Developing Tomorrow’s Workforce: Workforce Intermediaries and Career Advancement Strategies

Reinventing Older Communities: How Does Place Matter?

Federal Reserve Bank of Philadelphia
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Several Major Economic Trends Present Challenges and Opportunities for Workforce Development

• There is a growing income gap.

• The number of people working in the private sector and remaining under the poverty line is substantial.
  - Between 2000-2005, 25.5% were in poverty
  - 16.8% in the public sector were in poverty

• The percentage of jobs at the lower end of the earnings distribution is growing. It is thinning in the middle, and growing at both ends.

• More good jobs require post-secondary education, but the barriers are substantial.

• Adults in low-wage employment have difficulty moving up to higher wage employment. One study found that in the 1990’s, a period of high growth, only 27% of low-wage earners consistently raised their incomes above the poverty line for a family of four.
What can be done about these trends?

• Supply side approaches
  – Education and training
  – Skills training
  – Basic skills improvement
  – Post-secondary education
  – Income enhancements
    • Tax enhancements: EI TC
    • Asset development
What can be done about these trends?

• Demand side approaches
  – Improve the quality of jobs
    • Public policy
      – Increase minimum wages
      – Unionization
    • Change the quality of jobs
      – Career ladder approaches
      – Sectoral programs
  • Create more good jobs
    – Community benefit agreements, tax incentives, financing tools
    – Extension services, sectoral programs,
Workforce Intermediaries: Working Both the Supply and Demand Sides

• Different approach to workforce development, sometimes called by other names: “workforce partnerships”

• They have grown to fill a gap in a local labor market, not as a result of a national program or federal funding initiative

• There are many sponsoring “homes”: CBO’s, labor-management partnerships, employer associations, WIBs, community colleges
What Do Workforce Intermediaries Do?

- They are labor market organizers: They organize multiple partners and resources towards a common goal of advancing the status of low-wage workers
  - Aggregate employer demand
    - By sector
    - By occupation across sector
    - By geography

- Organize providers
  - Sometimes provide, sometimes broker services
  - Set quality standards for providers
  - Build continuum of services: ie. Pre-employment to incumbent upgrading

- Organize financial resources
  - Blend public funding to go beyond limits of categorical funding
  - Raise and blend in private funding: employer and philanthropic
  - Create new financing models
Workforce Intermediaries Work Both Sides of the Labor Market

- They see both employers and workers as customers

- They are bi-lingual: have strong employer and worker service skills and knowledge

- They see enhancement of skills and change in the quality of jobs as targets for intervention

- Focus not just on placement but on job and career advancement
  - Design and manage careers ladders
  - Help implement HR strategies beyond training: career coaching, etc.

- Work on broader policy issues that affect workforce development
<table>
<thead>
<tr>
<th>Industry</th>
<th>Establishments in Boston</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital and Nursing Care</td>
<td>132 (33 hospitals)</td>
</tr>
<tr>
<td>Retail–Health/Personal Care</td>
<td>244</td>
</tr>
<tr>
<td>Hospitality</td>
<td>135</td>
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</tbody>
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## Sector Analysis

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Employees in Boston MSA</th>
<th>Mean wage</th>
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</thead>
<tbody>
<tr>
<td>Janitors and cleaners</td>
<td>44,140</td>
<td>$12.57</td>
</tr>
<tr>
<td>Maids and housekeepers</td>
<td>13,990</td>
<td>$10.82</td>
</tr>
<tr>
<td>Food and preparation</td>
<td>16,850</td>
<td>$10.18</td>
</tr>
<tr>
<td>Cashiers</td>
<td>55,320</td>
<td>$9.38</td>
</tr>
<tr>
<td>CNA/Medical Assistant</td>
<td>7,100</td>
<td>$15.49</td>
</tr>
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Hospitality Career Institute

• Outgrowth of focused sector work by two CBOs working in hospitality: JVS, IIB

• Focus on skills training, placement, and incumbent worker upgrading in culinary and lodging segments of hospitality industry

• Organizing employers
  - Convention Centers as hub of education and training
  - Hotel chains as hub of education and training: ie. Hilton

• Services
  - Pre-employment training and placement
  - Career ladder planning and design
  - Incumbent workers training: ESOL, ABE, computers, customer service, supervisory training, job specific
  - Career coaching/mentoring

• Strategic focus on linking economic development and workforce development: pipeline of new hotels, restaurants, particularly in Seaport district
Health Care Training Institute

- Began in the Longwood Medical Area as a project of two Community Development Corporations, merged with JVS in 2007

- Provides pre-employment, workplace education, career coaching, career ladder development services

- Now serves fifteen Boston-area acute and long-term care health care institutions
Health Care Training Institute: The Long-Term Care Challenge

• Long-term care facilities need LPN’s but have difficulty finding and hiring them

• Most long-term care-givers are CNA’s

• CNA’s could be a great source of LPN’s, but…
  - Limited English
  - Limited education
  - Not ready for college-level work
  - Working adults with busy lives and limited resources
Long-Term Care Career Development Model

• CNA to LPN

• ESOL and “pre-college” classes contextualized for the long-term care environment

• Career/ academic coaching

• Interim “career ladder” positions: i.e.: CNA 2

• LPN classes
  - Reserved college slots
  - Release time
  - On-site or provide transportation to college
Lessons Learned From Service Delivery

• Career ladders need to be realistic and attainable with interim steps as appropriate
• Workplace education must be “contextualized”
  – Use the language, experiences, and challenges of the workplace
  – Introduction of core competencies when available
  – Meet employer need: i.e. orientations
• The time to get college-ready can be long and difficult
• Career/academic coaching is key
• On-site, flexibly scheduled education is important
• Release time is a must
Lessons Learned: Building Intermediaries

• Scale is challenging, most operate in the 100’s, not 1,000’s

• A sustainable financing model is key to scale
  – Union-management funding agreements
  – Private investment models

• Capacity development is key to scale
  – Building a successful business
  – Delivering high quality services to employers