

A large, light blue, serif letter 'S' that spans across the horizontal boundary between the orange top half and the teal bottom half of the page. The top part of the 'S' is in the orange area, and the bottom part is in the teal area.

Strengthening
Workforce
Policy:

Applying the Lessons
of the Jobs Initiative
to Five Key Challenges

Five horizontal bars of equal length, stacked vertically on the left side of the page. From top to bottom, the colors are: reddish-orange, light blue, light green, orange, and light blue.

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Strengthening Workforce Policy:

Applying the Lessons of the Jobs Initiative to Five Key Challenges

Introduction

IN 1995, the Annie E. Casey Foundation launched the Jobs Initiative, a major workforce initiative supporting ambitious efforts in six cities: Denver, Milwaukee, New Orleans, Philadelphia, St. Louis and Seattle. The foundation funded organizations in each of the cities to act as intermediaries that would bring together local institutions, employers and other interested groups to find ways to improve workforce training delivery. The initiative encouraged these local intermediaries to focus on methods that improved job placement and retention for disadvantaged workers and job seekers, and to look for ways to promote those methods to build a stronger workforce system in each area. Consultants identified by the foundation and the sites provided technical assistance and helped the sites explore avenues to improve and expand the workforce systems.

Consistent with Casey's intent, the Jobs Initiative sites primarily served younger job seekers and workers with limited education and job skills and who faced additional barriers to employment. More than 85 percent of the Jobs Initiative participants were members of minority groups, three-quarters of participants had a 12th-grade education or less and more than one-fifth had limited English skills.¹ Overall, the Jobs Initiative sites placed workers in jobs that paid an average wage of \$9.41 per

hour and provided access to benefits and career advancement.²

The Jobs Initiative produced important successes and provided a wealth of knowledge about more effective workforce practices. Along with the achievements realized by workers, employers and providers, the Jobs Initiative has made it an important goal to carefully analyze its work and glean lessons for those interested in improving the nation's workforce delivery system.

While the Jobs Initiative’s operational phase ended several years ago, it continues to exert a major influence on the delivery of workforce development services in each of the six target cities. Moreover, the Jobs Initiative experience has informed and helped to shape a number of subsequent national initiatives aimed at moving disadvantaged workers and families toward economic self-sufficiency. For example, the Jobs Initiative has served as a launch pad for Casey’s Center for Working Families initiative; the Working Poor Families Project, supported by Casey and other foundations; and the National Fund for Workforce Solutions, supported by Casey, the Ford Foundation, Hitachi Foundation and others.

Along with its contributions to a new generation of workforce efforts, the Jobs Initiative can provide several key lessons to a specific group—policy makers in Washington, state capitals and local communities across the country. This report reviews those lessons and is designed to be a useful resource as policy makers seek to identify key problems and possible solutions for improving workforce training.

The report does not begin with lessons. Rather, it starts by identifying five central problems that confront policy makers who are interested in improving workforce development programs. These central problems are:

- ▶ major demographic changes in the American workforce, which require new responses to ensure a qualified labor pool;
- ▶ workforce programs that are relegated to “silos,” leading to inefficiencies and poor alignment with regional employer needs;
- ▶ the challenges that policy makers encounter in trying to build workforce systems that meet the needs of both job seekers or workers and employers;

- ▶ inconsistent performance measures that make it difficult to assess the comparative effectiveness of different workforce development approaches or programs; and
- ▶ funding policies that have the unintended consequence of making it more difficult to focus on the needs of the most disadvantaged job seekers.

For each problem presented, this report describes particular insights developed at one or more Jobs Initiative sites. The report seeks to distill the experience of this decade-long, national initiative in a way that makes the lessons both pertinent and accessible to local, state and federal policy makers. These insights inform the final component of each section of this report—policy recommendations to address the five identified problem areas. For each, the report provides specific policy actions that can resolve or significantly ameliorate the problems identified. Policy makers reading this report are encouraged to view these recommendations as a guide as they attempt to identify refinements in policies, administrative rules and practices that will improve local and state workforce systems.

The workforce system depends on input from policy makers at all levels of government. While state and local officials are generally responsible for implementing programs, key funding and regulations are under the control of federal officials. This report recognizes that local workforce efforts can be made more difficult by sometimes inflexible federal policies. One overriding lesson from the Jobs Initiative is that policy makers at all levels must communicate well with each other to establish programs that work effectively.

Improving workforce systems should be a priority for the nation, state and localities. In an increasingly global economy, the nation will require an increasingly well-trained workforce to remain competitive. But many American workers are

St. Louis MET Center Builds on the Jobs Initiative Experience

ALTHOUGH THE JOBS INITIATIVE HAS CONCLUDED, its principles and lessons remain an important part of workforce efforts in the participating cities and beyond. In St. Louis, this can be seen in the Metropolitan Employment and Training (MET) Center.

