

A photograph of three people in a professional setting. On the left, a man with a beard and mustache, wearing a maroon sweater, looks down. In the center, a woman with long blonde hair, wearing a plaid shirt over a white top, looks down with her hand near her face. On the right, a woman with dark curly hair, wearing a white lab coat over a yellow shirt, looks down. The background is a blurred office or laboratory environment.

Better Careers For Californians

Innovations that Build the Talent Pipeline

ABOUT JFF

JFF is a national nonprofit that drives transformation in the American workforce and education systems. For 35 years, JFF has led the way in designing innovative and scalable solutions that create access to economic advancement for all. Join us as we build a future that works. www.jff.org

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About this Brief Series

JFF's Brief Series, *Better Careers for Californians*, explores the urgent need in California to better train and prepare workers for higher skill and higher paying jobs, benefitting both struggling workers and employers needing a skilled workforce. It describes barriers that California workers face as they seek career advancement and some of the innovative practices generating better jobs now. The series highlights needed shifts in the relationships between employers, education systems, community organizations, and workers that can fuel the state's growing economy and boost opportunities for workers. It also explores the public and private investments required to impel systemic changes that will lead to more equitable employment outcomes for Californians.



Introduction

Innovation and Opportunity in California

Millions of Californians lack the resources to meet their basic needs, even though at least one person in their family is working. Too many young people cannot find a job that makes a living wage. Too many working adults need to advance from low-wage work to middle-skill careers.

At the same time, in 2018, 1.4 million middle-skill jobs in California went unfilled.¹ By 2030, the state will face a shortfall of 2 million workers with the skills employers seek.²

Addressing this gap between the skills workers have and the skills employers need requires new and innovative approaches to the education, training, and employment systems that prepare workers and match them with employers. Fortunately, these critical, innovative efforts are already underway across the state—and they’re showing promise.

The first brief in this series discusses the barriers workers face as they seek

to connect to good jobs with career advancement potential. It describes the systemic shifts necessary to address these barriers and provides examples of the kinds of innovations that are creating transparent career pathways for workers stuck in low-wage employment.

In this second brief, we spotlight promising innovations generated by organizations involved in The James Irvine Foundation’s Better Careers initiative. This statewide effort aims to connect 25,000 youth and adults to “better careers,” which are defined as jobs that pay at least \$18 per hour and provide clear opportunities for further training and advancement. The innovations are grouped into three broad categories according to the main focus of a program (though it is worth noting that many organizations create approaches that include aspects of some or all of the categories):

- Innovations that generate substantial investment from employers
- Innovations that construct new and diverse on-ramps for workers
- Innovations that build and strengthen accelerators and aggregators



Increasing Employer Investment

When employers engage more directly in the development of their talent pipelines, they get the workers they need. The examples and sidebar spotlights below illustrate the power of employers investing early and often in developing their workforces and the immediate return on their investment that results in workers with the right skills for entry-level and middle-skill positions.

Taller San Jose Hope Builders

Taller San Jose Hope Builders is a community-based agency in Orange County that helps disconnected young adults, 18 to 28 years old, gain the job training and life skills they need to move out of poverty and achieve career and life success. The organization has gained national recognition for developing a strong on-ramp into jobs in several employment sectors, including health care, information technology, construction, and business administration. It has successfully partnered with a local community college to offer a first certificate for entry into several growing industries.

Hope Builders used its Better Careers grant to connect with employers offering higher-wage, entry-level jobs and learn what it takes to enter and advance in their industry sectors. During discussions, Hope Builders learned that staffing agencies didn't always send work-ready candidates that could effectively fill open positions. In response, Hope Builders began exploring the idea of serving as a more aligned staffing agency for these employers, offering better preparation and vetting of young workers as well as supports for placement and retention.

