

Building Massachusetts' Skills to Compete



**RECOMMENDATIONS FOR
THE NEXT GOVERNOR
OF MASSACHUSETTS**

SkillWorksSM
PARTNERS FOR A PRODUCTIVE WORKFORCE

THE WORKFORCE **SOLUTIONS** GROUP

Building Massachusetts' Skills to Compete

The Commonwealth has made considerable strides in improving pathways to employment and economic self-sufficiency. The Workforce Competitiveness Trust Fund (WCTF), a national model for supporting sector-based training, has launched dozens of regional partnerships between employers and training providers, resulting in thousands of people employed in jobs. Community college reform measures will increase the completion rates of our community colleges and help graduates connect to jobs. Increased investments in jobs and training for at-risk youth will pay dividends for the state in the years to come.

Despite this progress, however, many working poor and vulnerable residents, including immigrants, low-skill youth and adults, disconnected young adults who are neither attending school nor working, and the long-term unemployed, have lost ground as the economy has changed.



- ★ From 2007-2012, the Massachusetts' poverty rate has increased from 9.9% to 11.9%. Over 1 in every 7 children across the state is now living in poverty.
- ★ The correlation between education and wages has strengthened over the last twenty years. In 2012, the median hourly wage for a Massachusetts worker with a Bachelor's degree or higher was almost twice the wage for a worker with a high school degree.ⁱ
- ★ The wage gap has widened significantly. Between 1985 and 2012, the gap in hourly pay between high and low wage earners grew by about \$9, from more than \$15 an hour to more than \$24 an hour (adjusted for inflation). This increase in wage inequality is largely the result of a lack of growth in wages at the bottom, which suggests that many Massachusetts workers have not shared in the benefits of the state's economic growth in recent decades.ⁱⁱ

Workers aren't the only ones struggling to get ahead in the new economy. According to a recent report by the Massachusetts Business Alliance for Education (MBAE), two-thirds of businesses said they experienced difficulty hiring employees with the appropriate skills needed to grow and stay competitive.

The next governor of Massachusetts will shape the way we respond to these challenges and build the talent required to strengthen our economy and create opportunity for all of our residents.

In the pages that follow, we offer six big ideas for Massachusetts' next governor. If adopted, these recommendations have the potential to move more of the Commonwealth's residents toward economic independence, reduce

income inequality, ensure our young adults are college and career ready, and competitively position our businesses for success in the 21st century economy.

These policy recommendations have been prepared by:

SkillWorks: Partners for a Productive Workforce
Workforce Solutions Group
The Boston Foundation
The Boston Healthcare Careers Consortium
Boston Opportunity Agenda
Boston Opportunity Youth Collaborative
Boston Private Industry Council
English for New Bostonians / EnglishWorks
Job Training Alliance
Year Up Boston

Six Recommendations for the Next Governor of Massachusetts *to ensure the continued competitiveness of Massachusetts workers and businesses*

- 1** Double the number of job-seekers who are able to obtain the skills for good jobs through training partnerships that meet business needs.
- 2** Increase the capacity of Adult Basic Education (ABE) and English for Speakers of Other Languages (ESOL) programs, and ensure that they prepare MA residents for success in post-secondary education, workforce training or employment.
- 3** Double the number of young people in the state who are able to access summer and year-round jobs, structured career development opportunities, and vocational technical training.
- 4** Integrate our education, workforce and economic development systems so there are no dead ends and only seamless connections for businesses or individuals seeking opportunities to grow in the Commonwealth.
- 5** Improve job quality to address the rise in income inequality in the Commonwealth.
- 6** Measure and report results of education, training, and employment programs in a comprehensive way across all public systems.



Recommendations for ensuring competitiveness

1 Double the number of job-seekers who are able to obtain the skills for good jobs through training partnerships that meet business needs.

What do we know?

As of April 2014, there are approximately 200,000 unemployed individuals in the Commonwealth, and the state's last vacancy survey in 2013 documented nearly 100,000 unfilled permanent jobs.ⁱⁱⁱ Job training tailored to specific and current needs of employers can address this gap and help people connect to work.

Participants in industry-driven training programs have been found to earn 20% more than similarly situated control group members.^{iv} In a recent study of four comprehensive industry-based job training and education programs for low-income adults in Boston, every dollar invested produced average returns of \$2-\$3 in earned income within the first two years of program completion and returns of \$5-\$15 within five to ten years after completion.^v

What do we have to build on?

