

Priming Today's Workers for Tomorrow's Jobs

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The economy is changing. Former boom industries are declining, while new sectors are expanding. Looking forward, our nation's success will increasingly depend on our ability to develop a workforce that has the ability to meet the needs of burgeoning growth industries. Successfully retraining the existing workforce to fill these needs will be a critical component of our future prosperity. As policymakers struggle to combat high unemployment, worker retraining has taken on a new urgency. But Congress must ensure that the federal government's training programs meet new and future labor market demands. By streamlining some of the training mechanisms established by the Workforce Investment Act (WIA), lawmakers can ensure that displaced workers are quickly matched with the jobs of the future.

The Problem

Government job placement programs are stuck in the past.

The American workforce is changing.

Although the Great Recession accelerated job losses in some traditional high-employment sectors, the reality is that certain occupations are in the midst of a long-term decline. A recent Wall Street Journal survey found that economists believe 25% of this recession's job losses to be structural rather than cyclical.¹ For example, advances in technology and imports from lower-wage countries have decreased demand for some traditional manufacturing skills.² Between 1997 and 2003, 297,000 textile manufacturers lost their jobs, and these workers experienced more difficulty than the average worker in finding a new job.³ Currently, four of the top ten fastest declining occupations are in textile manufacturing.⁴ File clerks and telemarketers are also on the list of dwindling occupations.⁵

On the other hand, health care jobs are growing rapidly. It's estimated that by 2014, the U.S. will need 6 million new health care workers to fill vacancies created by retiring employees and increased demand,⁶ and eight of the top ten fastest growing occupations are in the health care field.⁷ Positions with high projected growth include physician's assistants, pharmacy technicians, occupational therapist aides, and dental hygienists—all positions that require associate's degrees or moderate on-the-job training. If the U.S. employment picture is to improve, laid-off workers must readjust their skill sets to adapt to new economic realities, and federal workforce training programs should help them do it.

But some WIA-funded training is for declining industries.

The Workforce Investment Act, which replaced the Job Training Partnership Act in 1998 as the nation's framework for workforce development, revamped our federal job training infrastructure.⁸ Thanks to the creation of one-stop career centers, job seekers can now receive a variety of services—job listings and market information, case management, and funding for approved training—all in one place. Around the country, these centers are helping to equip job seekers for current job openings, but not necessarily for long-term success.

When an individual is deemed eligible for training, he or she, in consultation with a case manager, chooses from a list of eligible programs that are selected by that state's Workforce Investment Board. Although WIA requires that eligible job seekers select a training program that is directly related to available positions in the local area, this requirement makes no distinction between growing and declining occupations. For example:

- Pennsylvania's list of WIA-approved training programs includes a course for a certificate in Word Processing and Secretarial Science,⁹ despite the fact that the state's labor market data projects that Pennsylvania will lose 2,400 Word processor and typist jobs by 2018.¹⁰
- Ohio's list of approved training programs includes a training program to turn out lathe operators,¹¹ despite the state's projection that Ohio lathe operator jobs will decline by 29% before the end of the decade.¹²

While openings are indeed available for declining occupations, these positions may be eliminated by the time an applicant completes a certificate program, or the worker may be forced to retrain in five or ten years as projections come to fruition.

Skills training is a last resort.

Currently, one-stop career centers offer three sequential levels of services. First, a job seeker receives "core" services, including an orientation, labor market information, a skills assessment, job search assistance, and information on supportive services. If these services do not result in sufficient employment, the client moves to the next level of "intensive" services, which include help with an individual employment plan, case management, career planning, and group counseling. Only after a job seeker demonstrates that the first two levels of service did not lead to a job that allows that person to be financially self-sustaining can he or she then be deemed eligible for training services.¹³ This process can be burdensome for job seekers who need to retrain quickly to find employment.

The Solution

Reform federal training programs to make them more relevant to 21st century economic needs.

