CSW Corporation for a Skilled Workforce

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Modernizing and Investing in Workforce Development

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Acknowledgments

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About the BETS Taskforce

The Better Employment and Training Strategies Taskforce (BETS) is a coalition of more than 40 leading practitioners and experts working to modernize the United States' outdated patchwork of workforce policies. The five BETS workgroups were convened in November 2020 to develop recommendations aimed at informing the incoming Biden-Harris administration and the 117th Congress on issues and policy options related to unemployment insurance, workforce development, job quality, youth employment, and federal jobs initiatives. The BETS Taskforce was convened by Prof. Stephen Crawford of the George Washington Institute of Public Policy, Stuart Andreason of the Federal Reserve Bank of Atlanta, and Larry Good of Corporation for a Skilled Workforce.

This report was the result of the work of the BETS workforce development group, co-chaired by the paper's authors, Larry Good and Earl Buford. Other workgroup members, many of whom made substantial contributions, included Stuart Andreason, Burt Barnow, Kisha Bird, Mary Gardner Clagett, Maureen Conway, Stephen Crawford, Annelies Goger, Todd Greene, James Haynes, Roberts T. Jones, Christopher King, Jane Oates, Brent Parton, Thomas Showalter, Martin Simon, and Katie Spiker.

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Executive Summary

Federal investments in workforce development need to be rethought and expanded substantially to provide the services and supports workers need to navigate continuously changing skill requirements and job changes. Federal policy and programs were mostly designed to be short-term interventions in reaction to an immediate crisis or urgent need – a plant closing, a recession, a hurricane, a nursing shortage – or to provide limited anti-poverty support to a set of narrowly defined populations.

That approach, pieced together over nearly a century and spanning every federal department, doesn't line up with the broader needs of workers and employers in response to a dramatically changed economy and accelerated by urgency of the pandemic recession. We are at a turning point as profound as when the GI Bill made college possible for millions of low- and middle-income Americans after World War II.

The U.S. must make a fundamental shift to invest more in our workers. For example, while we have rightly provided needed unemployment assistance, food assistance, and other supports for workers who have been adversely impacted by the COVID-19 pandemic, Congress has not yet invested in helping these workers access career counseling, child care and other supports, nor to reskill for new, in-demand employment. If we are to see an equitable economic recovery, policymakers must prioritize investing in workers at the scale that reflects their importance in our economy and communities.

While the dislocations likely to result from the pandemic are dire, it would be a mistake to respond with one-time funding that ends when the economy rebounds. Current dislocations merely illustrate patterns that have emerged over the past decade and are likely to continue. Even before the pandemic, the U.S. experienced an increasing gap in employment, income and wealth. Despite overall very low unemployment rates, nearly half of American workers found little or no improvement in income and paths to good jobs. A disproportionate number of Black and Latinx workers fell into that lower half.

The U.S. needs to build and sustain an ecosystem that supports lifelong learning and career mobility for all Americans. Workers today must be lifelong learners, navigating an opaque, confusing maze of educational and employment paths. Workers need ongoing career navigation, reskilling opportunities, and reemployment assistance and supports throughout their careers, as they change jobs multiple times and seek necessary skills and credentials along the way.

The Better Employment and Training Solutions (BETS) team recommends:

1. **Build needed supports for lifelong iterations of work and learning.** These include broadly available financial aid for learning and sustaining income while engaged in learning and during work transitions, quality career navigation using substantial improved information tools, supportive services, expanded integration of work and learning opportunities, and reimagined credentials that recognize all learning a learner has achieved.

2. **Increase funding for workforce development through a co-investment model.** Funding adult learning should continue to be a shared responsibility of the government, employers, and learners. Public funding needs to increase substantially as part of that.

3. **Shift the paradigm from short-term transactions to longer-term investments.** Workforce development programs today function like a social policy emergency room, providing short-term triaged services in reaction to a crisis. That mindset needs to expand to include preventive services and strategies that often will take

longer to achieve than the short-term design of many workforce programs today.

4. **Challenge and support community collaboratives to deliver results.** Collaboratives are inherent in effective workforce strategies, which require engaging diverse stakeholders spanning economic development, education, human services, business, labor, community-based organizations and more to succeed. They are also often the source of innovative solutions to vexing needs. But too often, federal program requirements support the work of individual agencies and make it difficult to align the funding for collaborative ventures.

5. **Invest in R&D, continuous learning, and technology within the workforce development ecosystem.** As workforce funding has shrunk over the past 40 years, one result has been a dramatic reduction in supporting the field doing this work. That's a sharp contrast to other examples, such as the Defense Advanced Research Projects Agency (DARPA), which plays a vital role within our defense strategy. Significant investments are needed to ensure workforce development is being done by highly skilled staff using robust technology supports and continually adapting policies and practices through research and development.