Hope Builders—with employer input—designed customized skills training aimed at getting youth ready to succeed in positions at these companies. Hope Builders provides 10 weeks of training in core employability skills, tool knowledge and safety training (OSHA 10 certificate) while providing participants with the stabilization services they need to persist. The second half of the training takes place at worksites and consists of further training through a structured internship. This approach has shown strong early

outcomes: In the construction sector, 90 percent of youth in the training program convert to direct hires, in jobs paying between \$15 and \$20 per hour and with companies that regularly assess performance and increase wages.

After demonstrating the training program's value, Hope Builders secured new investments from its employer partners. Employers now pay the costs of a 10-week internship (\$8,000 per internship) with Hope Builders serving as the employer of record. This arrangement minimizes the risks for businesses and gives employers a chance to get to know their interns before making a full-time hire. Through this earned-revenue model,

Hope Builders funnels 30 percent of the employer investments back into program development, enabling the organization to expand programming. Hope Builders hopes to further increase these investments in the future.

One effect of the employers operating as "paying customers" is that Hope Builders must operate at a high level of professionalism and provide a hard-headed assessment of training participants' readiness for internship and placement. Convincing employers to invest in new workers requires ongoing professional development for program staff and use of sophisticated data dashboards that show the return on investment for participating businesses.





Chaffey College

Since 1883, Chaffey College has served as one of the largest two-year community colleges east of Los Angeles, with campuses in Rancho Cucamonga, Chino, and Fontana. In 2014, a Trade Adjustment Assistance Community College and Career Training (TAACCCT) grant from the U.S. Department of Labor was awarded to Chaffey College to partner with California Steel Industries in renovating CSI's old industrial building. Together, the partners created a new regional training center called the Industrial Technical Learning Center (InTech).

InTech trains and upskills workers and creates a workforce pipeline for manufacturing and related industries within the region. InTech is also the state's

only public-private partnership between industry and the community college system that offers training to individuals at no cost.

However, despite InTech's initial success, unfilled job positions continued to plague local industries. To address this challenge, Chaffey College staff and the school's local business partners decided that even greater investments would need to be made to train the local workers and put new emphasis on nontraditional populations—dislocated workers, justice-involved individuals, unemployed and underemployed workers, veterans, and women. Chaffey College used its Better Careers grant to develop on-ramp programming at InTech for those needing more time and supports to enter formal training programs. It also developed a paid

internship program that was co-funded and created with employers.

The results of this new effort have been impressive: The paid InTech internships have a 90 percent completion rate, and those who complete their internships enter jobs with pay ranging from \$16.60 to almost \$20 per hour. Additionally, training at the InTech site is so closely aligned to industry that many participants are offered full-time employment before they even complete their training.

Further, the success of this work continues to expand with a new state-of-the-art HVAC training facility opened in partnership with Chino Valley Adult School, which provides education classes and career counseling services to the community's adult and alternative students. InTech has also recently launched an Industrial Electrical and Mechanical Pre-Apprenticeship program, which is the first pre-apprenticeship registered with the state's Division of Apprenticeship Standards.

To ensure continued alignment to the needs of the region, InTech and its partners have conducted a regional study of nontraditional registered apprenticeships and occupations in fields such as automation, machining, and additive manufacturing. As a result, they are expanding training to further connect workers and employers in the region.

Bitwise Industries and Geekwise Academy

Bitwise describes itself as a tech ecosystem that activates human potential in Fresno and other underserved cities around the country. Bitwise raised \$27 million in Series A financing from business investments led by Kapor Capital and New Voices, the largest Series A ever raised by a Latinx female-led company. With this pool of private-sector investment and a Better Careers grant, Bitwise (through its education arm, Geekwise Academy) has supported the development of a web developer job readiness program. The program trains underemployed and unemployed workers in the San Joaquin Valley for middle-wage jobs in regional tech industry. Geekwise offers highly compressed evening classes—with transportation and tuition assistance when needed—that prepare students to immediately secure coding jobs in local companies. Bitwise has also attracted technology companies to shared work spaces in downtown Fresno, contributing to urban revitalization. Bitwise partners with senior software engineers; they work with Geekwise cohorts to develop software solutions for clients around the world. Geekwise has produced more than 1,000 new software developers with starting annual salaries of \$55,000 and is seeking to expand to Bakersfield.