Fostered by the St. Louis Regional Jobs Initiative, the MET Center represents an unprecedented collaboration among public officials of St. Louis County and the city of St. Louis, workforce development providers and St. Louis Community College.

The MET Center is designed as a model one-stop center, with services that are integrated and not just co-located. It offers a single place where job seekers and workers can receive a variety of services, including pre-employment training for entry-level jobs, vocational and advanced skills training in several high-growth and high-demand employment sectors and supportive services to help disadvantaged job seekers overcome barriers to training and employment. The MET Center provides integrated recruitment, assessment, case management and post-placement services and tracks participant graduation, placement and long-term retention.

In recent years, through its Center for Working Families initiative, the Casey Foundation has worked to promote an even wider range of critical services to low-income workers to help them progress to family economic self-sufficiency. The MET Center has embraced this larger vision and has added work/income support services and asset-building services for participants, complementing its existing workforce development program. Participants can now receive a range of vital services, including, for example, tips on improving their credit rating, help with transportation or child care or help with how to dress on the job. Casey has formally designated the MET Center as a Center for Working Families site.

poorly prepared for the workplace, and the trend lines make clear that the situation is growing more problematic. A strong workforce training system is critically needed to address the nation's economic needs—but also to provide reliable paths for low-skilled job seekers and workers to enter the workforce and make their way into family-supporting careers. Investing in a system

that creates such opportunities is a boost to them and their communities.

To create that kind of efficient and well-focused system, policy makers can build on the lessons of the Jobs Initiative and other workforce initiatives.

problem:

The American workforce is undergoing major demographic change, and workers are less prepared to move into jobs.

FEDERAL POLICY MAKERS are rightly concerned with the long-term competitiveness of the American economy. Remaining competitive will require the nation to meet the demands of employers who need workers with better skills and training.

This challenge is growing more complex because of demographic changes in much of the country. In some cases, these changes are due to an influx of immigrants, particularly Latinos, who are seeking to enter the workforce and move into careers. Many immigrants and other people of color also face steep obstacles in the workplace that stem from racial misperceptions or other culturally related problems.

In another shift, the workforce is growing younger—and less prepared—for the workplace as comparatively well-educated Baby Boomers retire. Overall, an increasing percentage of people entering the workforce lack a high school diploma or GED, the most basic workplace credential. Many of these workers lack basic workplace skills, often including reading and English skills. Without adequate skills, these workers are hard-pressed to move into jobs with family-supporting wages and benefits.

Many employers are intent on finding qualified job seekers but are not prepared to deal with these changes in the workforce. They lack experience in dealing with a demographically diverse workforce. And the workforce development programs that currently try to assist these employers

often lack a key “cultural competence,” making them unable to tackle these challenges effectively.

Jobs Initiative Insights

The Jobs Initiative sites clearly understood the challenges of placing people of color, particularly men, into jobs. This prompted a thorough review of workplace realities and workforce development practices within the Casey Foundation and at the Jobs Initiative sites. These sites recognized that they needed to improve their cultural competence to address the training needs of an increasingly diverse workforce.

Sites developed a variety of responses. Some focused on hiring outreach workers and other staff who reflected the pool of people who were moving into the sites’ programs. The New Orleans Jobs Initiative (NOJI) used “walker/talkers”—hired from the community being served—to reach out to job seekers and counsel participants after they enrolled. The Denver Workforce Initiative (DWI) employed “community coaches,” who served a similar function. The sites found that it was critical for participants to be able to interact with staff members who reflected their local community and could communicate with them effectively.

Jobs Initiative sites also discovered the value of using targeted remedial education, soft skills training and supportive services to help individuals improve their work skills and their ability to stay employed. To make such services more

effective, Jobs Initiative sites developed new, more culturally relevant forms of job-readiness training. And some sites developed new curricula to help job seekers and workplace managers bridge cultural gaps and foster better workplace achievement.

These new training tools were developed by Jobs Initiative sites and their partners to meet the needs of people of color, who have traditionally faced barriers to securing good jobs and advancing in the workplace. These tools allowed the sites to better address ethnicity, race and culture issues in a variety of jobs projects. Using these tools also gave the sites insights that were useful in exploring broader policy and system reform efforts.

That work helps to guide the work at Jobs Initiative sites and elsewhere. The Seattle Jobs Initiative, for example, maintains a strong commitment to cultural competence, incorporating it throughout its activities, including hiring, outreach and staff training. The Jobs Initiative's work has produced new materials to aid workforce service providers improve their cultural competence as well. For example, the Joint Center for Political and Economic Studies developed a series of publications to provide guidance to workers and employers on this important topic.