To make Workforce Investment Act programs more relevant to changing economic times, Third Way proposes that

policymakers:

- Require one-stop centers to provide annual information on the fastest growing and declining occupations in both state and local economies;
- Recommend that half of state and local WIA board members represent regional growth industries; and
- Fast-track job seekers toward training for growth occupations.

Ensure job seekers have up-to-date employment outlook data.

One-stop career centers offer job listings, information on local and state economic conditions, wage data, and more. Some states provide statewide and sub-state projections for the fastest growing occupations, but there is no requirement that centers provide specific regional information to guide individuals in their job searches.

At centers where this information is not available to job seekers, it's likely not available to caseworkers who guide job seekers through the career search process. Requiring that one-stop centers provide annual information on the fastest growing and fastest declining occupations in both state and local economies will ensure that prospective applicants and the staff committed to helping them are equipped with adequate knowledge of job market trends.

This information is extremely valuable to job seekers. The Bureau of Labor Statistics first began providing occupational growth projections in 1946 as a way to help steer veterans on the G.I. Bill toward promising career paths.¹⁴ While training in electronic equipment assembly may pique some job seekers' interest, the fact that the U.S. is projected to lose more than 31,000 jobs in this field by 2018 may cause many to (wisely) choose another path.¹⁵ By arming one-stop job seekers with similar relevant data, we can guide them toward occupations that represent the greatest opportunity for full employment and job security.

Recommend that Workforce Investment Boards reflect growth industries.

The Workforce Investment Act sets forth requirements for state and local Workforce Investment Boards (WIBs), which oversee job seeker services and approve training programs. The Act requires that the chair of each board, as well as a majority of board members, be representatives from business.¹⁶ By recommending that half of the representatives of a given state or local WIA board represent industries offering jobs that fall within the top ten fastest growing occupations for that state or region, Congress can ensure that those who create jobs are advising federal job training efforts.

Because WIBs give the final word on the approval of training programs that receive WIA funding, including representatives of industries with worker shortages, makes it all the more likely that training relevant to such shortages will be offered. And by emphasizing growth industries from the top, WIBs can ensure that employment opportunities in these industries are highlighted throughout the range of one-stop centers' services—from job listings to case management to the creation of innovative partnerships with local employers.

Fast-track job seekers to growth occupations.

Allowing job seekers the option to skip the majority of initial services and immediately apply for training eligibility in one of the state's or region's fastest-growing occupations would inject needed efficiency into WIA processes. It would not only help to accelerate individual job searches, but also would have the effect of steering workers toward more gainful jobs rather than the low-level service jobs they might find using the basic levels of one-stop services. In addition, it would create an incentive for workers to fill projected shortages. By expediting the path to training for job candidates who want to enter growing industries, we can promote quicker employment and begin to address the skills mismatch in our economy.

The Rollout

- Provide a resource manual listing the fastest growing occupations in your district's region, as well as local job listings and relevant WIA-approved training programs.
- Hold a press conference at a hospital, energy facility, or other local employer seeking skilled workers.

Critiques and Responses

Federal job training is a waste of money, and this won't change that.

Workforce development is vital to ensuring that American workers can meet labor market demand. And increasing the efficiency of the labor market benefits both workers and employers while promoting economic growth. In these times of fiscal austerity, we must take the money dedicated to this purpose and do more with it. That begins with ensuring that job training matches long-term employment opportunities.

The federal government shouldn't interfere with the makeup of state and local Workforce Investment Boards.

Local boards need the input necessary to ensure that workers who use one-stop centers gain marketable training that leads to long-term employment. And because board size isn't limited by statute, the board membership recommendation could be satisfied by adding representatives from growth industries, rather than replacing existing board members.

Candidates for job training need to be screened prior to receiving training funding.

They will be. Before any job seeker is offered funding for training, a caseworker must determine that the candidate has the "skills and qualifications" to successfully take part in a training program.¹⁷ This would not be changed by fast-tracking candidates. We want to ensure that the candidates that are eager to enter the high-demand fields are trained as

quickly and efficiently as possible, to the benefit of both individuals and businesses.

END NOTES

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