely linked to employers, the workforce development system, and higher education often aren't effective in and of themselves.

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<sup>7</sup> A report on the initiative by the Aspen Institute, titled "Findings from Research into Temple University Hospital-Episcopal Campus's Work-Based Learning Program for Mental Health Workers," is available at <http://www.aspenwsi.org/Publications/10-023.pdf>.

# A Federal Perspective on Workforce Development Issues

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employees, and individuals experiencing prolonged unemployment.

OJT currently accounts for roughly 10 percent of all training performed in the WIA Adult and Dislocated Worker programs (there are separate programs for adults and dislocated employees). Reports show that 14,275 participants in the programs received OJT services between July 2009 and June 2010. Based on performance data for that same period, 86 percent of adults who participated in OJT found employment, compared with 67 percent of those who received occupational training. Similarly, 90 percent of the dislocated employees who completed OJT found employment, compared with 74 percent of those who received occupational training. The OJT model is more expensive than the counsel-train-place model that is more common in the public workforce system, but data suggest that OJT leads to more job placements.

The ETA's OJT national emergency

grant initiative led to 2,000 placements with several thousand more placements expected over the course of 2011.

## *Registered Apprenticeships*

Registered apprenticeship programs are another successful "earn and learn" workforce development model that combines on-the-job experience and related academic and technical classroom instruction. This year marks the 100th anniversary of the first state apprenticeship law and the 75th anniversary of the passage of the National Apprenticeship Act. Approximately 430,000 apprentices are working in almost 1,000 occupations.

Registered apprenticeship programs enable employers to develop a highly skilled workforce with industry-recognized credentials. Over 225,000 employers nationwide participate in apprenticeship programs registered with DOL or state apprenticeship agencies. While there is a long-established partnership with the building trades and construction industry,

registered apprenticeships, strengthened by regulations issued in 2008, are meeting the needs of many different industries, including health care, information technology, advanced manufacturing, and industries using green technologies.

Registered apprenticeships now have the ability to offer training focused on very specific skill competencies within

an industry. For example, registered apprenticeship programs can provide employees with interim credentials prior to their attainment of the final apprenticeship completion certificate. For example, in a certified nursing assistant apprenticeship, apprentices can earn interim credentials by demonstrating competencies in such areas as hospice and palliative care, dementia, geriatrics, and disabilities.

Many apprentices also have the opportunity to earn an associate's or bachelor's degree in addition to their industry-recognized credential. A growing number of registered apprenticeship programs now work directly with many two- and four-year colleges and universities to provide technical classroom instruction. Additionally, employers are often willing to help pay the cost of tuition, books, and other materials. One lesson learned from the recession is that degrees and industry-recognized credentials that are in demand give greater protection against long-term unemployment compared with not having these credentials.

Registered apprenticeships are extremely competitive and highly sought after. This learning model, with its contextual and hands-on learning, is ideally suited to low-income individuals who have not been successful in a traditional classroom setting.<sup>4</sup> Today more than ever, we need a modernized, expanded national apprenticeship system that works in conjunction with workforce and educational partners.

## *Work Experiences for Young People*

During the recession, and to a large extent over the past decade, young people have encountered substantial difficulties in obtaining employment



Jessica Hill Vollmer, a registered apprentice with the Tennessee Carpenters Regional Council Joint Apprenticeship Training Committee, demonstrates her carpentry skills.

both during the summer months and year round. The employment rate of the nation's 16- to 19-year-olds fell considerably during and after the mild national economic recession of 2001 and never came close to regaining its pre-recession peak during the job market recovery from 2003–2007. Youth employment then tumbled further during the recession of 2007–2009, reaching new historical lows.<sup>5</sup>

Youth work experiences are structured learning experiences that take place in a for-profit, nonprofit, or public-sector workplace for a limited period of time. Work experiences enable young people to gain exposure to the working world and its requirements. Young people who work during their teens and early twenties are more likely to work in later years.<sup>6</sup>

Through the WIA Youth Program, states and local agencies and organizations can provide young people with work experiences, including summer employment opportunities directly linked to academic and occupational learning, occupational skills training, and leadership development opportunities.

Some successful work experience programs for young people integrate basic education and remediation with skills training in what is called

contextualized learning. Contextualization is a promising approach that makes work a central context for learning and helps students attain work readiness skills.