After 40 years of declining investments in workforce development, building this ecosystem to include the components workers urgently need won't be cheap. We estimate that this set of recommendations will require $70 billion/year to fully fund – $50 billion for education and training, $10 billion for career navigation and other supportive services, and $10 billion for the needed infrastructure (R&D, technology, professional development, improved labor market information and more).

Making that investment would move the U.S. from being one of the lowest per capita investors in workforce development into the mainstream of what is being done by advanced nations worldwide.

Development of a reimagined workforce development ecosystem should be done in close coordination with job quality strategies that focus on redesigning currently low-wage jobs to be ones that can provide workers sustainable income and career pathway options. A companion paper in the BETS series focuses on actions that can improve job quality in the United States.

Why Now?

For nearly a century, the federal government has invested in workforce development services. During the Great Depression, workforce development was a major part of President Roosevelt's New Deal, launching federal spending to put youth and adults to work (such as the Work Projects Administration and Civilian Conservation Corps) and to help those out of work to find new jobs (Job Service). Since then, the specific programs have changed over time as new needs emerged, but the purposes have been consistent: to help workers gain skills they need for employability, and to help them to find jobs when unemployed.

Investing in workforce development needs to be an essential part of *Building Back Better*. The huge health and economic disruptions being caused by the pandemic mean that millions of American workers will be forced to change occupations and industries, and many are in danger of not making that transition. Before the pandemic, nearly half of U.S. workers were already losing ground economically. The pandemic is accelerating the pace of dislocations caused by globalization, automation and dramatically shifting employer/employee relationships over the past few decades.

A few data points illustrate the severity of the employment challenges facing workers:

- The World Education Forum estimates that *50% of all workers will need to acquire new skills* and receive assistance to avoid long-term unemployment.[i]
- Work activities were being increasingly automated pre-pandemic. With this trend accelerating through work redesign coming out of the pandemic, Southern Regional Education Board now estimates that *in the next five years, 30% of **all** work activities could be automated*.[ii]
- *Low-income workers*, more often Black and Hispanic, female and those with formal education of high school or less, *are most likely to lose jobs permanently during the pandemic*, given the industries within which they're most concentrated (such as restaurants, hospitality, transportation, production).[iii]
- *There is little economic mobility into better paying employment for workers stuck in low-income jobs*. Even before the pandemic, the reality was that since the Great Recession, the U.S. economy had developed into a two-tier structure. Brookings estimated a year ago that 44% of U.S. workers didn't earn enough to support their families.[iv]
- *Economic security has declined for many American workers and families*. Real wages have declined over 40 years for those for whom a high school diploma is their highest educational attainment.[v] Intergenerational economic mobility has fallen sharply during that same period.[vi]
- *There is a moral and economic imperative to address the impacts of systemic racism that have excluded workers of color from participating fully in our economy.* The disparate economic impacts of the pandemic on workers of color, immigrants, and people with a high school degree or less is not an accident. Generations of prior public policy decisions, including those that limited access to high quality skills training and higher education for workers of color, helped fuel decades of structural racism. This is particularly pronounced in the criminal justice system where the United States has 5% of the world's population but 20% of the world's prison population. This mass incarceration disproportionately affects Blacks and Hispanics. For every 100,000 citizens, 1,549 Blacks and 823 Hispanics are incarcerated, compared to 272 whites.[vii] Many of these individuals are returning from incarceration traumatized and unprepared for the labor force.

These profound and rapid changes make employment in any one job, firm or even occupation increasingly precarious. The potpourri of programs, initiatives and policies now in place are a piecemeal, incomplete and underfunded response to urgent challenges that need comprehensive solutions. The current approach has done little to improve income and mobility for the lowest paid half of the U.S. workforce. We need to reimagine the scope and the substance of federal workforce investments.

Workforce Development is Bigger Than Just the Department of Labor Programs. Every federal department administers some form of workforce development funding and programs, as well as providing other supports crucial to successful adult learning, employment, and advancement. For example, Pell grants spend more on occupational training than individual Workforce Investment and Opportunity Act programs.[viii] The Obama-Biden administration recognized this and took important steps to institutionalize cross-department collaboration. From day 1, federal policy, funding and operations under the Biden-Harris Administration should span all federal workforce development related programs.

Workforce Development is Dramatically Underfunded in the U.S. The federal government spends 30% less on workforce development today than it did in 2001 in real, inflation-adjusted terms. That's a $2.5 billion reduction in the past 20 years. The gap is even larger if compared to the peak year of 1979. And even those previous larger funding levels were far smaller than in most industrialized countries. The U.S. spends the equivalent of just 0.25% of GDP on active labor market policies, lower than nearly any other of the 37 countries that are part of the Organization for Economic Cooperation and Development (OECD).[ix] The U.S. is investing far less on workforce development now than at any time in recent history, despite the fact that today's labor markets are much more dynamic and challenging to navigate.

