

Workforce Development Policy Recommendations

Introduction

This position paper was prepared by The Workforce Boards of Metropolitan Chicago in partnership with the Metro Economic Growth Alliance of Chicago. The paper expresses the views of these two organizations on public policy relative to workforce development.

The Workforce Boards of Metropolitan Chicago is a regional consortium of Workforce Boards that have collaborated for the past eight years on initiatives that address workforce and economic development issues. The Workforce Boards oversee development of a workforce system that provides individuals with education and training required for career opportunities in high demand occupations and provides employers with access to a skilled, competitive workforce. The Metro Economic Growth Alliance of Chicago is a partnership of lead economic organizations from throughout the metropolitan Chicago region that are committed to growing the regional economy through coordinated, effective business development. Both organizations recognize that the quality of its workforce is intrinsically linked to the strength of its economy.

The region represented by these two organizations is significant both in terms of its geographic area, its constituency, and its contribution to Illinois' and the nation's economy.

- The region includes the City of Chicago and the following eleven counties: Cook, DeKalb, DuPage, Grundy, Kane, Kankakee, Kendall, Lake, Livingston, McHenry, and Will.
- The region represents a population of 8.9 million, 69% of Illinois' population¹.
- The region represents a workforce of 5.3 million, 70% of Illinois' workforce.
- The region represents 207,000 employers, 70% of Illinois' employers.
- Chicago was recently ranked #8 as a global city².
- The number of jobs in the region increased by 303,792 over the last five years³.

The Workforce Boards of Metropolitan Chicago and Metro Economic Growth Alliance of Chicago support establishment of a national workforce development policy and provide the recommendations contained herein as a framework for such a policy. Inaction is unacceptable – now is the time for an increased commitment and investment at the federal level in development of our nation's workforce.

Policy Recommendations

Preserve and Improve the Public Workforce System

Businesses are concerned about the lack of high skilled workers to fill current and future positions, there are significant numbers of discouraged workers and displaced workers, and our educational system lacks consistency in providing youth with the skills they need to enter career preparation education/training

¹ Strategic Advantage, Fall 2008 data

² FOREIGN POLICY, The 2008 Global Cities Index, http://www.foreignpolicy.com/story/cms.php?story_id=4509

³ Strategic Advantage, Fall 2008 data

programs. A strong public workforce system can help our nation develop the skilled workforce it needs and provide its citizens with the career opportunities they deserve.

- **Locally Administered, Business-Driven System** - The locally administered workforce development system established under WIA should be continued. Chief local elected officials are charged with appointing business and community leaders to the Workforce Boards so that local needs are appropriately identified and addressed. Local Workforce Boards are instrumental in ensuring the workforce system is business-driven, resources are maximized through the formation of collaborative partnerships, stakeholders are convened around critical workforce development issues, and education/training programs are available that provide individuals with access to high demand jobs.
- **Adequate Funding** - In FY2008, WIA appropriations were cut and included a \$250 million rescission. In the metropolitan Chicago area, this represented a loss of \$3,177,742 in WIA funding. In order for the U.S. to successfully address the shortage of skilled workers that businesses require and provide job seekers and workers with access to education/training, funding for WIA needs to be increased substantially in FY2009.
- **Regionalism** - The Workforce Boards realize that the economic vitality of each of their areas is impacted by issues that cross geographic boundaries. Institutions can be more effective in addressing shared workforce issues by building on each other's strengths and working together to leverage funding to support large scale solutions. The federal government should promote regional collaboration through financial incentives and competitive grant awards.

Align Human Capital with Current and Emerging Economy

Our nation's economic strength will depend on our ability to train and prepare skilled workers for the jobs of today and tomorrow. The Bureau of Labor Statistics predicts that we will face a shortage of 10 million workers by 2010. The aging of the population along with slow labor force growth will result in fewer workers to produce goods and provide services. With a shrinking labor pool, businesses will be competing more than ever for skilled workers.

- **Sector-Based Strategies** – Public workforce funds should strategically support development of a skilled workforce that meets current and future needs of our employers. In the metropolitan Chicago region, the Workforce Boards have demonstrated success in addressing skill shortages through sector focused initiatives. Public workforce funds should be used to leverage private sector investments aimed at addressing skill shortages in specific industries (e.g., healthcare, transportation/logistics, technology).
- **Postsecondary Training/Education** - According to the Bureau of Labor Statistics, 45% of all job openings between 2004 and 2014 will be middle skills jobs.⁴ Middle jobs are those that require more than a high school education but less than a four year degree. We can prepare our unemployed for these jobs with increased funding for existing programs or new programs that provide job seekers increased access to postsecondary training/education and basic skills training.