Massachusetts has a well-established system of successful, industry-led job training and career pathways programs.

Established in 2006, the Workforce Competitiveness Trust Fund (WCTF) has supported 46 programs in critical industry sectors in Massachusetts in order to:

- ★ Improve the competitive stature of Massachusetts businesses by improving the skills of current and future workers.
- ★ Improve access to well-paying jobs and long-term career success for all residents of Massachusetts, especially those who experience structural, social, and educational barriers to employment.

Since its inception, nearly 7,000 individuals have been trained through WCTF partnerships, with 4,800 earning a credential and 5,400 with a positive employment outcome. In the last round of WCTF funding in 2012, approximately 1,000 individuals were trained for middle-skill jobs.



Massachusetts' State STEM Plan, a national model for advancing STEM interest and performance, articulates a vision, strategies, and measures from early education, to K12, post-secondary, and through adult workforce.

continued on next page

Applied Manufacturing Technology Training Institute

The Applied Manufacturing Technology Training Institute was awarded a Workforce Competitiveness Trust Fund (WCTF) grant of \$489,158 in 2008. This partnership was led by Berkshire Community College, working in partnership with:

- Crane & Company Inc.
- Interprint Inc.
- Sheffield Plastics
- Armored Solutions
- Hi-Tech Mold & Tool
- Apex Resources Technologies
- Boyd Technologies
- Pittsfield Plastics

The purpose of this partnership was to upgrade the skills of current workers and build a pipeline of new workers for this industry. As a result of the program 24 individuals earned an Applied Manufacturing Certificate and 62 individuals were either placed in a job or received a promotion/wage gain. Berkshire Community College continues to deliver the Applied Manufacturing Certificate to train new and current workers.

Policy Recommendations to Double Job Training Slots

- ★ Include a \$10 million annual appropriation for the WCTF in the House I budget in order to double training capacity to 2,000 individuals per year and allow high impact programs to move past the pilot stage and toward scale and sustainability.
- ★ Include industry-driven training through the WCTF in any new economic development bill or proposal from the administration. As the state creates jobs, we must simultaneously ensure that unemployed individuals can train and compete for those jobs.
- ★ Direct the Department of Transitional Assistance (DTA) to leverage the WCTF infrastructure to fund successful pathways to employment programs for TAFDC recipients.
- ★ Sustain the Commonwealth's investment in regional STEM Networks and support the alignment of cross-Secretariat collaboration in pursuit of STEM.

Commit at least one-third of the Governor's discretionary funding available through the Workforce Investment Act or its successor legislation to test new technologies and models that can address persistent workforce challenges and encourage regional strategies and collaborations.

2 Increase the capacity of Adult Basic Education (ABE) and English for Speakers of Other Languages (ESOL) programs, and ensure that they prepare Massachusetts residents for success in post-secondary education, workforce training or employment.

What do we know?

Massachusetts' workforce is aging, and workers 45 and older have higher levels of educational attainment than younger cohorts, pointing toward shortages of skilled workers in the coming years as older workers retire.

Massachusetts' workforce is growing more diverse—our immigrant population has grown substantially and accounts for virtually all population growth within the state in the last decade.^{vi}

Massachusetts continually has a waitlist of nearly 20,000 individuals who are unable to get into state-funded ABE and ESOL programs. If Congress passes immigration reform in the next few years, that number will grow exponentially as more immigrants seek language and employment support services to help them on their path to citizenship.

continued on next page

Juan Mauricio Perez

When Juan Mauricio Perez turned to Middlesex Community College's (MCC) Adult Learning Center, he wanted to improve his English, math, and science skills. He had no idea the program would lead to a career in biotechnology.

Perez had attended college in his native Colombia, then moved to the United States. "One day, I was sweeping the floor at McDonald's and I thought to myself, 'I'm 28, I need to go back to school.'" So, Perez enrolled at the Adult Learning Center. "The way they were teaching made it easy to learn," he said. "Plus, I was in class with students who were older, from other countries, and motivated, just like I was."

Once Perez had a GED, he enrolled in MCC's Biotechnology Program. After two semesters, he got a part-time job at Microbia Inc., a local biotechnology company.