Building an Ecosystem of Lifelong Learning and Career Mobility

We need a workforce development ecosystem that facilitates reskilling and reemployment throughout the working lives of all Americans, and that focuses in particular on ensuring that those with lower income and the greatest risk are not left behind.

That means moving from a patchwork of semi-connected programs and services to building out the components of an integrated ecosystem that provides the funding, supports, and information people need as they learn and work across their lives. This requires undertaking five strategies:

1. Build and sustain supports for lifelong iterations of work and learning;
2. Finance workforce development through a co-investment model;
3. Shift the paradigm from short-term programs to longer-term investments;
4. Challenge and support community collaboratives to deliver results; and
5. Invest in R&D, continuous learning and technology.

STRATEGY 1:
Build and Sustain Supports for Lifelong Iterations of Work and Learning

After decades of rhetorical homage to lifelong learning, we have arrived at a time when workers will need to learn and change jobs and careers throughout their lives. During the 20th Century, the U.S. built a robust ecosystem of learning for youth, starting with establishing high school completion as a norm. That was followed by policies that opened postsecondary education to all, focused mainly on young people attending soon after high school, with the assumption they would then enter employment and stable career paths, often within a single firm. Workforce development policies emerged as a "second chance" concept, aimed at helping those who "failed" either in school or work or had been left behind by the labor market in some way.

The world economy is evolving swiftly in the 21st Century, which necessitates building an ecosystem that responds to a very different set of needs – a world in which jobs and even occupations are precarious, in which the line between learning and work is blurred, and thus a world in which everyone is able to gain new knowledge and skills whenever they need to do so during their career. We need to celebrate lifelong learning, and deepen the ability of people, companies and educational institutions to integrate work and learning as much as possible. Our workforce system model needs to no longer center on "failure" but rather on making the reality of iterating learning and work across a lifetime possible for every American, and celebrating that work is a positive strategy for success.

Some specific actions can be taken now that will help build a lifelong learning ecosystem:

1.1

Provide high quality career navigation for all who seek it. Rapidly changing labor markets are difficult to navigate, and supports in making sense of the choices are lacking for most people. Career navigation today is not a central service in any system, whether K-12, colleges and universities, or America's Job Centers. And leaders in all of these systems acknowledge that to the extent they do it now, they don't do it very well.

We lack a robust career navigation system that is accessible to all students, job seekers and workers through in-person and virtual offerings. This leads to information asymmetries, where many workers are not aware of the career pathways available to a quality job or what steps to take.

The solution to this gap requires two types of investments: building a pool of skilled professional career coaches and building technology tools to support both the coaches and individuals in navigating their choices. Such a system would provide real-time labor market information, skills assessments, career pathways mapping, and connection to both jobs and relevant educational offerings.

What is most crucially missing is a skilled cadre of expert career coaches in communities that can help individuals understand their skills and the potential paths they could pursue with that base of competencies. Career coaches need subject matter expertise on various career pathways and the needed competencies for them, as well as the cultural competency to advise effectively within the context of their community's racial, ethnic, and socioeconomic profile. These coaches should be targeted as a first priority to communities whose members have historically been shut out of the labor market.

A cadre of career coaches could be built and funded several ways. Here are three specific ideas:

- Add career navigation coaching as a core service to be offered through American Job Centers and/or by community-based organizations as part of WIOA.

- Challenge/incent workforce agencies, colleges and universities, and K-12 districts to build a shared cadre of career navigators that can work across all of their systems, supported by a dedicated pot of federal funds for this purpose.
- Build a national career navigation and professional networking platform, such as the SCORE model[x] with a large number of volunteers serving as career coaches, supported by a national team of expert professionals and common tools.[xi]

Second, investments are needed to build out the technology required. A range of entrepreneurs have begun to roll out e-tools to help make sense of careers, but that movement is in its infancy. And thus far too many of the tools are not designed for ease of use by coaches and individual job seekers.[xii] Specific federal investments that can help include:

- Build a transparent data system that provides users with improved labor market information and integrated information about all credentials, from degrees to microcredentials.
- Focus on building tools that are easy for coaches and individuals to use in finding information they seek.

1.2

Provide better labor market information to support decisions about career and educational pathways to take. The Bureau of Labor Statistics and the Census Bureau provide important and helpful data and have worked in the past couple of decades to make it increasingly user friendly to access and understand. But the reality is that the limits of what they collect and produce has been hampered over time by inadequate investments and outdated assumptions. Even such basic data as the number of unemployed has proven problematic during the current recession, with the federal government's two different methods producing 10 million in one case (household surveys) and double that in the other (filings for UI).[xiii] As a result, most states, local workforce agencies and colleges spend part of their funds to supplement that information by subscribing to one or more proprietary data service and invest high levels of staff time in manual verification of employment and earnings.