Policy Recommendations

Policy makers should be mindful of the obstacles that confront people of color, new immigrants and other job seekers from disadvantaged communities. Culturally relevant training approaches and materials can be essential for fostering effective communication and providing adequate support to participants. At the same time, these populations often require basic skills and job-readiness assistance as part of any workforce training. However, critical federal funding does not take these considerations adequately into account.

In reauthorizing the Workforce Investment Act, and in refining other federal employment and training programs, Congress and federal policy makers should include provisions that:

- ◆ require states and localities to explicitly incorporate cultural competence into their workforce development plans;
- ◆ increase the availability of soft skills and job-readiness training and ensure that such training reflects lessons from the cultural competence field;
- ◆ acknowledge that Adult Basic Education, remedial education and English as a Second Language services are essential features of the workforce development system and make those services easier to obtain, particularly in coordination with publicly funded occupational training;
- ◆ identify effective practices in classes leading to a GED and in remedial education programs and promote broader adoption of those best practices and innovations; and
- ◆ recognize the importance of and provide funding for career coaching and case management for disadvantaged populations, and support efforts to provide job seekers with a better-coordinated system of supportive services.

Resources

- “Cultural Competence in Workforce Development: The Jobs Initiative Experience,” 2006, Annie E. Casey Foundation.
www.abtassociates.com/reports/JI_Cultural_Competence_Report.pdf
- “Taking the Initiative on Jobs and Race,” 2001, Annie E. Casey Foundation.
www.aecf.org/upload/PublicationFiles/taking_initiatives_on_jobs.pdf
- “Building Cultural Competence: A Tool Kit for Workforce Development,” 2003, Joint Center for Political and Economic Studies.
www.jointcenter.org/publications1/Publications_Detail.php?recordID=13

problem:

Workforce systems are often too compartmentalized, causing inefficiencies and poor alignment with employer needs.

GOVERNORS AND OTHER STATE LEADERS who want to create a seamless workforce development system that meets the needs of workers and employers must often confront funding strictures and policy regulations that make such action difficult. These strictures and policies can lead to inefficiency and workforce systems that are not aligned with real-world needs.

For example, the federal government and states often create separate bureaucracies for literacy programs, adult basic education, workforce development, higher education and supportive services. Clearly, these various programs can all be key components of an effective workforce development effort. However, bureaucratic obstacles make it difficult for workforce programs to harness these resources in a coordinated and efficient manner. Some funding streams serve one population, while others serve a different one, making effective coordination difficult, if not impossible.

At the state and local level, economic development and workforce development agencies also fail in many cases to coordinate their policies and spending initiatives because of differing philosophies or long-established bureaucratic traditions. Again, this short-sighted tendency significantly hampers workforce programs' ability to meet the needs of both workers and employers.

Finally, rules concerning how federal and state funding is funneled through localities can often distort how local workforce programs deliver

services. In some cases, a regional approach focused on a particular job sector is called for, but funding goes to two or three areas within that region, making coordination difficult.

Jobs Initiative Insights

These types of funding and policy problems are well known to workforce service providers. Seeking to shed light on such bureaucratic and funding complications, the Philadelphia Jobs Initiative (PJI) sponsored a printed analysis in 2002 that showed the wide array of state and federal resources that could be applied to training and employment services. The revealing analysis, prepared by experts at The Reinvestment Fund, which oversaw PJI, made clear that many of these programs were operated as freestanding bureaucratic “silos” that were not designed to be part of a multi-pronged approach. It also suggested several reforms to make better use of the \$1.3 billion available for various components of workforce development.

This analysis, released during a governor's race, focused attention on the need to coordinate such resources to meet the pressing demands of employers, and it produced important results.

Following the election, the new governor of Pennsylvania—the former mayor of Philadelphia, who had been supportive of PJI's efforts—used the analysis to establish a state workforce development agenda that encourages greater collaboration across funding sources. This agenda included the creation of regional, sector-focused industry partnerships throughout the state.

These partnerships play a valuable role by developing regional plans that promote better-coordinated and complementary service delivery. Instead of operating highly local silo-like workforce efforts, these partnerships seek to align their offerings to meet the needs of regional employment sectors across Pennsylvania.

The state has also taken steps to coordinate workforce development and economic development efforts, in recognition of the economic importance of building workforce skills.

Building on the success of the funding analysis work in Pennsylvania, the Rockefeller Foundation supported similar efforts in several states, including New York, California, Massachusetts and Florida. These analyses helped to illustrate problems within those systems and raised the visibility of workforce funding and delivery issues.

Policy Recommendations

Governors and state policy leaders must recognize that a full-fledged, coordinated workforce *system* is needed to provide the most efficient workforce development efforts. Such a system requires a broad-based effort spanning many areas of state government, as well as other institutions, such as community colleges and workforce boards. At the same time, state leaders must recognize that within that statewide framework, workforce efforts must be focused regionally to respond to regional labor market and workforce needs. To those ends, state leaders should take the following steps to foster a more effective state workforce development system:

- ◆ Use a broader definition of “workforce development system” to include adult basic education, remedial education and literacy programs and courses at higher education institutions, particularly community colleges.