⁴ *America's Forgotten Middle-Skill Jobs*, Skills 2 Compete, November 2007, page 4.

- Retraining Incumbent Workers – Two thirds of the workforce of 2020 will be comprised of adults already in today’s workforce.⁵ We must provide increased opportunities for incumbent workers to acquire new skills so our current workforce can remain competitive in a changing workplace. Congressionally authorized programs should help local industries grow and re-tool their workforces for the future.
- Training to Support Job Creation – Proposed job creation initiatives can only benefit job seekers if they are trained to “step into” the jobs that become available. Any new initiatives, such as those addressing renewable energy or public infrastructure improvements, should have a job training/retraining component that includes both the development and delivery of customized training that provides workers with skills needed for the jobs created.
- Career Pathways – The Workforce Boards have partnered with the Chicago Jobs Council in encouraging postsecondary education to develop and implement bridge programs, funded pilot career pathway programs, and engaged industries to define career pathways/crosswalks. The workforce system recognizes the value of career progression through pathways and support funding targeted to advancing the careers of incumbent workers and job seekers through career pathways/crosswalks.

Invest in Our Future Workforce

By 2015, the number of retirement age workers (65 and older) in Illinois will be twice the number of individuals ages 18 to 24 entering the workforce.⁶ By 2030, 41 million new workers will enter the U.S. workforce as 75 million retire.⁷ Only a significant investment in our youth will generate enough skilled, technologically savvy, and educated workers to keep our state and nation competitive.

- STEM (Science, Technology, Engineering, and Mathematics) - There is an increasing need for individuals in the region’s workplace with strong science, technology, engineering, and mathematic skills. The nation’s STEM workforce is expected to increase 8% between 2008 and 2013. Additionally STEM skills are the foundation of fostering innovation and competitiveness. The federal government should promote a new generation of American innovation and entrepreneurship through support for pilot programs that focus on increasing K-12 student exposure to technology, math and science and encouraging more students to enter science, math and technology fields.
- Dropout Intervention Strategies - It has been labeled “a silent epidemic” – almost one third of all public high school students will fail to graduate from high school with their class. And the rate is even higher – nearly 50% - for Blacks, Hispanics and Native Americans.⁸ This means that 59,600 of Illinois’s 180,641 9th grade students who entered high school in 2006 will either not earn a diploma or will take longer than 4 years to do so.⁹ The majority of these individuals will face a

⁵ Election 08:Candidates Proposals for Growing the Economy by Investing in People, www.Skills2Compete.org

⁶ Keeping Illinois Competitive, Northern Illinois University, June 2006, page 2.

⁷ Ibid.

⁸ *The Silent Epidemic*, Civic Enterprises in association with Peter D. Hart Research Associates for the Bill and Melinda Gates Foundation, March 2006, page 1.

⁹ Enrollment Report, Illinois State Board of Education, January 22, 2008, <http://www.isbe.net/reports/annual07/students.pdf>.

lifetime of hardship with few employment prospects and limited earning potential. There must be an increased investment in program interventions aimed at keeping our future workforce in school.

- College and Work Preparedness – Unfortunately, a high school diploma is no guarantee that our youth have acquired the skills needed for postsecondary education/training that may be required for a future career. Statistics indicate that 30% of incoming first-year college students are required to enroll in remedial courses, and only a minority of those students end up earning a degree.¹⁰ Education attainment is also no guarantee that our youth possess the skills that employers are expecting or needing. According to employers, new job entrants that are recent graduates of high school lack the most important skills needed to succeed in the workplace. Targeted funding is needed to assist the educational system in aligning assessments with postsecondary education/training and workplace skill requirements and implementing innovative solutions for bridging the skills gap for entry into college or the workforce.
- Youth Employment Programs – Higher unemployment rates mean more people are competing for entry level jobs that traditionally provided young people with employment opportunities. The availability of employment for our youth is important for a number of reasons – from earning money to assist with family expenses or build their college fund to being exposed to the world of work and developing good work habits. Given the current economy, there should be federal support for youth employment programs to be administered through the public workforce system.

¹⁰ *The Connection Strategy*, The Annie E. Casey Foundation, 2007, page 3.