Some of the more successful youth programs are in high-growth industries, such as health care. Research suggests that young people need to be exposed to companies in a broad range of industries.<sup>7</sup> Their lack of broad-based work exposure limits their immediate and long-term job prospects. Seventeen- to 20-year-olds are concentrated in a few occupations and industries, such as food service, stock handlers (primarily in grocery stores), sales clerks and newsboys, and employees in the entertainment and recreation service industry, according to Bureau of Labor Statistics data.<sup>8</sup>

The WIA Youth Program provides employment and education services to eligible low-income individuals who are 14 to 21 years of age. Between July 2009 and June 2010, the program served 279,427 young people with an annual appropriation of \$924 million and an estimated cost of \$3,307 per participant. The American Recovery and Reinvestment Act (ARRA) of 2009 provided an additional \$1.2 billion in funds for WIA Youth Program activities with a strong emphasis on summer employ-

ment. Over 365,000 young people participated in ARRA-funded work experiences.

## Conclusion

The Department of Labor recognizes that these are not the times for one-size-fits-all workforce development approaches. The ETA's programs are collaborative efforts with states and local agencies and organizations and critical business, education, and nonprofit partners that understand the particular needs of their local economies. The ETA showcases best practices and collaborative models and provides technical assistance to the ETA's dual clients: businesses and job seekers.

The ETA is always looking to add new partners and improve its understanding of fresh approaches and proven practices. If you have any ideas on how the ETA can improve its services and practices, you are encouraged to contact the national office or one of the ETA regional offices in Atlanta, Boston, Chicago, Dallas, Philadelphia, or San Francisco. The best way to accelerate our recovery and build the best future for America is to work together. Our citizens deserve no less.

*For information, contact Jane Oates at [oates.jane@dol.gov](mailto:oates.jane@dol.gov) or 202-693-2700; <http://www.doleta.gov/>.*

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<sup>4</sup> See the 2008 report that was prepared for the Workforce Training and Education Coordinating Board in the state of Washington, available at <http://www.wtb.wa.gov/Documents/wtr2008summary.pdf>.

<sup>5</sup> Andrew Sum, "The Collapse of the Nation's Labor Market for Teens and Young Adults: Designing a Set of Workforce Development Strategies to Improve the Immediate and Long-Term Employment Prospects of the Nation's Youth," Minneapolis, May 2009, available at [http://www.northeastern.edu/clms/wp-content/uploads/minneapolis\\_presentation.ppt](http://www.northeastern.edu/clms/wp-content/uploads/minneapolis_presentation.ppt).

<sup>6</sup> Andrew Sum, Ishwar Khatiwada, and Sheila Palma, "Vanishing Work Among U.S. Teens, 2000–10: What A Difference a Decade Makes! Four Million Missing Workers in June 2010," Center for Labor Market Studies, Northeastern University, Boston, July 2010, available at <http://tinyurl.com/3utqpm6>.

<sup>7</sup> Andrew Sum and Joseph McLaughlin, "Dire Straits for Many American Workers: The Economic Case for New Job Creation Strategies in 2010 for the Nation's Teens and Young Adults (20–24)," Center for Labor Market Studies, Northeastern University, Boston, July 2010, available at <http://www.nyec.org/content/documents/DireStraitsfortheNation'sTeensandYoungAdults.pdf>.

<sup>8</sup> See the BLS report "Seasonal and Sectoral Patterns in Youth Employment," available at <http://www.bls.gov/opub/mlr/2000/04/art2full.pdf>.

# The Collapse of the Labor Market for 16- to 24-Year-Olds

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at least one remedial class is often reported as well over 50 percent.<sup>5</sup> With their origins as two-year transfer institutions, community colleges often offer a curricular mix that is heavily weighted toward remedial and general academic courses. Despite this, a surprisingly large share of those who complete community college programs do so in occupationally oriented fields of study, such as health, information technology, and business-related fields, that are closely tied to the labor market. However, these programs are both expensive to operate and are selective in student admission. Yet their links to the labor market make them important pathways to success for young people too often disconnected from the world of work.

