



Job Training + Education

A Pocket Guide for Policymakers
The Joyce Foundation

Millions of Americans work hard every day but struggle to support their families on low wages. Millions more have recently moved from welfare to work, but have been unable to escape poverty. Altogether, according to the U.S. Labor Department, more than six million Americans are counted among the working poor. Meanwhile, critical industries like health care and manufacturing have difficulty finding skilled labor.

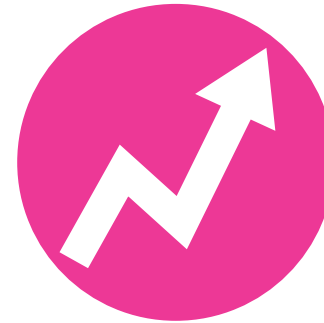
Clearly the next big policy thrust must improve the skills and competitiveness of America's workforce through education and training. This year Congress will reconsider important pieces of federal legislation that address this issue, including Temporary Assistance for Needy Families (TANF), the Workforce Investment Act (WIA), and the Higher Education Act. Critical implementation decisions will be made by state and city leaders around the country.

We are pleased to send you this pocket guide to the often bewilderingly complex policy area of education and training. It summarizes the research, policy issues, and funding, and suggests where to get more information. We hope you find it useful as you look for ways to improve the skills and competitiveness of your state's working families.

In our grantmaking, the Joyce Foundation supports efforts to develop public policies to improve the education, skills, learning opportunities, job stability, and advancement potential of low-wage workers. If we can be of further assistance to you in your work in this area, please contact us.

The Joyce Foundation
Chicago, February 2003

This pocket guide is designed to provide you at-a-glance information on:



4

What Strategies Help People
Succeed in the Workforce



6

What Policymakers
Can Do



8

Where the Money
Comes From



10

Where to Go For
More Information



What This Book Is About

Investing in job training and education makes sense.

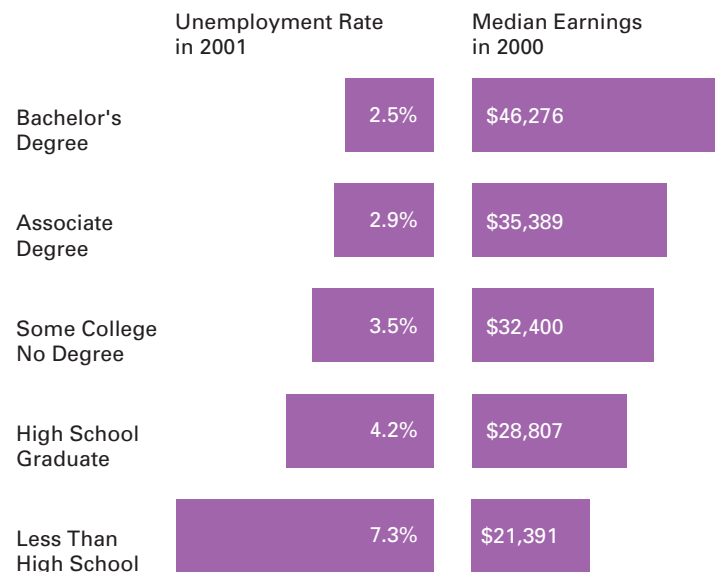
Businesses need qualified workers. Despite the recent economic downturn, key industries face critical shortages. Eighty percent of manufacturers in a 2001 survey reported a shortage of qualified job candidates.¹ Hospitals face “a severe shortage of workers that threatens their ability to meet community needs.”² Such problems are likely to get worse as the baby boomers retire: experts predict that by 2020 the U.S. will face a dramatic shortage of workers with the skills necessary for businesses to compete globally.³

Better education and skills make families better off. Nearly one out of four workers in the U.S. earns a wage that, even with full-time, year-round work, cannot lift a family of four out of poverty.⁴ People with higher skills and more education work more and earn more. The differentials are striking (see graph on next page).

A stronger workforce makes America more competitive. Economic growth of recent decades has relied on an expanding and better educated workforce. Both of those trends are shifting: an Aspen Institute report predicts zero growth in the native-born workforce over the next two decades, and a slowing of gains in education.⁵ Keeping our competitive edge means addressing workforce needs.