Perez graduated from Middlesex and was named 2008-09 Biotechnology Student of the Year. He is continuing his studies at Boston University. Perez also works full-time as a research technician- and his employer helps pay his tuition. "Middlesex is a great school with great teachers," said Perez. "You need somebody to believe in you, and they believed in me."

Adapted from Middlesex Community College Adult Learning Center Profiles

What do we have to build on?

Massachusetts has robust, state-funded and community-based programs for Adult Basic Education (ABE), English for Speakers of Other Languages (ESOL), and Job Training and Employment services.

Massachusetts' Department of Elementary and Secondary Education (DESE) has added new areas of funding for and programmatic focus on connecting to the labor market, including: Adult Career Pathways; Transition to College; and Workplace Education.

Strong local collaborations, such as English for New Bostonians, are leveraging public and private philanthropic dollars to increase the capacity and quality of ESOL programs.

Businesses from key industries are collaborating with education and training organizations to shape curricula and build employment pipelines.

Policy Recommendations to increase ABE and ESOL capacity

- ★ In the House I budget, propose an increase in state funding for ABE and ESOL programs from \$30 million to \$40 million.
- ★ Direct the Department of Elementary and Secondary Education (DESE) to fund college and career readiness as part of all ABE and higher level ESOL programs and to fund more integrated models that combine ABE/ESOL with occupational skills training.
- ★ Direct the Department of Transitional Assistance to adopt policies maximizing federal resources, especially SNAP Employment & Training matching funds, to increase support for basic skills and employment training activities.

3 Double the number of young people in the state who are able to access summer and year-round jobs, structured career development opportunities, and vocational technical training.

What do we know?

In 1999-2000, over 50% of all teens in our state were employed. In 2013, the teen employment rate had dropped to 27%.^{vii} Less than 30% of all Massachusetts high school students participate in any kind of structured career development opportunity before graduation.^{viii}

With Massachusetts' aging population, disproportionate youth and young adult unemployment may lead to significant replacement and productivity issues if we do not find a way to strengthen the connection of young workers to the job market.

continued on next page

School to Career Generates Robust ROI

During FY13, the state appropriation for School-to-Career Connecting Activities was \$2.87 million and generated the following Return on Investment (ROI):

- Employers invested \$11.9 million in wages to support student internships.
- 9,832 students were placed in internships at 3,530 employer sites.
- 7,209 (73%) students utilized the Massachusetts Work-Based Learning Plan (WBLP) on the job. The WBLP structures learning and productivity at the worksite and formally connects classroom lessons (MA Curriculum Frameworks aligned with Common Core standards) to work-based learning experiences.
- 6,540 students participated in classes/workshops including career exploration, work-readiness, and internship workshops.
- Over 1,600 employers sponsored career awareness and exploration activities for students including career days, job shadowing, and guest speaker programs.

Double youth job and internship opportunities

What do we have to build on?

Business executives across the Commonwealth are leading by example through their participation in regional summer campaigns to hire youth. Employers as large as Massachusetts General Hospital, Vertex Pharmaceuticals, and State Street Corporation and as small as family run businesses on Main Street are inviting young people into their workplaces, supervising them, and paying a fair wage.

School-to-Career Connecting Activities is a state-funded system, led by the Massachusetts Department of Elementary and Secondary Education and regional intermediaries. School-to-Career provides the connection for youth to work experience and career awareness activities that support their preparation for college and careers. It is a leading vehicle for businesses to partner with school districts and influence the quality of public education. Currently, only 125 of our state's 265 public high schools have resources to offer these services.

YouthWorks (Summer Jobs for At-Risk Youth) is an employment program designed to provide low-income teens and young adults with their first employment experience, along with work-readiness training and the skills they need for a successful career. YouthWorks supports subsidized employment experiences for teens and young adults age 14-21 in 31 cities across the Commonwealth.

The One-Stop Career Center system operates 33 centers across the Commonwealth to broker connections between job seekers and businesses. Last year alone, over 236,000 job seekers sought employment assistance at Career Centers, engaging with over 25,000 businesses.