Unfortunately, for a variety of academic, personal, and institutional reasons, including much lower funding levels for community colleges, many community college-bound students do not persist to completion and drop out of school without any postsecondary credentials. However, for those students who are able to complete a course of study, the gains to earning a degree can be quite substantial.<sup>6</sup> But most of the labor market gains to enrolling in a community college appear to be associated with completing a degree or, in some instances, completing a long-term certificate program as well as gaining access to employment in occupations appropriate for college graduates;<sup>7</sup>

enrolling in a community college but not earning a degree yields little net benefit in the labor market.

## Challenges Faced by Urban Teens and Young Adults

Young adults in the nation's urban areas consistently have very poor connections to the job market, and the Great Recession has further weakened these connections. For example, even before the onset of the Great Recession, Philadelphia teens had very low rates of participation in the labor market. During 2006–07, only 36 out of every 100 Philadelphia teens were actively participating in the labor market by either working or actively looking for work. By 2009–10, the labor force participation rate among the city's teens had sharply declined to just 27 percent (see chart on next page).

Among the city's teens who did participate in the labor market, the likelihood of finding a job was quite low before the recession and dropped sharply during the recession. The unemployment rate among Philadelphia teens more than doubled during the Great Recession. In 2009–10, 33 percent of all teens who opted to remain in the much shrunken teen labor force were unemployed, up



A student receives training in plumbing, one of the vocational programs in construction trades at Shawsheen Valley Technical High School in Billerica, MA. The school, which opened in 1970, has a population of more than 1,300 students.

from 13 percent in 2006–07.

Large declines in teen labor force participation, combined with sharp increases in the teen unemployment rate, have resulted in woefully low levels of employment among Philadelphia's teens. In 2006–07 before the start of the most recent recession, only 31 percent of the city's teens were employed. The Great Recession further reduced employment opportunities for this age group. In 2009–10, only 18 out of every 100 teens in Philadelphia were employed, providing clear evidence of a collapse in the teen labor market in the city.

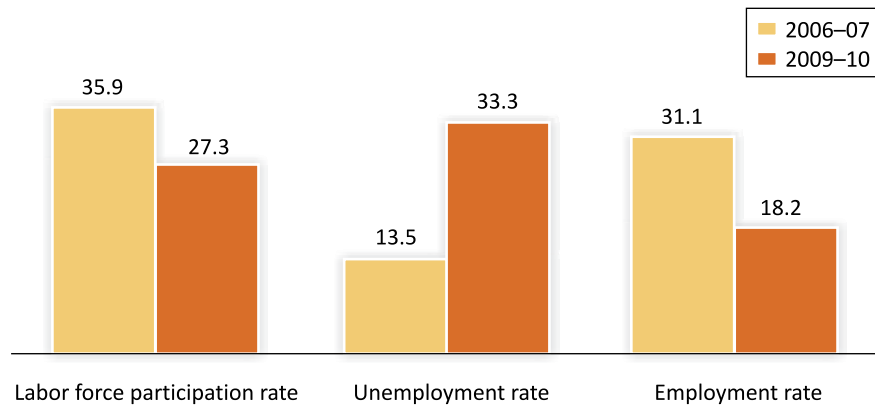
The findings — not just for Philadelphia, but for the nation as a whole — reveal a very serious and growing problem of teen disconnection from the job market, leaving new high

<sup>5</sup> Bailey found that in a sample of 250,000 first-time community college students about 60 percent took one development course. See Thomas Bailey, "Rethinking Developmental Education in Community Colleges," Community College Research Brief, Columbia University, February 2009, available at <http://tinyurl.com/3hhu6jy>.

<sup>6</sup> Marsha Silverburg, Elizabeth Warner, Michael Fong, and David Goodwin, "National Assessment of Vocational Education: Final Report to Congress," U.S. Department of Education, Washington D.C., June 2004, available at <http://www2.ed.gov/rschstat/eval/sectech/nave/naveexesum.pdf>.

<sup>7</sup> Neeta P. Fogg and Paul E. Harrington, "Rising Mal Employment and the Great Recession: The Growing Disconnection Between Recent College Graduates and the College Labor Market," *Continuing Higher Education Review*, forthcoming.

