



# Moving From Short-Term Jobs to Long-Term Skills

## Priorities for Workforce Investment Act Reauthorization

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The Workforce Investment Act of 1998 is up for re-authorization this year. WIA-funded programs are designed to help unify a fragmented set of employment and training programs and create a single, universal system—a one-stop shop with local centers that can serve all job seekers needs, particularly those who are low skill, low income, and unemployed.

The WIA one-stop system brings together 16 categories of programs from four separate federal entities: the Departments of Labor, Health and Human Services, Education, and Housing and Urban Development. Federal agency funds are distributed through state and local workforce investment boards, or WIBs, which manage the one-stop centers, and include businesses, unions, postsecondary educational institutions, community-based organizations, and government agencies. 650 WIBs around the country currently fund and manage approximately 1,600 one-stop centers.

This re-organization has simplified the delivery of federal employment and training services, but the system as a whole has not kept pace with the increasing demand for postsecondary level skills in the U.S. economy nor the dizzying complexity of the labor market. WIA services focus on short-term crisis intervention—helping people re-enter the workforce quickly rather than counseling workers and helping them receive the training and education they need to find a long-term, well-paying job. Only 40 percent of funds are invested in training, and it is unclear how many credentials this investment actually produces. And the program provides very little in the way of career counseling support to job seekers.

WIA would be more effective at helping workers access good jobs and acquire skills needed to keep the U.S. economy competitive if it focused on postsecondary credential attainment, provided professional career counseling services, and improved the quality of the business-led, local workforce boards that manage WIA funds.

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## WIA and postsecondary credentials

Workforce development in the 21st century should be about postsecondary credential attainment for working learners—individuals ages 18 to 64 who are already in the workforce but lack a postsecondary credential. Working learners need these credentials to be competitive for well-paying jobs that can support a family. But they often follow nontraditional education pathways to get these credentials and therefore require career coaching and support services that can help them be successful while balancing work-life responsibilities.

The good news is that the United States has a workforce development system. The Workforce Investment Act of 1998 established programs that provide flexibility and proximity to labor market opportunities so that services can be tailored to working learners' needs. The bad news is that WIA programs were not intended to increase postsecondary educational attainment or provide the continuous career counseling services that help working learners succeed in postsecondary educational programs. Exacerbating these challenges, the business-led local workforce investment boards that direct WIA implementation generally lack the knowledge and expertise to ensure good performance overall.

WIA uses eight measures to assess the performance of services provided to working learners. Six of the eight are entered-employment related goals such as entry into unsubsidized employment and retention in unsubsidized employment six months after entry into the employment. Yet only about 40 percent of WIA funds are invested in training workers. And of the estimated 13 million who received any services in program year 2003, only about 416,000 individuals received training, of which only about 323,000 were enrolled in occupation programs that teach more advanced skills in specific occupations and yield a postsecondary credential.

Data show that up to 85 percent of participants in WIA programs are unemployed, which means they are likely seeking help once they are already in a crisis situation. This is a point for service delivery, but it is not necessarily the ideal time to construct a long-term plan for career success and development. Lessons from WIA's

focus on job placement and short-term training indicate that these programs help millions of workers find jobs and stay in the labor market, but they do little to build the skills working learners need to boost their wages as they move from company to company. Instead, these workers cycle in and out of low-wage jobs.

WIA program performance has been constrained by the lack of workforce development expertise within the business-led, local workforce boards that direct funded programs. This is due in part to the political nature of the appointment process. But it is also because of a broad assumption that all businesses inherently understand the intricacies of how to develop workers' knowledge and skills. It is clear in the private sector that some firms are better at this than others. Firms that have exemplified workforce development practices that target and support working learners include Southwest Airlines, Kaiser Permanente, and Harley Davidson. Each of these companies uses high-performance workplaces practices to engage workers such as self-directed teams, multiskilling practices, offline committees, and performance incentives.

Lack of connection to the communities where working learners live is another drag on WIA performance. Unions play an important role in representing working learner interests on workforce investment boards, but their voice needs to be augmented by those of individual working learners. WIA can learn from the well-documented microenterprise literature in this regard. Microenterprise programs such as the well-known Grameen Bank engage program recipients in governance, co-accountability, and program management as a way to build knowledge and social capital for success. This leadership engagement process has been demonstrated to increase program effectiveness and embed programs in the communities they most want to help.

As discussions of WIA reauthorization pick up steam, the Center for American Progress is focused on system improvements that we believe can help move funded programs and initiatives toward establishing goals for postsecondary attainment, delivering robust career guidance services, and enhancing leadership from governing boards. We have identified three priority areas for Congress to make changes in the legislation: 1) refocusing performance measurements on degree attainment, 2) strengthening career counseling services, and 3) improving local workforce boards.