- ◆ Reorganize the responsibilities of state agencies, which may include creating coordinating councils to promote more collaboration and efficiency across state education, workforce development, economic development and supportive service initiatives.
- ◆ Require their states to do regional assessments of workforce development needs and to take a regional approach to planning for workforce development and supportive service delivery, structured around targeted industry sectors.
- ◆ Encourage service providers to develop regional, sector-based partnerships and collaborations and encourage Workforce Investment Boards (WIBs) to work cooperatively. Such an approach may require merging some WIBs to address workforce needs more efficiently at a regional level. When regional strategies are undertaken, the state should adjust its performance-reporting requirements to minimize localities’ fears about not being able to “count” outcomes achieved collaboratively across jurisdictions.

Resources

- “Pennsylvania’s New Performance Management Plan and Benchmark Report on Current Workforce Programs,” 2005, Commonwealth of Pennsylvania.
www.paworkforce.state.pa.us/about/lib/about/pdf/pa-new-performance-management-plan-benchmark-report-on-current-workforce-program.pdf
- Pennsylvania’s Standards for High Performance Local Workforce Investment Boards, Commonwealth of Pennsylvania.
www.paworkforce.state.pa.us/about/cwp/view.asp?a=471&q=152127

problem:

State and local officials struggle to implement a “dual customer” approach that meets the needs of both job seekers and employers.

PERHAPS THE KEY DEVELOPMENT in the workforce field in recent years is the recognition that workforce development systems must meet the needs of both employers and workers. However, fostering a “dual customer” workforce system that effectively responds to employers’ needs is easier said than done. In many cases, state and local officials find it difficult to fully engage employers in framing workforce development services. Although committed to the principle of a dual customer system, state and local officials often find it difficult to make this concept a reality.

Workforce development programs too often act primarily as extensions of public welfare and social services systems. These program providers can focus narrowly on meeting the needs of their clients seeking jobs. When they seek to bring employers into the process, however, workforce development officials and providers often use language and follow time-consuming processes that businesspeople find off-putting and inconsistent with their firms’ bottom-line interests. Bridging those communications and process gaps can be challenging for all parties.

Jobs Initiative Insights

The Jobs Initiative made it clear that new workforce intermediaries can be particularly effective in helping workforce development programs to meet the needs of employers and workers. An intermediary acts as a broker, a go-between linking employers, service providers and other key institutions. Intermediaries view themselves as

labor market organizers and, when functioning effectively, remain attentive to the needs of both employers and job seekers or workers. As neutral organizers, workforce intermediaries can lead negotiations over the roles that each stakeholder will assume in delivering workforce services, settling turf battles and clearing up bureaucratic fuzziness.

The Jobs Initiative worked with an existing intermediary in Milwaukee, the Wisconsin Regional Training Partnership (WRTP)³, which had ties to both labor and employers. WRTP uses a collaborative strategy to ensure that its workforce services are beneficial to both job seekers and employers. A nonprofit association of more than 125 labor unions and employers, WRTP sees its role as one of an intermediary encouraging labor-management collaboration within companies and forming partnerships within key employment sectors, partnerships that bring together businesses, labor unions and community partners.

These partnerships have several related goals. They seek to enhance the quality of employment opportunities for job seekers and incumbent workers and to increase the productivity of the workforce, which appeals to participating employers by improving their competitiveness.

WRTP’s collaborative approach grew out of two factors. First, it was apparent that certain sectors of the Milwaukee economy—manufacturing, machining, health care and construction, in

particular—offered opportunities to provide workers with family-sustaining wages. Second, the Milwaukee initiative recognized that the existing workforce development system was not meeting the needs of either employers or job seekers, particularly job seekers with low skills, inadequate education or other barriers to employment.

To implement its collaborative strategy, WRTP first seeks to establish and support joint labor/management committees within individual firms. These groups work together to identify the training needs within each company and then create a program to meet those specific needs. WRTP offers employers a menu of services from which to customize specific solutions to workforce-related challenges, ranging from on-the-job training and workplace education for incumbent workers to essential workplace training for new employees. It also can provide English-as-a-Second-Language instruction to workers or basic Spanish to managers needing to communicate with workers.

A key to the success of this approach is that both employers and unions are involved in crafting the workforce development program from the beginning, and each group recognizes the importance of having both sides involved. WRTP eases labor-management communications, which can be strained. In the end, employers who help design training programs are more confident about hiring program graduates than they might otherwise be.

WRTP also brings companies together within key employment sectors, including manufacturing, hospitality and health care. These broad partnerships have developed a range of programs to build a stronger workforce, focusing on such issues as turnover, absenteeism and skills training.