## Labor Market Outcomes of Teen Residents in Philadelphia



Source: U.S. Bureau of the Census, Current Population Survey, Monthly Public Use Data Files, various years, tabulations by the Center for Labor Markets and Policy, Drexel University

school graduates with the choice of either postsecondary enrollment or idleness, with little chance of starting a career that further develops skills through the job market. Education strategy in the United States seems almost exclusively focused on postsecondary enrollment after high school, with little consideration to connecting new high school graduates to career employment opportunities.

### The Need for More Career and Technical Education Programs

For many young people, however, college has not proven to be a solid pathway to success and increasingly looks like a “one-size-fits-all” solution. Secondary schools need to determine how to connect with employers and convince them that their graduates are worthy of hiring. To do this, these schools must develop career and technical education (CTE) programs at the secondary level that are closely tied to the job market.

Well-organized CTE programs at the secondary level provide students with a focus on learning that is connected to developing career skills that are valued by employers.<sup>8</sup>

Dating back to the late 1960s, but substantially re-organized as a result of education reform and high stakes testing in recent years, the best CTE programs are delivered at secondary schools that are organized as independent high schools with a single focus on occupational and career education. Students attend classes in their field of study or “shop” that are organized to better integrate academic and occupational skills development; therefore, these programs provide a real-world context for students to develop their academic skills — especially reading, writing, and math — alongside their occupational proficiencies. Moreover, these institutions have very strong links to the local labor markets, which are

often based on employer advisory committees developed for each shop at the school. These committees help guide curriculum decisions and equipment purchases and are frequently important sources of jobs for new graduates. The evidence suggests that schools organized in this fashion generate strong positive outcomes for their graduates.<sup>9</sup>

Massachusetts has developed what some observers have characterized as the “Cadillac” version of CTE programs. This model secondary education program was in part spurred by education reform efforts in the early 1990s. The CTE system responded to reform and high stakes testing by integrating academic and occupational activities in high schools exclusively dedicated to a CTE curriculum. The high schools that have CTE programs are organized to offer a wide range of occupational choices, often 15 to 20 major fields of study. The curriculum seeks to integrate academic and occupational learning in a given trade and focuses on developing skills that can be used in the job market.

Many students in their junior and senior years participate in paid cooperative educational programs that provide them with additional training-related work experience. After their freshman year, students rotate through six different shops as part of a career exploration effort, and then they choose an occupational area of specialization (e.g., auto repair, graphic design, or medical assistant) and develop academic, occupational, and behavioral proficiencies in a contextual setting.

The 10<sup>th</sup> grade English language

<sup>8</sup> For a review of alternative career pathways for young adults, see “Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21st Century,” Pathways to Prosperity Project, Harvard Graduate School of Education, February 2011, available at <http://www.tinyurl.com/6g3mg8y>.

<sup>9</sup> See Neeta P. Fogg, Paul E. Harrington, and Andrew M. Sum, “The Impact of Vocational Programs on the Labor Market Outcomes of High School Students,” Center for Labor Market Studies, Northeastern University, Boston, and “Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21st Century.”



proficiency scores skyrocketed as secondary CTE programs moved to the integrated academic occupational models. In 2003, just 35 percent of CTE students scored at a proficient or advanced level on the Massachusetts Comprehensive Assessment System test that many consider to be the most rigorous high stakes test in the country, with most of the remainder passing with a low “needs improvement.” By 2010, however, the share of Massachusetts CTE students scoring at the proficient or advanced level rose to 71 percent. Similarly, large improvements were made in the fraction achieving proficient/advanced scores in math. Indeed, by 2010, the large gap that existed in 2003 in the test scores between CTE students and those enrolled at traditional comprehensive high schools had been considerably reduced. Moreover, these CTE schools accomplished this gain in test scores as their four-year graduation rate rose to 90 percent, indicating that these schools were able to raise test scores while reducing dropout rates (see Table 2).

These gains were not the result of enrolling elite students. In fact, the share of CTE students who are learning disabled or have some other kind of disability is nearly 50 percent greater than those of other secondary schools, and these schools have much higher fractions of educationally disadvantaged students than other schools. Moreover, unlike the programs at comprehensive schools, for years Massachusetts CTE programs have tracked their students into the job market and into postsecondary education. Most graduates have transitioned into training-related placements or higher education programs.