State and local leadership matters. The best programs address supply and demand in the local and regional labor markets. And the best ideas come when the public, private, non-profit and academic sectors work together. The federal government supplies most of the funds for job-training and education, but states and localities make it work.

The time is now. Shortages in critical areas can be averted. We know what works. Ideas for growing a skilled and productive workforce to strengthen the American economy start here.



Source: Postsecondary Education Opportunity, www.postsecondary.org



What Strategies Help People Succeed in the Workforce

We've learned a great deal from rigorous research evaluating job-training programs as well as from the experiences of women who left welfare for work.⁶

Starting out in jobs with employer-provided benefits is linked to sustaining employment over time.

Working steadily initially is linked to sustaining employment over time, but steady work alone is not a path to substantially higher wages later on.


Starting out in certain occupations (manufacturing, construction, transportation, communications and utilities, and wholesale trade industries) may be linked to sustaining employment over time and is linked to higher wages later on.

Postsecondary education or training are key factors in moving up to better jobs. Higher basic skills, especially education beyond high school, point to higher wages later on.

Jobs that require reading and writing provide greater opportunity for wage growth, in part because they provide more opportunities for learning on the job.⁷

People who start out in higher-wage jobs tend to have higher wage growth and sustained employment over time.

Switching jobs periodically can lead to higher wages later on.

-  The most effective programs involve employers in design and delivery. They set job advancement as a clear goal, and they offer a range of services—job search, basic education, and job training—individualized to each participant's circumstances. They provide detailed information on the labor market, strong relationships with employers, and substantial staff training on assessment, career guidance, and job development. They offer occupational training both to unemployed people lacking skills and to people who are already working but need better skills. And they connect participants both to shorter-term training and to postsecondary education.



What Policymakers Can Do

■ **Create career pathways.** Workforce and education systems need to be reorganized to promote career pathways for individuals of all skill levels.⁸ These require flexible systems that offer the education and training necessary for high-wage, high-demand jobs. Accomplishing this means connecting what are too often separate services (basic skills education, literacy and language classes, vocational skill training, postsecondary education) and linking them to entry-level work and career advancement in key employment sectors. Individuals should find it easy to access the services they need and to move from one type of training to another; employers should know where to find workers with the skills they need or how to identify services to upgrade the skills of current workers. All actors in the workforce development system—community colleges, workforce agencies, community-based organizations, social service agencies and employers—must work together to make this happen.

Commit adequate resources for training and education. Federal funding for job training and education has shrunk dramatically. To meet employer needs, improve competitiveness, and help lower-income Americans support their families, more consistent investment is needed.

Help employers upgrade workers' skills.

Employer involvement is critical to the success of workforce development. Policies should help employers both raise the quality of entry-level workers and upgrade the skills of current workers. Courses work best when scheduled at or near the worksite during work hours, with release time if necessary. Most states have customized training agencies that, with leadership by the governor or the legislature, can establish partnerships with employers, community groups, and educational institutions around career ladders.

Improve access to postsecondary education and training.

Postsecondary education can enable workers to pursue a longer-term educational goal, such as an associate or bachelor's degree. But combining work and learning can be a daunting proposition. Critical help includes flexible schedules, convenient course locations, transportation, and child care. Financial aid policies, which have traditionally targeted full-time students entering college right out of high school, should be made flexible enough to accommodate part-time students, people with limited English, and workers seeking to upgrade their skills.



Where the Money Comes From

Federal dollars for job training and education come from many sources. A quick summary:⁹

Department of Labor

Major programs:

- Workforce Investment Act (WIA)
- Welfare-to-Work Program
- Trade Adjustment Assistance (TAA)
- NAFTA Transitional Adjustment Assistance (NAFTA-TAA)
- H-1B Training Program
- Wagner-Peyser Allotment to States
- National Activities – Pilots and Demonstrations
- Incumbent Worker Training

Department of Health and Human Services

Major programs:

- Temporary Assistance for Needy Families (TANF)
- Community Services Block Grant Program (CSBG) – Employment Program Expenditures
- Job Opportunities for Low-Income Individuals (JOLI)

Department of Education

Major programs:

- Carl D. Perkins Vocational and Technical Education Program (Perkins Act) – Basic Grants to States
- Adult Education and Family Literacy Program – Basic Grants to States
- Pell Grant Program

Department of Agriculture

Food Stamp Employment and Training Program

Department of Housing and Urban Development

- Opportunities for Youth/Youthbuild Program
- Community Development Block Grants