Policy Recommendations to double youth jobs and internships

- ★ Launch a Governor's Youth Summer Jobs Campaign and invite every employer doing business in the Commonwealth to hire at least one young person from their community for the summer.
- ★ Propose at least \$5.6 million for School-to-Career Connecting Activities in the House I budget to double the capacity of the program and allow 20,000 students to access employer-paid work experiences and career awareness activities.
- ★ Propose at least \$12 million in funding for YouthWorks in the House I budget to enable more Opportunity Youth to gain access to their first job.
- ★ Propose increased state funding for vocational and technical education in order to serve more students in both regional vocational technical high schools and district high schools and address growing waitlists at high-performing institutions.



4 Integrate our education, workforce and economic development systems so there are no dead ends and only seamless connections for businesses or individuals seeking opportunities to grow in the Commonwealth.

What do we know?

A skilled, educated workforce is a critical component of a strong and growing economy. Talent is one of Massachusetts' key advantages in attracting businesses to locate and grow here. Aligning economic, education, and workforce development programming can promote regional competitiveness while improving individual residents' ability to attain quality employment.^{ix}

By 2020, 72% of the jobs in Massachusetts will require some post-secondary education or training, and we are not currently on track to generate this number of graduates.^x While improving, our community college graduation rates are still too low, and the pathways from ABE and workforce training to post-secondary credentials are long and difficult to navigate. Only 2-3% of individuals who start in ESOL or developmental education earn a certificate of one year or more or an Associate's Degree within five years.^{xi}

We have a multitude of good programs for businesses seeking a skilled workforce and individuals seeking career advancement, but we need to strategically scale, sustain, and market them. Visible pathways that involve employers, connect experiences between programs, attend to critical transition points, and include periods of work or paid internships along the way will build a stronger workforce and stronger businesses.

continued on next page



Connecting the Dots – A College Navigator's Role

Courtney Galvez was already a success story, having graduated from the Year Up program in Boston and earned a job providing desktop support for a local investment company.

However, with a young son to support, Courtney wanted to complete a post-secondary degree and earn a better job, and he wasn't sure how to get there.

Enter Zeida Santos, SkillWorks' college navigation coach at Bunker Hill Community College. Zeida worked with Courtney to understand his background, experience, and skills. She helped him transfer 12 college credits from Year Up to Bunker Hill, choose a career path, and enroll in classes. She also convinced him of the value of pursuing the shorter-term, stackable CISCO Systems CCNA Certificate on the way to finishing his AS, and eventually transferring to a four-year college.

Courtney earned his CCNA Certificate in December 2013, earned a salary increase, and is on his way to achieving his goals.

What do we have to build on?

Massachusetts invests in skills training tied to critical industry sectors, including advanced manufacturing, life sciences, and healthcare, and has included a skills training provision in the most recent transportation bond bill requiring MassDOT to train 300 pre-apprentices per year.

Massachusetts will launch MA CareerReady 101 this summer, which brings together community colleges, career centers, and ABE providers around regional assessments of employer skill needs, a common basic skills assessment for job seekers, a shared basic skills training platform, certification, and outcomes data.

SkillWorks, the Massachusetts Community College and Workforce Development Transformation Agenda and others have piloted efforts to accelerate developmental education and help non-traditional students make successful transitions to college. Massachusetts also created a new Adult College Transition Services line item in FY2014 to help adults transition into higher education. Grants were recently awarded from this fund to three programs across the state.



Policy Recommendations to integrate education, workforce and economic development

- ★ In the Administration's first 100 days, direct state agencies across the Executive Offices of Labor and Workforce Development, Education, Health and Human Services, and Housing and Economic Development^{xii} to establish and articulate pathways to work, post-secondary, and career for individuals entering and leaving vocational education, workforce development and ABE programs. These pathways must be visible, clear, transferable, and include options to work while in school and between credentials.
- ★ Direct the Department of Higher Education to accelerate the adoption of stackable credentials, competency-based models, and contextualized developmental education by providing performance incentive funding for successful implementation of these models.
- ★ Support the full implementation of MA CareerReady 101, focusing in the next two years on building capacity to utilize the assessment and remediation tools as well as building Massachusetts' employer recognition of the National Career Readiness Certificate (NCRC) to facilitate hiring.
- ★ Create a trust to support a high standard for business services at the state's One-Stop Career Centers and integrate business services across state government that links seamlessly with municipal government and with the Executive Office of Housing and Economic Development. With dedicated resources to understand industry and specific businesses' needs, career centers can be even stronger intermediaries between job seekers and businesses.