Constructing New and Diverse On-Ramps

Low-skilled workers need more “front doors” and entry points into living-wage careers. These examples highlight the importance of education and training providers building partnerships with community stakeholders in new ways to ensure that job seekers—especially those facing barriers—get the supports they need to access and succeed in training that leads to well-paid employment.

Jewish Vocational Service

The Jewish Vocational Service is one of the Bay Area’s oldest and largest community-based providers of adult education, teen employment, and workforce development. Since opening its doors in 1973, JVS has helped more than 85,000 low- to moderate-income individuals build skills and find jobs.

Recently, JVS has placed a special emphasis on assisting people left behind by the Bay Area’s prosperous growth, particularly those who are disproportionately affected by future work trends, such as rapid technological growth,

automation, and the rise of contract work. This has required JVS to study the local labor market and make hard choices about which career pathways to support within the organization.

As a result of research and study enabled by its Better Careers grant, JVS decided to change its career pathway programming. It reduced the number of existing training programs to ensure that all offerings would qualify individuals for jobs earning \$18 or more per hour. It concentrated training in a few growing sectors: health care, financial services, and technology. The organization decided to reduce numbers in its training cohorts so it could offer more tailored supports to clients and better address the range of education, training, and support needs that today’s workers face. Additionally, JVS has secured investments from local employers for work-based placements. This ensures that along with skills training and credentials, participants can get the on-the-job experience they need to secure permanent, well-paying employment.

The impact of pathway programs changes in one year alone is impressive: 75 percent of JVS graduates are working in jobs that pay at least \$40,000 a year. And for adult trainees, the average hourly wage has grown 10 percent in one year, to \$32 per hour.

Center for Employment Opportunities

The Center for Employment Opportunities is a national nonprofit that provides immediate and comprehensive employment services for more than 8,000 people annually who are returning from prison. CEO operates community-based sites in 26 cities across 10 states, with eight sites in California.

CEO is noteworthy for its social enterprise model, providing clients with immediate paid employment as they are released from incarceration. CEO works to create partnerships and policies where stakeholders—sharing resources and playing to their core strengths—address the multiple needs of this population and move them into the economic mainstream.

Through contracted work from public agencies, CEO clients are connected to one of more than 100 transitional work crews. The crews work on a variety of maintenance and beautification projects. Once clients are ready, CEO works to connect them with employment, working with a range of employers that pay more than \$18 an hour. CEO also connects

clients to training programs offered by sister organizations, educational institutions, and unions. The training programs offer various certifications that help clients enter or advance in high-demand fields.

CEO clearly understands its niche among employment services: Research studies have indicated that the organization is very successful at serving the highest risk individuals through the “transformational power of work.” Upon receipt of a Better Careers grant—and in response to the continued rise of incarceration rates in California and nationally—CEO opened new locations in California, expanding from three sites in 2016 to eight in 2019. CEO now serves more individuals in more places, moving from a California client base of 1,200 to 3,000 in just under two years.

CEO helps remove barriers that clients face and builds employers’ capacity to work successfully with formerly incarcerated populations. The organization absorbs liability by serving as the employer of record during the transitional employment period and providing strong follow-up support—for workplaces and clients—once individuals secure long-term jobs outside of CEO. The organization also promotes change through improved policy; for example, CEO has been a dedicated advocate for “ban the box” policies in California and across the country.