## Conclusion

Higher education is clearly an important alternative for many high

**Table 2: Trends in Massachusetts Secondary High Stakes Test Score Proficiency Levels and Graduation Rates, 2003–2010**

|   | All Secondary Schools |      | CTE Secondary Schools |      |
|---|-----------------------|------|-----------------------|------|
|   | 2003                  | 2010 | 2003                  | 2010 |
| 10th Grade English Language Arts Scoring Proficient or Advanced | 61%                   | 78%  | 35%                   | 71%  |
| 10th Grade Math Scoring Proficient or Advanced                  | 51%                   | 75%  | 27%                   | 69%  |
| Graduation Rate   | 80%                   | 82%  | 84%                   | 90%  |

Source: Massachusetts Department of Education, School Reports, downloaded July 2011

school graduates, but it is too often the only pathway to employment for young people, especially in our cities. We need to rebuild these pathways — starting at the high school level — so that students develop not just academic competencies, but occupational and behavioral traits as well, because these qualities are valued by employers. This task is not a trivial one. The decision by an employer to hire a new employee is a difficult one.

Employers have a great deal of difficulty assessing candidates. Résumés and interviews are not very good predictors of future productivity. In addition, references from other employers and teachers are often considered unreliable by employers.<sup>10</sup> The labor market is a social institution fraught with all the pitfalls of human personality and behavior. Yet when employers seek to hire workers who can contribute to productivity in their organization, they must not only have information about the knowledge skills and abilities that the job candidate has developed, but they must also have some reasonable understanding that the new hire will possess the personality and behavioral traits that fit into the norms of a given workplace.

This means that these high schools must build long-term relationships with a variety of employers; in ad-

dition, these schools must develop reputations as being solid and reliable sources for providing entry-level workers in specific occupational areas. These relationships between individual employers and shop teachers, high school job developers, and frequently high school senior management must be built on trust. This trust is based on the school’s knowledge of the hiring requirements of firms and on the firms’ general understanding of the capabilities of the graduates from the high school.

Rebuilding high school connections to the job market is not a simple task. It will take considerable investments of capital to build an effective, modern-day CTE program and recruit faculty capable of teaching in a context that integrates academic and occupational instruction. But of equal importance, it means that high schools need to work to build long-term relationships with local employers — one firm at a time — to rebuild the trust that is at the center of virtually any program that transitions individuals into the job market.

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<sup>10</sup> James Rosenbaum, “Do Students Understand What College Demands?” *Beyond College for All: Career Pathways for the Forgotten Half*. New York: Russell Sage Foundation, 2001.

# Workforce Development Resources

By Jenó Pizarro, Community Development Intern

*The following reading list of research studies, articles, and tools has been compiled for Cascade readers who want to learn more about workforce development issues and strategies.*

## GENERAL INFORMATION

Haralson, Lyn E. "What Is Workforce Development?" Federal Reserve Bank of St. Louis *Bridges* (Spring 2010), available at <http://www.stlouisfed.org/publications/br/articles/?id=1953>. *This article introduces the topic of workforce development and discusses how its different definitions can be integrated into one comprehensive perspective.*

Seymonds, William C., Robert B. Schwartz, and Ronald Ferguson. "Pathways to Prosperity: Meeting the Challenge of Preparing Young Americans for the 21st Century," Harvard Graduate School of Education (February 2011), available at <http://tinyurl.com/6g3mg8y>.

*This report explains the reasons the United States has failed to adequately prepare many young adults for the labor force and offers a vision of how the United States could regain its former leadership position in educational attainment.*

## POSTSECONDARY EDUCATION

Carnevale, Anthony P., and Stephen J. Rose. "The Undereducated American," Georgetown University Center on Education and the Workforce (June 2011), available at <http://cew.georgetown.edu/undereducated/>.

*This report maintains that for decades the United States has been under-producing employees with postsecondary educations. An additional 20 million such employees are needed in the next 15 years to meet the economy's need for skilled labor and reduce income inequality.*

English, Ed. "Cap in Hand: The High Price of Higher Education," Federal Reserve Bank of Atlanta *EconSouth* (Spring 2011), pp. 7–10, available at <http://www.frbatlanta.org/documents/pubs/econsouth/11q1.pdf>.

