



Opening Doors

How to Make the Workforce Investment Act Work for Women

Liz Weiss July 2010

Introduction and summary

The U.S. workforce development system is not meeting the needs of one half of our workforce—women. The Workforce Investment Act is a critical tool for employment and training for American workers. But WIA emphasizes quick job placement over building skills or attaining education, and the system is not set up to recognize and prevent unequal results of women or other participants.

Women are particularly short-changed by this system because it perpetuates, and even exacerbates, labor market inequities, specifically gender segregation by occupation and a large gender wage gap. WIA programs do not focus on these problems. Nor do they provide adequate training or career counseling. The upshot: Women enter mostly low-skill, low-wage “women’s jobs,” such as nursing aides, cashiers, and office clerks, and earn much lower wages than men. This segregation occurs even for women who receive the highest level of WIA service—training.

Congress and the Obama administration can do better for women. Their vehicle for reform: Congressional reauthorization of the Workforce Investment Act. WIA programs simply must deliver a well-functioning workforce development system for women. Women today often depend on their own income to support themselves and their families, especially the nearly half of women who are unmarried. But a woman’s income is too often not adequate for a decent standard of living or to support a family (see box on page 4).

Women can obtain better jobs and self-sufficient wages through postsecondary education, including job training and formal career pathways, and career development in high-wage, high-demand occupations, including occupations that are nontraditional for women. A key ingredient in obtaining a job with family-sustaining wages is a minimum of one year of education after high school.¹ Education and training will allow women to move up in position and pay rather than become stuck in dead-end jobs. A workforce development system that fails to prepare women for higher-paying jobs, especially jobs nontraditional for women, means women will be paid less and receive fewer employment benefits such as health insurance and retirement savings programs.²

Yet the kinds of postsecondary education and training needed for women and men to build skills and increase earnings are *not* often achieved through participation in WIA programs. Currently, less than 16 percent of female WIA “exitors” receive training, and less than one percent enter into jobs that are nontraditional for women.³

Further, research shows that employment in “middle-skill” jobs will remain significant (40 percent to 45 percent of hiring) today and in the next decade—jobs that require some postsecondary education beyond high school but less than a bachelor’s degree, such as auto mechanics, truck and bus drivers, carpenters, and computer support specialists, along with jobs in the health sector.⁴ Combining women’s need for postsecondary education with the national economic need for enough skilled workers to fill so many openings would benefit workers and employers alike.

WIA programs can and should serve as a bridge between the labor market and postsecondary education, and they should help catalyze career development for women. Further, women—and other disadvantaged groups—have specific needs that must be recognized and addressed if they are to enter good, higher-paying jobs. Improvements in five areas would make WIA programs stronger to better ensure women workers can obtain the skills, education, and types of jobs they need to support themselves and their families. Specifically, WIA programs should incorporate:

- A proactive approach to improving gender equity in participation and outcomes
- Career development through case management, supportive services, and outreach
- A renewed emphasis on postsecondary education and training
- Improved use of financial assistance mechanisms
- Better performance measures to ensure the workforce development system does what works.

Let’s briefly examine how these five reforms can be accomplished by state and local Workforce Investment Boards, or WIBs, which implement WIA on the local level through centers called One-Stops (see box on page 10), alongside some strategic changes to the WIA statute by Congress.

First, policymakers and state and local WIBs need to make moving toward gender parity among WIA participants a strategic goal. Gender parity should be determined by participation and outcomes in terms of earnings and occupations. WIBs must be intentional about working with women and overcoming long-standing barriers and discrimination. They must move beyond a culture of passivity that does not serve to advance their clients, especially women.

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Second, WIA programs should focus on career development. Women would benefit from case management services, including career guidance and counseling; the provision of supportive services, such as child care assistance; and outreach to underserved women. These strategies would support women as they enter and then complete the necessary training and education programs for their careers, helping them to develop and maintain successful, better-paying careers. Self-sufficiency should become a primary objective of WIA, and self-sufficiency standards should be used as a tool and guide for career guidance.

Third, WIA programs should be used as a bridge to postsecondary education, including entering career pathways, rather than quick-fix crisis intervention at a time of job loss. Career pathways are defined by researcher David Jenkins, one of the originators of the career pathways concept, as a:

“Series of connected education and training programs and support services that enable individuals to secure employment within a specific industry or occupational sector, and to advance over time to successively higher levels of education and employment in that sector. Each step on a career pathway is designed explicitly to prepare the participant for the next level of employment and education.”⁵

All education and training should result in a recognized credential—an occupational certificate or a degree—that has labor market value. An emphasis on training for women in nontraditional jobs would help women meet the goal of becoming self-sufficient. And it would help WIBs work toward gender parity in the wages and occupations of WIA participants.