The experience of WRTP and other Jobs Initiative sites has shown the value of workforce

partnerships and has generated new support for the concept. Building on that, in 2007 the National Fund for Workforce Solutions will begin a major effort to support workforce partnerships in communities around the country.

The Annie E. Casey Foundation, the Ford Foundation, the Hitachi Foundation and others will capitalize this effort with a \$30 million to \$50 million investment fund. The Fund will use this money to increase the number of successful local and regional workforce partnerships and expand the scale of existing partnerships. To accomplish this, the Fund will seek to:

- ◆ aggregate significant human and financial capital from the private, philanthropic and public sectors;
- ◆ expand the number of workforce partnership funder collaboratives and deepen their impact;
- ◆ amass evidence of the effectiveness of workforce partnership activity;
- ◆ develop standards for high-performance workforce partnerships and increase support for partnerships that meet these standards;
- ◆ demonstrate the capacity to increase the scale of effective workforce partnerships; and
- ◆ establish the ability to sustain the financing for workforce partnerships.

Policy Recommendations

Policy makers should actively support the establishment and ongoing operations of workforce intermediaries at the state and regional levels, through new funding and a sharper focus on ensuring that these intermediaries are meeting the needs of both workers and employers. They can do this in several ways, including:

- ◆ Funders of workforce development efforts should provide direct support for intermediary services, including funding high-quality workforce intermediaries to maintain and expand their capacities. Funders should also create

incentives to encourage the creation of more intermediaries. Such funding must allow for local flexibility, as no two regions face the same issues. However, such funding should come with clear performance expectations. Ideally, this funding would come from new resources to avoid reducing the already inadequate resources available for providing direct workforce services.

- ◆ Funders also should support intermediaries indirectly by funding industry partnerships that function as intermediaries, or by investing in regional strategic planning efforts that will encourage the development of partnerships to serve as intermediaries.
- ◆ In addition, funders of workforce development services should institute performance measures

problem:

Inconsistent standards make it difficult to measure the performance of workforce programs.

STATE AND LOCAL POLICY MAKERS would like to allocate workforce development resources to the most effective practices and providers. However, they find it difficult to assess comparative effectiveness among programs and providers because of the inconsistency in how these programs and providers measure their own performance.

Despite efforts in many areas of the country, the workforce development field suffers from having little agreement on this subject. One program tracks one outcome, while another tracks something else, making comparisons impossible. This problem is compounded by a lack of consistency in how these programs use management information systems to track their clients as they move

for training and service providers that reflect desired outcomes for both employers and job seekers/workers. This will help to ensure that all workforce development provider activities are attentive to both sets of customers.

Resources

- “Workforce Intermediaries: Powering Regional Economies in the New Century,” 2005, Annie E. Casey Foundation.
www.aecf.org/upload/PublicationFiles/FES3622H336.pdf
- “Workforce Intermediaries for the Twenty-first Century,” edited by Robert P. Giloth, 2004, Temple University Press.
- National Fund for Workforce Solutions.
www.nfwsolutions.org

through services and to track their outcomes after leaving the programs.

In cases where a funding source has defined standard performance measures, the measures are often limited to assessing how many people are placed in jobs and then tracking how long these participants stay in jobs—in the short term. As a result, officials obtain little information on whether the programs are succeeding at preparing participants to remain in jobs for the long term and advance up the career ladder. While job placement statistics are important, long-term retention and advancement remain critical goals that need to be measured carefully.

Finally, workforce programs frequently use performance data only to report on their efforts to their funding sources, rather than using the data as a source of information to improve how they deliver workforce programs. In doing so, they miss an important opportunity to analyze their work objectively and look for ways to improve. This situation is due to the fact that public funding sources typically do not reward grantees for practicing self-assessment and making ongoing improvements, nor do they invest in improving providers' management information systems. Instead, these funding programs tend to use the available data to focus more narrowly on whether grantees are complying with contractual requirements.

Jobs Initiative Insights

The Jobs Initiative experience in the six cities has demonstrated more effective uses of performance measures. The initiative showed that using a common set of such measures, and emphasizing self-assessment, can lead to increased accountability and a commitment to continuous improvement and smoother operations.

Each Jobs Initiative site was required to track longer-term (i.e., at least 12-month) retention performance—that is, how many participants stayed on the job for 12 months or more—and to continually assess its results against its goals. This clear focus on long-term retention rates encouraged each of the sites to organize its operations around ways to improve such retention outcomes. (At many Jobs Initiative sites, participants had remarkable success staying employed over a 12-month period; see sidebar on page 9.) The Casey Foundation also financially supported the development of management information system improvements at the Jobs Initiative sites.