*The cost of postsecondary education is soaring, making the attainment of a degree out of reach for many people. What is behind tuition inflation and can its trajectory be altered?*

Jenkins, Davis, and Monica Reid Kerrigan. "Faculty and Administrator Data Use at Achieving the Dream Colleges: A Summary of Survey Findings," Columbia University Teachers College (February 2009), available at <http://ccrc.tc.columbia.edu/Publication.asp?uid=671>.

*This article summarizes the findings from a study that examined the specific data used by faculty and administrators at Achieving the Dream colleges and the extent to which they use data to improve programs. There are 160 Achieving the Dream colleges that seek to improve higher education for low-income and minority students.*

Jenkins, Davis, Shanna Smith Jenkins, and Josipa Roska. "Promoting Gatekeeper Course Success Among Community College Students Needing Remediation: Findings and Recommendations from a Virginia Study (Summary Re-

port)," Columbia University Teachers College (November 2009), available at <http://ccrc.tc.columbia.edu/publication.asp?UID=714>.

*This study examines student characteristics and course-taking patterns that are associated with higher probabilities that remedial students pass college-level math and English.*

Kazis, Richard. "Community Colleges and Regional Recovery: Strategies for State Action," Brookings Institution (May 2011), available at <http://tinyurl.com/3u6stmf>.

*In order to prepare for long-term, sustainable economic growth, states should align workforce development, postsecondary education, and economic development efforts while targeting sectors critical to regional competitiveness.*

Smith Jaggars, Shanna, and Di Xu. "Online Learning in the Virginia Community College System," Columbia University Teachers College (September 2010), available at <http://ccrc.tc.columbia.edu/publication.asp?uid=813>.

*This study examines the patterns of online versus face-to-face courses with regard to retention, performance, and subsequent educational outcomes.*

Wachen, John, Davis Jenkins, and Michelle Van Noy. "How I-BEST Works: Findings from a Field Study of Washington State's Integrated Basic Education and Skills Training Program," Columbia University Teachers College (September 2010), available at <http://ccrc.tc.columbia.edu/publication.asp?UID=806>.

*The I-BEST program is a strategy to increase the rate at which adult remedial students enter and succeed in postsecondary occupational education. Remedial instructors and technical faculty jointly design and teach courses.*

## HIGH SCHOOL PARTNERSHIPS

Kerrigan, Monica Reid, and Doug Slater. "Collaborating to Create Change: How El Paso Community College Improved the Readiness of Its Incoming Students Through Achieving the Dream," Columbia University Teachers College (March 2010), available at <http://ccrc.tc.columbia.edu/publication.asp?uid=754>.

*El Paso Community College has implemented a number of high school interventions aimed at boosting student success and decreasing the need for remedial courses.*

Somoza, Lela. "Putting It All Together for a Better Future," Federal Reserve Bank of Atlanta *Partners in Community and Economic Development*, 21:1 (2011), pp. 2–7, available at <http://tinyurl.com/3bshq5b>.

*When high school graduation rates in Carroll County, Georgia, began to falter, one local business decided to create a program for at-risk high school students to ensure it had an educated labor pool for the future.*

## DISADVANTAGED POPULATIONS

Heinrich, Carolyn J., and Harry Holzer. "Improving Education and Employment for Disadvantaged Young Men: Proven and Promising Strategies," Urban Institute (May 2010), available at <http://tinyurl.com/3ruhc93>.

*This article reviews rigorously evaluated strategies aimed at helping disadvantaged youth complete postsecondary education and improve employment prospects.*

Holzer, Harry J. "Workforce Development as an Antipoverty Strategy: What Do We Know? What Should We Do?" Urban Institute (October 2008), available at <http://www.urban.org/publications/411782.html>.

*Skills have never been more important in the workforce; however, public dollars spent on workforce development are declining. This paper examines funding trends and the cost effectiveness of various workforce development programs.*

Maguire, Sheila, Joshua Freely, and Carol Clymer. "Tuning In to Local Labor Markets," Public/Private Ventures (2009), available at <http://tinyurl.com/26lpesz>.

*Do mature sector-focused programs result in significant labor market gains for low-income, disadvantaged workers? Public/Private Ventures launched the Sectoral Employment Impact Study to examine this question.*

## WORKFORCE DEVELOPMENT IN THE FUTURE

Giloth, Robert P. "Lessons for a New Context: Workforce Development in an Era of Economic Challenge," Federal Reserve Bank of San Francisco *Community Investments* (Spring 2011), available at <http://tinyurl.com/3veofpl>.