Data studies, both internally and externally, show promising results. In San Diego, a 2015 quasi-experimental study found that participants in CEO training programs (between October 2011 and March 2014) were found on follow-up to be 34 percent less likely than a comparison group to be charged with a new crime. The impact was even larger for “early engagers”—individuals who enrolled in CEO soon after release from jail. These results were reinforced in a randomized control trial in New York City, boosting CEO’s confidence that it can produce a sizable, reliable reduction in recidivism. The New York State Division of Criminal Justice Services reported in December 2017 that three years post-enrollment, CEO participants were 48 percent more likely to be employed than the comparison group.³



Turning Basin Labs

A unique on-ramp to middle-skill jobs is Turning Basin Labs, a worker-owned, cooperative staffing agency that aims to offer economic success to all. Just launched in 2019, the for-profit enterprise is building and testing a model that offers work at \$18 or more per hour to Bay Area residents. The for-profit, worker-driven enterprise works with employers in the broad areas of technology, clerical occupations, and manufacturing to understand their needs and then, with a laser focus on diversity and inclusion, sources work and skill-ready workers to fill employment gaps. TBL will actively work to expand the pool of businesses willing to hire individuals who are seeking to leave low-wage jobs. The cooperative gives members access to a range of career services such as ongoing training and professional development, financial planning, and connection with a worker network committed to collective advancement. Moving into “high road” jobs through a worker-owned cooperative is a highly innovative way of constructing pathways shaped by worker voice.



Strengthening Accelerators and Aggregators

Accelerators or aggregators can promote supportive policies and bring together partners to help large numbers of jobseekers connect to middle-skill careers. The following spotlights showcase the power of coalitions and intermediaries to connect stakeholders and drive sustainability and scale.

LeadersUp

LeadersUp was established in 2013 by the Starbucks Coffee Company. The organization develops the untapped potential of young people to solve the business challenge of finding and keeping the best talent. LeadersUp functions as an accelerator, connecting 75 employers across Chicago, San Francisco, and Los Angeles with hundreds of highly prepared, though formerly untapped, youth.

LeadersUp develops and provides training for young jobseekers and assists managers in mentoring and retaining their new employees. It also organizes citywide events, called The Future at Work Summits, where work-ready young people

interview with area employers that are looking for quality entry-level employees. The number of connections made through these events goes well beyond those typically generated by small job training programs. For example, in San Francisco, a recent summit engaged nearly 500 youth and achieved an 80 percent interview-to-offer ratio. Over three years, LeadersUp has connected nearly 2,500 youth in the San Francisco area with local employers.

With its Better Careers grant, LeadersUp is developing products such as toolkits and services such as training, to scale its work in both the supply and demand sides. With these new products, the organization can build the capacity of community-based organizations (CBOs) to prepare young people for higher wage work and train companies and managers so they can retain and develop their new talent pool. LeadersUp also convenes roundtables to help business leaders see a clear connection between developing an inclusive workplace culture and achieving a robust bottom line.

LeadersUp works to change the typical narrative about young adults from urban communities, stressing their energy, professionalism, and potential. The organization works with employers to change workplace cultures to be more receptive to a diverse talent pipeline, resulting in a workforce that is more reflective of their customer base. With its expanding relationships with work-ready youth, CBOs, and engaged business partners, LeadersUp is attempting to create a seamless system of career opportunity that yields benefits for young people, businesses, and regional economies.

California EDGE Coalition

The California EDGE Coalition began in 2006 with a stakeholder group interested in helping the new governor maintain the state's economic competitiveness. Its 2013 report laid out a reform agenda with endorsements from more than 100 businesses and organizations, including the California Labor Federation, AFL-CIO, California Manufacturers & Technology Association, California Workforce Association, and Community College League of California. The report's recommendations called for new investments in regional workforce and economic development efforts, with an emphasis on helping working adults move up the employment ladder. Since then, EDGE has advanced increasingly specific policy recommendations and

engaged in active legislative advocacy. EDGE counts among its victories raising the visibility of career and technical education and reforming education and workforce systems to prepare upcoming and incumbent workers for the jobs of the future.