Casey also required Jobs Initiative sites to track how well participants advanced in the workplace, which encouraged providers to refine their advancement promotion strategies. These strategies were markedly different from those of work-

force training providers in other areas, whose funding sources required them only to report on how many graduates they had trained, how many were placed in jobs and/or how many stayed on the job in the short term.

Because the Jobs Initiative sites were adopting new performance metrics (and, in many instances, more rigorous measurement standards), it sometimes proved difficult to compare the effectiveness of the Jobs Initiative efforts with those of the more traditional or pre-existing workforce development programs in the target cities. For example, it proved challenging to compare the Seattle Jobs Initiative's retention performance to other local workforce efforts because most of the non-Jobs Initiative service providers were not tracking long-term job retention. Moreover, to determine 12-month retention success, SJI tracked employment over the full 52 weeks, whereas many local providers used a less rigorous "snapshot" approach to determine retention.⁴ Even if another provider was tracking longer-term retention, its information was not necessarily equivalent to the SJI data—making for an apples-to-oranges comparison. This situation underscores the importance of creating a uniform approach to performance measurement.

In Pennsylvania, the Jobs Initiative experience actually led to state adoption of uniform performance measures. PJI recognized early on that reinvigorating and improving state and regional workforce development efforts was being hampered by a lack of credible data about how these efforts were performing. What data there were typically applied only to programs within a single funding stream, making comparisons of different programs difficult, and there were no standardized data on how this funding led to job placements and retention.

Recognizing the need to improve accountability within the workforce arena, PJI organized the Regional Workforce Partnership (RWP), a

30-member, employer-led group that has played a major role in advocating for improved, standardized performance reporting on workforce development services. Working with the partnership, PJI issued reports on the workforce system calling for more accountability, which caught the attention of state political leaders during a key gubernatorial election.

As part of the new gubernatorial administration, RWP's staff director became director of the Pennsylvania Workforce Investment Board and brought PJI's emphasis on results to the state's workforce efforts. One key result is that Pennsylvania has implemented a statewide Performance Management Plan, originally recommended by PJI. The plan requires 28 workforce development programs across the state to report annually on a set of common performance measures. Moving forward, the plan should ensure that these programs continue to set goals, consistently measure their results and accurately report their progress to policy makers, the workforce community and the public.

Policy Recommendations

The workforce field, thanks in part to the lessons of the Jobs Initiative, is more focused than ever on measuring results and crafting programs to meet desired outcomes. Achieving those key goals is essential to maintaining support from funders and policy makers. Policy makers and funders should:

- ◆ Focus performance measures on longer-term retention and advancement, rather than just on training graduation, placement, and short-term retention.
- ◆ Develop performance measures that focus on desired outcomes for both employers and job seekers or workers, to ensure programs are meeting the needs of both groups.
- ◆ Develop common definitions of the key performance indicators across funding sources and programs, including the Workforce Investment Act, Temporary Aid to Needy Families and

Solid Retention Results

The Jobs Initiative required sites to track how participants fared in the workplace over a full year—longer than many workforce programs do. In many cases, the results were extremely encouraging. For example:

- In Milwaukee, 77 percent of participants in a construction training program remained employed after 12 months.
- In Seattle, programs in electronics assembly, automotive repair and office work achieved more than a 66 percent 12-month retention rate.
- In St. Louis, a construction program achieved a 72 percent retention rate.

adult education. This will ease the reporting burden on grantees and will provide a basis for comparing performance across organizations, service delivery strategies and programs.

- ◆ Embrace the goal of placing workers in “good” jobs and establish a definition of such jobs, focusing on the job's starting wage and whether it provides access to benefits and offers the potential for advancement. Policy makers should take the next step and create funding incentives for trainers and workforce development providers to identify and place program participants in these “good” jobs.
- ◆ Expand support for providers to build their management information systems and encourage providers to use data to continually assess and refine their operations, in addition to using the data to make reports to funders.
- ◆ Within public agencies, create effective performance-tracking systems that can follow workforce program participants over time as they move into different programs. This will ease the burden on individual service providers

that have difficulty tracking participants' success over time.

- ◆ Take into account the up-front costs providers face to implement these kinds of performance-based systems. Funders should structure performance-based contracts to reflect those costs.

Resources

- “A Jobs Initiative Research Brief: Approaches to Measuring and Tracking Career Advancement,” Annie E. Casey Foundation. www.aecf.org/upload/PublicationFiles/FES3622H957.pdf
- In a project supported by the Casey Foundation, Public/Private Ventures, a national nonprofit research and evaluation organization, is devel-

oping a framework to allow organizations to compare their workforce development outcomes to those of other organizations that are serving similar populations. A long-term goal of the Performance Benchmarking Project is to identify meaningful outcome standards for the workforce development field, so that practitioners, funders and policy makers can be better informed about what constitutes good performance when working with diverse populations and service delivery strategies. For more information, visit www.ppv.org/ppv/workforce_development/workforce_development_initiatives.asp?section_id=5&initiative_id=36

problem:

Federal and state requirements make it hard for local initiatives to focus on the most disadvantaged workers.