*This article discusses changes in workforce development since the 1990s and the need to integrate workforce development in public and private investments in infrastructure, transportation, health care, and energy.*

Melnik, Mark, Barry Bluestone, and Alan Clayton-Matthews. "Needed Skills Versus Available Skills: An Assessment Tool Is Launched," Federal Reserve Bank of Boston *Communities & Banking* (Winter 2009), available at <http://tinyurl.com/3dla7zt>. *The Labor Market Assessment Tool identifies the skills needed in growth industries, enabling government agencies and schools to tailor workforce development programs for future needs.*

Uhalde, Ray. "Workforce Development That Supports Economic Development," *IEDC Economic Development Journal*, (Winter 2011), pp. 42-49, available at <http://tinyurl.com/uhalde>. *Future U.S. economic prosperity depends significantly upon the education and skill level of our current and future workforce. This paper maintains that workforce and economic development need to be more closely aligned.*

## TOOLS

### Data Analysis

#### American Human Development Project — Social Sciences Research Council

<http://measureofamerica.org/>

*This tool creates customized maps and charts using over 100 indicators for each state and congressional district.*

#### Federal Reserve Economic Data — Federal Reserve Bank of St. Louis

<http://research.stlouisfed.org/fred2/>

*This comprehensive site provides over 30,000 U.S. national and regional economic time series data on employment, business, and many other topics. Data can be downloaded and graphed.*

#### Map Your Community — Federal Reserve Bank of Philadelphia

<http://tinyurl.com/3cp3eeu>

*The Map Your Community tool allows users to create customized maps, providing insight into current and historical economic and demographic conditions. The interface was developed by PolicyMap and is provided by the Federal Reserve Bank of Philadelphia.*

### Job and Career Resources

#### CareerOneStop — U.S. Department of Labor and the State of Minnesota

<http://www.careeronestop.org/>

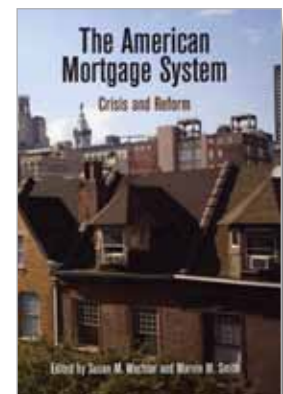
*CareerOneStop helps job seekers explore careers, investigate salary and benefits information, explore education and training opportunities, plan job searches, write résumés and cover letters, and prepare for job interviews. This site also provides links to workforce and labor market information that contain local information.*

## New Book Probes American Mortgage System

*The American Mortgage System: Crisis and Reform*, published recently by the University of Pennsylvania Press, focuses on the causes of the housing market collapse and proposes solutions to prevent another mortgage meltdown.

The book was edited by Susan M. Wachter, a professor at the University of Pennsylvania and co-director of the Penn Institute for Urban Research, and Marvin M. Smith, community development research advisor at the Federal Reserve Bank of Philadelphia. The book contains chapters based on papers presented at the 2010 conference on "Rethink. Recover. Rebuild. Reinventing Older Communities."

Information on the book is available at <http://www.upenn.edu/pennpress/book/14884.html>.



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## Calendar of Events

### Homes Within Reach 2011

November 14–16, 2011, Hilton Harrisburg, Harrisburg, PA

The Housing Alliance of Pennsylvania's annual conference includes training and workshops on rental housing, homelessness, HUD and USDA Rural Development programs, low-income housing tax credits, transitional housing, tax-credit preservation projects, transit-oriented development, and other housing issues. For details, go to <http://www.housingalliancepa.org/>.

### Reinventing Older Communities

May 9–11, 2012, Hyatt Regency Philadelphia at Penn's Landing

The Federal Reserve Bank of Philadelphia's Community Development Studies and Education Department will host its fifth biennial Reinventing Older Communities conference. The Reinventing conferences are typically attended by policymakers, community developers, bankers, researchers, funders, planners, and government representatives. For information, contact Erin Mierzwa at [erin.mierzwa@phil.frb.org](mailto:erin.mierzwa@phil.frb.org).



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