Department of Interior

Programs for Native Americans

Department of Veterans Affairs

Vocational Rehab for Disabled Veterans

Where To Go For More Information

Websites

Bureau of Labor Statistics: www.bls.gov

Center for Law and Social Policy: www.clasp.org

Economic Policy Institute: www.epinet.org

Jobs for the Future: www.jff.org

Manpower Demonstration Research Corporation:
www.mdrc.org

National Association of Manufacturers: www.nam.org

National Network of Sector Practitioners:
www.nedlc.org/nnspp

Public/Private Ventures: www.ppv.org

U.S. Chamber of Commerce: www.uschamber.org/cwp

U.S. Department of Labor: www.doleta.gov

Welfare Information Network: www.welfareinfo.org

Welfare to Work Partnership: www.welfaretowork.org

The Workforce Alliance: www.workforcealliance.org

Workforce Strategy Center: www.workforcestrategy.org

Workforce Tools of the Trade: www.workforcetools.org

Working for America Institute, AFL-CIO:
www.workingforamerica.org

Publications

Building a Career Pathways System: Promising Practices in Community College-Centered Workforce Development, by Julian L. Alssid, et al., August 2002; also **Building Bridges to College and Careers: Contextualized Basic Skills Programs at Community Colleges**, by Christopher Mazzeo, et al., January 2003; both from the Workforce Strategy Center, www.workforcestrategy.org

Built to Last: Why Skills Matter for Long-Run Success in Welfare Reform, by Julie Strawn and Karin Martinson. Center for Law and Social Policy, May 2002, www.clasp.org

Grow Faster Together or Grow Slowly Apart, by David Ellwood. Domestic Strategy Council, Aspen Institute, December 2002, www.aspeninstitute.org

Low Wage Workers in the New Economy, edited by Richard Kazis and Marc S. Miller. Urban Institute, September 2001, www.urban.org

Skills Gap 2001: Manufacturers Confront Persistent Skills Shortages in an Uncertain Economy. National Association of Manufacturers, 2001, www.nam.org

Skills Training Works: Examining the Evidence, by Whitney Smith, et al. The Workforce Alliance, September 2002, www.workforcealliance.org



The State of Working America 2002-3. Economic Policy

Institute/Cornell University Press, forthcoming;

www.epinet.org**Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce,**

by Julie Strawn and Karin Martinson. Manpower

Demonstration Research Corporation, June 2000,

www.mdrc.org**Whose Job Is It? Creating Opportunities for Low-Income****Adults to Advance to Better Jobs,** by Julie Strawn, et al.

Center for Law and Social Policy, November 2002,

www.clasp.org**Notes****1** *The Skills Gap 2001: Manufacturers Confront Persistent Skills Shortages in an Uncertain Economy*, National Association of Manufacturers, 2001.**2** *In Our Hands: How Hospital Leaders Can Build a Thriving Workforce*, American Hospital Association, 2002.**3** *Grow Faster Together Or Grow Slowly Apart: How Will America Work in the 21st Century?* Aspen Institute, Domestic Strategy Group, 2002.**4** *The State of Working America 2002-3*, Economic Policy Institute, Forthcoming, Cornell University Press.**5** *Grow Faster Together*.**6** For a more detailed summary of the research, see *Steady Work and Better Jobs: How to Help Low-Income Parents Sustain Employment and Advance in the Workforce*, Manpower Demonstration Research Corporation, June 2000.**7** *Whose Job Is It? Creating Opportunities for Low-Income Adults to Advance to Better Jobs*, Center for Law and Social Policy, November 2002.**8** *Building a Career Pathways System*, Workforce Strategy Center, 2002.**9** For more detail, see *Multiple Employment and Training Programs*, GAO, October 2000. For analysis of recent funding levels of the major programs, see www.workforcealliance.org**Acknowledgements**

This report is based on information from existing reports on education and training that are listed in the references section. Thanks to the virtual working group who provided feedback on content: Julie Strawn, Center for Law and Social Policy; Andy Van Kleunen and Robin Spence, The Workforce Alliance; Luke Weisberg, Minnesota Governors Workforce Development Council; and Whitney Smith, Chicago Jobs Council. We appreciate their help, but of course the responsibility for the content of the report rests with the staff of the Joyce Foundation.

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