Fourth, financial assistance is a necessity for low-income workers who need training or higher education but do not have the financial means. Better use of Individual Training Accounts, which provide funds for purchasing training or education, as well as added flexibility and better oversight of WIA clients’ training programs and educational institutions, would increase affordability and result in better outcomes for WIA clients.

Finally, improvements to WIA performance measures would incentivize desirable outcomes, namely obtaining postsecondary education and higher-paying jobs. Measuring earnings in terms of self-sufficiency, measuring training for and placement in nontraditional jobs, and measuring credential attainment would incentivize a focus on ensuring more women receive training and enter better paying jobs, instead of being continually segregated into lower-paying

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female occupations. With a measure of self-sufficiency, we would have a metric to determine how WIA is working to improve the lives of clients, especially by moving low-income individuals into jobs with family-supporting wages.

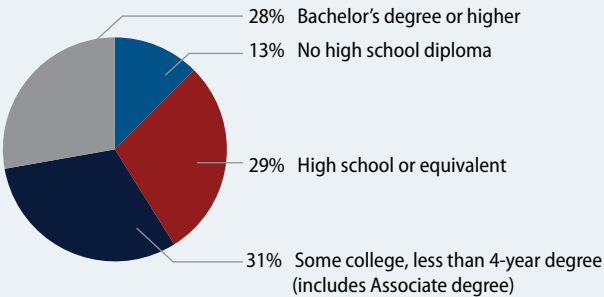
In the pages that follow, this report will first explore how women fare in current WIA programs to demonstrate why a focus on gender in participation and outcomes is essential to WIA reform. We'll then examine in detail how career development, along with more education and improved financial assistance, will enable women to support themselves and their families on their own. We close with a look at how improved performance measures can ensure that WIA programs and services do what works over the long term, delivering efficient and effective workforce development programs well into the future. As we'll demonstrate, reform of the Workforce Investment Act could make WIA work—and work well—for women.

Education and earnings of unmarried women

Single women often need to support themselves or a family. But many women, including single women, have not acquired the level of education necessary to hold a job paying a family-sustaining wage. Only 28 percent of unmarried women ages 25 to 64 have a bachelor's degree, and another 31 percent have some college or an associate degree (see Figure 1). This means more than 4 in 10 unmarried women in their prime working years do not have any education beyond high school. And as Figure 2 shows, unmarried women earn very little without higher education.

FIGURE 1
Unmarried women's educational attainment

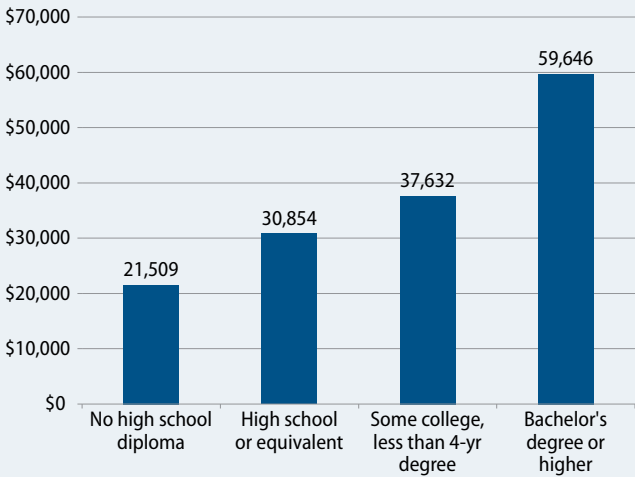
Forty-two percent of unmarried women ages 25 to 64 have a high school degree or less



Source: Current Population Survey, Annual Social and Economic Supplement, 2009, with CPS Table Creator. Unmarried includes women who have never married or are divorced, separated, or widowed.

FIGURE 2
Average earnings of unmarried women

Average annual personal earnings of unmarried women ages 25 to 64, by education



Source: Current Population Survey, Annual Social and Economic Supplement, 2009, with CPS Table Creator. Earnings data is for full-time, full-year workers ages 25-64. Earnings are based on a combined, weighted average of earnings for never-married, divorced, widowed, and separated women.

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