AS DISCUSSED PREVIOUSLY, performance standards serve an important purpose in workforce development. At the same time, standards imposed from funders “above” can lead to unintended consequences. In particular, local policy makers find that the federal and state requirements imposed on education and workforce development programs often make it more difficult to provide services for the most disadvantaged job seekers.

In the workforce arena, state and federal funding agencies establish performance requirements for provider agencies regarding placement and retention rates for their program participants. That focus on meeting mandatory statistics can discourage local programs from serving individuals

who are not immediately job ready. Placing them in jobs often requires more services, and their success rate tends to be lower than for other populations of job seekers.

This problem is important and growing. Addressing chronic poverty in many American communities requires flexible workforce systems that can work effectively with the most disadvantaged job seekers. Removing bureaucratic and funding obstacles can give on-the-ground providers more latitude to work with this difficult-to-serve population.

In higher education, similar funding obstacles hamper training efforts geared to some disadvantaged students. For example, many states have established per-student funding calculations for

What We Now Know

THE JOBS INITIATIVE WAS LAUNCHED, in part, as a response to an early 1990s national evaluation of the Job Training Partnership Act, the primary federal workforce program. That evaluation concluded there was little evidence that most employment and training programs were effective, a finding that led to widespread questions among policy makers about the value of additional public investment in workforce development programs.

Accordingly, the Casey Foundation placed significant emphasis on data collection and analysis to document the outcomes achieved by the Jobs Initiative sites. With data on almost 25,000 participants and on more than 40 job projects across the six cities, the Jobs Initiative provided an unusually broad and rich database to assess the workforce development practices and innovations being implemented. Over a decade, a wide range of analyses used this database, and reports were published by Casey, Abt Associates, Metis Associates and others.

One of the more significant of these studies was the analysis completed by Abt Associates in 2002. Focusing on the 12,500 participants enrolled in the Jobs Initiative through March 2001, this assessment used regression analysis to determine the efficacy of the various training and service elements in promoting employment outcomes for disadvantaged job seekers. This study found that:

- Providing “job readiness” services and soft skills training was by far the most significant factor in assisting clients to reach the three-month job-retention milestone. This suggests that such services can be effective in preparing individuals with limited work experience or limited skills to achieve initial success in the workplace.
- The regression analysis also demonstrated that the most important factor in fostering longer-term retention (i.e., 12-month employment retention) was “hard skills” training. While job-readiness services help individuals establish an initial foothold in the workplace, they must possess hard skills if they are to be valued by employers on an ongoing basis and have an opportunity to advance in a company or industry. Although this finding seems somewhat self-evident, the federal government and many states appear to ignore the underlying logic of this finding in their approaches to implementing welfare reform.
- The analysis also showed that 12-month retention rates are highest when participants receive both soft and hard skills training and supportive services. Conversely, long-term retention rates were extremely low when participants had no access to training.

In addition, the Jobs Initiative evaluation found that the quality of jobs in which participants were placed also contributed to more positive employment outcomes.

In particular:

- Access to employer-subsidized benefits was associated with higher retention rates; and
- Positive wage change following initial placement was a strong predictor of long-term retention.

community colleges that are weighted toward full-time students. This tends to discourage these colleges from establishing vocational programs for part-time students. In reality, colleges should be encouraged to do far more to meet the needs of low-income, working adults who want to build their educational skills on a part-time basis. College credentials are a key building block for disadvantaged workers seeking to move into family-supporting jobs.

Jobs Initiative Insights

The Seattle Jobs Initiative (SJI), originally established within the city of Seattle’s Office of Economic Development and now independent, focused on training disadvantaged job seekers and workers. This population often needs extra services and sometimes doesn’t qualify for assistance through established funding streams. In particular, disadvantaged job seekers are often “screened out” of programs funded through the Workforce Investment Act—in part because their chances of success are not strong.

To deal more effectively with that population, SJI sought new sources of funding. It worked with the city of Seattle to create the Career Investment Fund, which provides certain emergency and supportive services that are not covered through traditional funding streams. For example, SJI can use this fund to refer workforce training participants to mental health or substance abuse treatment—support these participants need to stay in training and move into jobs. Such supports help improve the number of participants finishing training and workplace retention.

SJI also found other ways to help disadvantaged job seekers succeed in training and on the job. For example, it worked with community-based organizations to handle case-management services for participants and established basic training milestones that disadvantaged workers need to be employable. SJI also served as an intermediary to bring together

community colleges and community-based organizations that could provide coaching and support to enrollees in the colleges’ vocational programs, including help with transportation or child care.