5 Improve job quality to address the rise in income inequality in the Commonwealth.

What do we know?

Even in our high-skilled economy, we will always have jobs that do not require post-secondary education or training. Ensuring we have an adequate minimum wage is one way to ensure that workers in these jobs are less likely to live in poverty. The recent Massachusetts legislation to raise the minimum wage to \$11 an hour by 2017 will enable 500,000 workers to see an increase in their wages.^{xiii}

However, the job is not done. Over the past 40 years the value of the minimum wage has been eroded by inflation. A minimum wage earner working full-time in Massachusetts will earn about \$16,000 this year. At \$11 an hour, that same worker will earn \$22,800 in 2017. According to the Crittenton Women's Union's Economic Independence Index, however, a single parent in Massachusetts with two school-age kids needs to earn \$61,180 to cover the costs of housing, childcare, healthcare, food, and travel.^{xiv}

In addition to low pay, low-wage workers face job quality barriers and require more than an increase in the minimum wage to make it in Massachusetts. Paid sick leave and family leave; full-time work; predictable schedules; the ability to save for retirement and other financial goals; and access to education and training have tremendous potential to help low-skill, low-wage workers move toward economic stability and independence.

What do we have to build on?

The Commonwealth has strong public support for raising the minimum wage in Massachusetts, with the legislature poised to pass legislation to increase the minimum wage by July 2014.

Unionized hotels and janitorial services companies in Boston provide living wages and exceptional benefits packages to employees that allow them to access education and training, save for home ownership and retirement, and access affordable, quality healthcare. A good number of hospitals in the state have moved beyond traditional tuition reimbursement benefits to offer new models of career support for frontline workers, including career and academic coaching services, offering college courses on site, tuition advancement, and other skill development programs.

continued on next page

A case study in job quality

Margarida Jurgensen owned and operated a restaurant in her native Cape Verde. She had attended high school there, but did not graduate.

When she first moved to Boston, Margarida found a job as a cashier at McDonald's. After three years, she was promoted to night shift manager and still earned just \$9.50 per hour with no benefits.

Through word of mouth, Margarida found the BEST Corp. Room Attendant Training Program in Boston and successfully enrolled. During the required job shadowing component of the program, she made such a positive impression she was interviewed and was hired into a full-time job paying \$17.58 per hour with benefits.

With a better-paying job and a better schedule, Margarida can now spend time with her two young daughters even as she continues to work on her education and career goals.



Policy Recommendations to improve job quality

- ★ Support robust enforcement of existing employment standards, focusing especially on worker safety, wage, and hour violations.
- ★ Create a state recognition program for employers who create career pathways and provide training to low-wage and frontline employees.
- ★ Require applicants for state workforce training grants to work with employer partners to increase career advancement opportunities, improve job quality, and work to move more employees and/or new hires to full time jobs with benefits.
- ★ Leverage the Commonwealth's purchasing power through selective purchasing laws that prioritize those businesses that pay 80% of its workforce in alignment with state self-sufficiency standards.

6 Measure and report results of education, training, and employment programs in a comprehensive way across all public systems.

What do we know?

Education, training, and employment programs throughout Massachusetts collect some data on program outcomes. However, in part because each public and private funder has unique reporting requirements, there is no consistent measurement or reporting system for these outcomes. In addition, because of the long-term nature of career advancement, many low-skill individuals may go through a number of different publicly-funded programs and institutions, including ESOL, ABE, job training and post-secondary education. Without cross-agency agreements to share data and measure interim benchmarks or success, it is difficult for policymakers to assess the effectiveness of the education and workforce development investment in moving people toward post-secondary credential attainment and employment.

Wage record data, the most reliable data available on employment and wages, are maintained by the Department of Career Services and the Department of Revenue. Training providers and programs do not have access to this data and must collect data based on participant and employer reporting, which poses its own set of unique challenges.

Data linkages to these departments would enable richer and more complete analysis of education and training program results as well as their alignment with industry requirements. A review of this data will also help inform which licenses and certifications demonstrate value in the labor market over time.

continued on next page

Improving transparency for employers and consumers

In 2012-13, the Boston Healthcare Careers Consortium with support from SkillWorks and the Skilled Careers in Life Sciences Initiative, engaged in a data collection and reporting pilot to collect and report completion and employment outcomes data for several allied health programs and occupations.