In 2017, EDGE began working with the Better Careers initiative in partnership with, and as a sub-grantee of, the National Skills Coalition. EDGE developed the Skills for California network and co-hosted the first Skills for California Summit in February 2019. The summit was modeled after the national Skills Summits held annually in Washington, D.C. Nearly 100 California-based advocates, practitioners, and researchers participated in this first state summit, shaping a workforce policy agenda and set of principles for a world-class workforce development system. Among these principles are ensuring that public workforce training programs are aligned with market demand and that industry leaders invest in development of their talent pipelines.

Using funds from its own Better Careers grant (beginning in the summer of 2019), EDGE is promoting innovations that show the most impact in helping workers in low-wage work paying access good jobs in today's economy. EDGE promotes the broad use of dual enrollment in adult basic-education programs, expanding online coursework, and fashioning a system of competency-based education in California community colleges to

better support the career development of working adults. EDGE also will conduct listening sessions with low-wage workers to learn more about the actions they believe will enable their career growth. Additionally, EDGE will invite representatives from social-justice and community-based organizations to join the coalition. These actions will ensure that EDGE can build on its policy development track record and help scale many of the innovations highlighted in this brief.



San Diego Workforce Partnership

San Diego Workforce Partnership is recognized as one of the country's top city- and county-designated workforce development boards. SDWP aims to help San Diego residents connect to high-paying jobs in the local technology sector. Better Careers funding enabled SDWP to create TechHire San Diego, a national model that connects low-income youth and adults to high-paying jobs in the information and communication technology field. SDWP formed a technology sector council comprised of two dozen regional tech industry leaders that represent 22 businesses and organizations to advise on skill alignment, emerging industry needs and guide the design of TechHire.

Especially innovative is SDWP's work with the University of California at San Diego to create income-share agreements. Together, SDWP and UC San Diego offer initial no-cost nine- to 12-month certificate trainings in digital marketing, front-end web development, and Java programming (among others), coupled with internships, mentorships, and job placement participating businesses. Once workers who complete the training secure a job paying \$40,000 a year or more, they pay back the program 6 to 8 percent of their salaries for a time (generally between 36 and 60 monthly payments), essentially "paying it forward" and sharing the costs so future training cohorts can access the training.



Conclusion

Moving Innovation to the Mainstream

Closing the gap between the skills that low-wage California workers have and the middle-wage skills employers need is a challenging task. Fortunately, organizations, businesses, and workers across the state are stepping up to address it. Organizations like those featured here are demonstrating significant shifts in the landscape of career preparation and advancement. Among them are new risk sharing agreements that create conditions for aligned training and greater employer investment and emerging models centered on worker voice and agency. While transformations are the work of many, the unrestricted funding provided by The Irvine Foundation's Better Careers Initiative gave these organizations time to build new knowledge and capacities and engage in relationship building, shared reflection, and planning. With new insights, partners and tools in hand, the work began to move to a new level of effectiveness.

Demonstrations of impact are exciting but by nature are limited and the need is great. The third and final brief in this series will explore how to sustain and accelerate these transformations and generate greater career opportunity for more California workers. We'll suggest how new roles, investments, and policies could help build a system for career development, one in which all workers connect, contribute to, and benefit from this state's vibrant and rapidly changing economy.

ENDNOTES

- 1 *Path to Employment: Maximizing the Impact of Alternative Pathways Programs* (Boston: Tyton Partners, 2017), https://irvine-dot-org.s3.amazonaws.com/documents/258/attachments/Path_To_Employment_Tyton_Part_1_June2017.pdf?1502131152.
- 2 Hans Johnson, Marisol Cuellar Mejia, and Sarah Bohn, *Will California Run Out of College Graduates?* (San Francisco: Public Policy Institute of California, 2015), <https://www.ppic.org/publication/will-california-run-out-of-college-graduates/>.
- 3 Center for Economic Opportunity, *Improving Long-Term Employment Outcomes: Promising Findings from New York State* (New York, NY: Center for Economic Opportunity, 2019), https://ceoworks.org/assets/images/CEO-Improving-Long-Term-Employment_042319_print.pdf.



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