Policy Recommendations

Disadvantaged job seekers require supplemental services to increase their chances of succeeding in training and in the workplace, but many large programs do not provide for such services or tend to discourage enrollment of the most disadvantaged people. To improve the ability to serve this population of job seekers and workers, local and state policy makers should:

- ◆ Identify alternate funding sources that are better suited to assisting the less job-ready, and consider establishing local funding pools that flexibly support otherwise unfunded but necessary services and training programs for disadvantaged job seekers.
- ◆ Negotiate with federal and state funders to establish more flexible performance standards when a local workforce effort seeks to work with more challenging populations.
- ◆ Advocate for part-time vocational students to be eligible for federal Pell grants and other forms of educational assistance. Similarly, policy makers should insist that state funding formulas for community colleges encourage colleges to offer critically needed courses for part-time vocational students.
- ◆ Support strategic partnerships between training institutions and community-based organizations that offer support services—combining their strengths to better serve disadvantaged workers.

Resources

- “Welfare Policy and the AECF Jobs Initiative,” Annie E. Casey Foundation.
www.aecf.org/upload/PublicationFiles/JobsInitiativeandwelfarepolicy.pdf

A New Source of Funding

WITH SUPPORT from the Annie E. Casey Foundation, government officials and nonprofit groups, including the Seattle Jobs Initiative, launched a pilot project in the Seattle area in 2005 to expand the use of Food Stamp Employment and Training (FSE&T) funds to provide services to clients who receive food stamps.

Under the FSE&T program, which has been underused in the past, states or local providers receive a 50 percent match from the federal government for every dollar they spend on eligible workforce services, such as workforce training for clients or job-search assistance.

The Seattle-area pilot is the first in the country in which third parties—as opposed to agencies directly providing food stamps or tied to a state’s workforce system—receive federal matching funds. SJI is one of five nonprofit providers involved in the pilot. As of the end of 2006, after 15 months of participation, the five providers had received \$730,000 in federal FSE&T matching funds.

Providers taking part in the FSE&T program have faced a variety of challenges, many of them related to meeting federal rules. However, SJI views the FSE&T program as a promising avenue for expanding services to clients who need employment and training assistance.

Conclusion

America’s workforce training needs are growing more acute as the global economy grows more competitive. The nation’s employers will continue to require well-trained, skilled workers at a time when a significant percentage of the potential workforce is not well prepared to move into the workplace. Demographic and global economic trends will elevate the importance of this issue in the public policy arena in the years to come. The challenges are significant, but workforce providers that were part of the Jobs Initiative have gained valuable insights and lessons about how to meet some of those challenges—as discussed in this report. These lessons provide policy makers with a variety of effective responses to economic shifts that are challenging the ability of employers to find qualified, skilled workers.

Policy makers can use these lessons to build stronger, more effective workforce policies. At the federal level, reauthorization of the Workforce Investment Act offers one key opportunity to do that. At the state level, governors, legislators and state leaders must ensure that state workforce systems are, indeed, *systems*—systems that effectively offer the services necessary to train the workforce, particularly disadvantaged job seekers. And at the local level, workforce leaders can provide new sources of funding and better-coordinated services, while developing new partnerships with community-based organizations, community colleges, foundations, employers and other local institutions.

By embracing and acting on the hard-earned lessons presented in this report, policy makers can take important steps to build a stronger and more effective workforce system that will pay dividends for workers, employers and the nation.

ENDNOTES

- ¹ In contrast to many workforce development efforts aimed at disadvantaged job seekers, the Jobs Initiative sites were successful in serving both men, who accounted for 46 percent of placements, and women.
- ² This average wage was 9.5 percent higher than the wage earned by participants who had held full-time jobs before taking part in the Jobs Initiative. This 9.5 percent figure understates the overall wage gain because about 10 percent of Jobs Initiative participants did not have previous full-time work experience. For more information on Jobs Initiative results, visit: www.aecf.org/upload/PublicationFiles/FES3622H957.pdf
- ³ In 2003, the Milwaukee Jobs Initiative (MJI) merged with the Wisconsin Regional Training Partnership as a way for MJI to secure an institutional home that would promote longer-term sustainability. MJI and WRTP agreed on the merger based on their shared commitment to innovation and common vision for improving the workforce development system in Milwaukee.
- ⁴ Under the “snapshot” approach, a provider contacts a participant at a particular point, and, if the participant is employed on that date, the provider often assumes that the participant had continuous employment over the entire period.

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***This report is dedicated to the memory of Laura Duenes,
former project director of the Jobs Initiative evaluation team.***

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The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. It was established in 1948 by Jim Casey, one of the founders of UPS, and his siblings, who named the Foundation in honor of their mother. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs. For more information, visit the Foundation's website at www.aecf.org.

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