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## Refocusing performance measurements on degree attainment

The WIA system needs to build working learners' incremental bridge to college credit and occupational credentials as they improve their education over time. This is an educational journey that could take a number of years and include enrollment in more than one educational program, a blend of workplace and classroom learning, and attendance at multiple institutions.

Yet WIA programs generally focus on shorter-term training and job placement rather than the longer-term career development that working learners and our national economy require. To keep WIA systems focused on postsecondary attainment for working learners, Congress should:

- **Establish statewide postsecondary education goals as part of WIA performance measures in cooperation with states and local workforce investment boards.** Data points should include the number and type of credentials received, the number of individuals that start credential programs, and the number of individuals that start and finish credential programs. State and local boards could use the data to better invest in programs and methods that help achieve these goals.
- **Create a set of intermediate goals for state and local workforce investment boards that demonstrate working learners' progression toward a postsecondary credential.** Data points should include individuals that start and complete remedial education, those who complete remedial education and move onto college-credit-bearing courses, and those who complete intermediate benchmarks known as "stackable credentials" on occupational career tracks.
- **Revise the eligible training provider list requirements to create a tighter connection between adult basic education, occupation skills training, and credit-bearing coursework.** WIA training providers that do not offer college credit must be able to demonstrate that their program of instruction is accepted as a prerequisite for credit-bearing coursework at a postsecondary institution. Training providers that do offer college credit must demonstrate that they have effective ways to ensure students transition from not-for-credit to credit-bearing programs.

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## Strengthening career counseling services

The 21st century economy requires a workforce system capable of engaging both unemployed and employed workers on their journey toward a postsecondary credential. To meet this need, WIA must become an adaptable career navigation system that helps people blend work and learning. We recommend that WIA:

- Require that one-stop career center partners include opportunities to provide career guidance across agencies as part of their Memorandum of Understanding for co-location at the center.
- Instruct the Office of Adult and Vocational Education and the Employment and Training Administration at the U.S. Departments of Education and Labor, who have primary responsibility for WIA funds, to work together to create national standards for all career navigation programs and the professionals who provide the services.
- Build on research on successful career counseling programs as well as existing national and international skills standards for career professionals. Tie federal funding to the adoption of these standards and encourage foundations to do so as well.
- Fund a 10-state demonstration project to build the capacity of frontline one-stop center staff, community colleges, nonprofit organizations, and labor unions to provide career guidance. States or partnerships of no less than three workforce investment boards would compete for grants that would be used to upgrade skills of the institutions listed above to provide career coaching. This demonstration project would include a technology-supported project to keep individual working learners informed of labor market trends and postsecondary credentials when they go back to work.

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## Improving local workforce boards

Local workforce boards are the ones who decide how to invest federal WIA funds in communities, and it is therefore critical that these boards are headed by individuals that have knowledge and experience of how to develop the skills of workers and also represent the neighborhoods and families living there. The boards

need to be investing in the best education providers and committed to measuring quality in meaningful ways. Congress can improve the quality of local workforce boards with the following measures:

- **Set a standard for business membership on boards.** At least 50 percent of business board members should be from firms that meet standards for being high-performance workplaces. State and local WIB staff, in partnership with U.S. Department of Labor regional offices, could adapt existing high-performance workplace audit tools to validate potential board member workplace practices. Board members, supported by U.S. Department of Labor regional offices, could conduct simple audits that document practices of high-performance workplaces, including self-directed teams, multiskilling practices, offline committees, and performance incentives.
- **Create a minimum of 20 percent board representation for individual working learners or community organizations that understand worker needs but are not in the business of training services.** These board members would help frame program policy and outreach so that it makes sense in their peer groups, families, and neighborhoods. The Employment and Training Administration could work with state and local WIBs, and the Office of Public Engagement, and Office for Faith-based and Neighborhood Partnerships in the secretary's office at the U.S. Department of Labor to promote board membership and prospective board members to facilitate the process of changing board representation.
- **Partner with the Manufacturers Extension Program, a Department of Commerce program that develops small- and medium-size companies' management and production competencies.** A partnership with the MEP would develop small business' capacity to meet high-performance workplace standards so that they can participate on boards. The MEP could work with the state workforce investment board to develop a competitive grant process using WIA discretionary funds to promote high-performance workplace practices. Firms could apply to receive these funds and receive training to improve management practices. These firms would then be eligible to participate as workforce leaders on local workforce investment boards.
- **Re-establish U.S. Department of Labor regional offices' role in providing technical assistance to state and local boards.** DOL has an important role to play in developing boards' quality assurance capacity. The regional office net-

work has been under resourced over the past 10 years and pulled back from its historic role as a technical assistance provider. Congress should restore funding to allow these offices to provide workforce investment boards with support to improve education and training quality and governance.

These recommendations can help move the Workforce Investment Act toward helping more Americans achieve postsecondary credentials, broadening economic opportunity and enhancing economic competitiveness in the United States.