The experience pointed not only to promising practices but also to areas where greater state leadership would be welcome to provide data that would help both employers and education and training consumers make more informed decisions.

For example, it is often difficult for training providers and programs to get reliable data on whether graduates of career-oriented education programs are obtaining licenses and certifications or employment. By building connections between data systems, the state can enable consumers, employers, and training providers to better understand and improve program effectiveness.

Report data results for all education, employment and training programs

What do we have to build on?

Massachusetts is fortunate to be home to numerous foundations and corporate charitable giving institutions that have developed strong measurement tools for evaluating the results of their investments in workforce and education programs; this capacity should be leveraged.

Measurement and assessment tools are in place for most state and federally-funded training and education programs. Training providers in Massachusetts who receive funds through the Workforce Investment Act, for example, are required to report on employment outcomes for individuals.

The federal government is moving toward full implementation of gainful employment regulations, requiring for-profit and nonprofit educational institutions to tell current and potential students about key outcomes such as average debt levels, earnings, loan repayment rates, loan default rates, completion rates, and withdrawal rates.^{xv}

Policy Recommendations to measure and report program results

- ★ Direct the Department of Career Services and Board of Higher Education to develop legally permissible processes and agreements with education and training providers to collect and match student/trainee records with earnings data. This will allow each program and the state to calculate aggregate results for these metrics while protecting individual privacy.
- ★ Upgrade the workforce development system's information management system to increase reporting capacity and accessibility.
- ★ Direct the Executive Office of Labor and Workforce Development, Board of Higher Education, and Department of Elementary and Secondary Education to collaborate on a comprehensive set of measures and systems to report on progress toward the state's goal of helping its residents obtain the education, skills and credentials needed to successfully participate in the 21st century economy.
- ★ Develop an information portal that allows consumers to search for and access information on key education and employment metrics for career training programs, including those offered by higher education institutions, in order to help consumers make more educated decisions.

- i <http://massbudget.org/reports/swma/work-education.php>
- ii <http://massbudget.org/reports/swma/wages.php>
- iii Number of unemployed: Bureau of Labor Statistics, April 2014 Employment Overview, May 15, 2014. http://lmi2.detma.org/lmi/news_release_state.asp; Number of vacant jobs: 2013 Massachusetts Job Vacancy Survey, http://lmi2.detma.org/Lmi/JVS_b.asp?indoc=ind&Area=000025
- iv Public/Private Ventures, "Tuning into Local Labor Markets: Findings from the Sectoral Employment Impact Study," New York, 2010 http://ppv.issuelab.org/resource/tuning_in_to_local_labor_markets_findings_from_the_sectoral_employment_impact_study
- v Cooney et al., "Social Return on Investment: A Case Study of JVS," Boston, 2012.
- vi Commonwealth Corporation, "Closing the Skills Gap," 2013.
- vii Statistics provided by the Center for Labor Market Studies, Northeastern University.
- viii MA Department of Elementary and Secondary Education, "From Cradle to Career: Educating our Students for Lifelong Success," June 2012.
- ix Aspen Institute Workforce Strategies Initiative, "Where Labor Supply meets Labor Demand," 2011.
- x Georgetown University Center for Education and the Workforce, "Recovery: Job Growth And Education Requirements Through 2020," 2013.
- xi The Boston Foundation, "Massachusetts Community Colleges: The Potential for Improving College Attainment," 2007.
- xii These agencies should include: the Department of Career Services, Department of Transitional Assistance, Department of Higher Education, Department of Elementary and Secondary Education, Department of Veterans Affairs, and the Massachusetts Rehabilitation Commission
- xiii http://massbudget.org/reports/swma/minimum_wage.php#min_wage1
- xiv Crittenton Women's Union, "Massachusetts Economic Independence Index 2013," March 2013.
- xv <http://www.ed.gov/news/press-releases/obama-administration-takes-action-protect-americans-predatory-poor-performing-ca>



SkillWorks: Partners for a Productive Workforce

420 Boylston Street, 4th Floor

Boston, MA 02116

www.skill-works.org

@skillworks_ma

www.facebook.com/skillworks