Specific steps to consider:

- Reinvest in LMI within the federal government. Both BLS and Census could provide more current and complete information with funding to do additional research and analysis. They should be challenged to expand their toolkit to better meet market demands for information. One key step is enhancing wage record reporting, a crucial source of information that can inform program decision-making.
- Expand public-private partnerships to improve the quality and timeliness of labor market information. A number of firms and academic centers have built important tools and data niches. The administration should encourage acceleration of data sharing and integration initiatives that enrich what the user can learn.

1.3

Provide robust support services and life coaching. A crucial element of adult success in education programs and in employment is the ability to obtain supports when needed. Many workers lack access to affordable child care, transportation, food and housing. Others may need treatment for substance abuse or mental health services.

These barriers are very real. Many learners and job seekers are parents with family responsibilities to manage while in school and/or work, and those with low income face particular challenges to fit education and career building into their lives and budgets.

Few workforce programs fund these supportive services adequately; some not at all. But the evidence is clear that outcomes improve hugely when supports are provided. And a key learning has been that this need holds for those working, not just those in a training program. Many low-wage workers need help overcoming barriers in order to stay employed and when that is done, retention rates for entry workers rise significantly.

Two specific funding/structure approaches to consider:

- Fund support services and life coaching as an essential service with WIOA and other workforce programs. Require/encourage interagency community collaboratives to pool multi-agency funding and use them to operate a unified system of supports spanning human services, housing, transportation, healthcare, and more. Clearly, this will require a substantial infusion of federal funds. Such services are currently allowed but few local programs can imagine funding them with the limited resources they receive.
- Fund support services for those already employed but facing barriers. One promising approach is to provide matching funding to community-based employer-funded groups providing supports to employees of companies, who are part of those groups, which are often operated by community-based organizations.

1.4

Create Universal Adjustment Assistance to provide income and educational support to anyone whose job disappears. This would replace the current Trade Adjustment Assistance for dislocated workers, which provides up to three years of income support, career coaching, comprehensive support services and funding for education. The key problem with TAA is its inherent complexity of program administration, mostly associated with challenges in determining whether a given layoff event can be attributed to foreign competition. If the trade link is removed, the services provided could be put into motion much faster and with likely greater impact.

Most workers who are laid off permanently discover they are forced to start at a lower wage as they re-enter employment.[xiv] And, covering the costs of housing, food and other essentials creates pressure for finding a new job quickly, discouraging workers from undertaking education that can support a better career transition.

Establishing Universal Adjustment Assistance, building from what is now provided to a limited number of workers through the Trade Adjustment Act, can help workers sustain themselves and their families while in transition. It would also be much fairer.

TAA has long been considered the most comprehensive federal workforce program. It offers a great starting point for ensuring workers making challenging employment transitions can stabilize their income while gaining new skills, credentials and career navigational help.

1.5

Continue to integrate work and learning. One of the important lessons of the past decade is that strategies that deliberately blend learning with employment are effective. Many youths and nearly all adults learn better when the subject matter is approached in the context of work. And employers are learning that initial employment models that combine work experience with classroom learning result in greater worker success. Further, on-the-job learning helps workers to build skills that allow them to advance within a company, industry, or occupation.

Specific actions to support the growth of work-learning integration should embrace several successful models, including:

- Emphasize "*earn and learn*" models, in which the learner is either getting wages for work or a stipend while in the school part of an integrated work-based learning strategy.[xv] One easy first step would be to redesign and expand the Federal Work Study program to enable more students to take part-time jobs in the private sector.
- Continue to invest in the expansion of *registered apprenticeship programs*, spanning diverse industries and occupations, and increase the interconnection of apprenticeships and community college programs. Win passage of the National Apprenticeship Act (passed by the House in November 2020), which would phase in a doubling of the level of federal spending on apprenticeships, make registered apprenticeships operationally simpler for employers to participate in, encourage their use in more occupations, and ensure that everyone has an equal opportunity to participate. This work can build on the successes and learnings from major and innovative federal investments in registered apprenticeships launched during the Obama-Biden Administration.
- Increase support for high-quality *pre-apprenticeship* programs.
- Expand the use of *youth apprenticeship* and other work-based learning approaches within K-12 education and with out of school youth.[xvi]
- Allow workforce programs to support *internships* and *cooperative education* approaches, such as learning strategies in which the learner alternates semesters between classroom time and applied work experience.
- Build *capstone projects* into workforce development funded education where useful; this is an increasingly popular mechanism through which learners research and consult about real-world challenges being faced by potential employers.
- Expand substantially the use of federal workforce funds for on-the-job training at employer sites and to incent employer funded education and training of frontline workers.
- Treat public service employment as a work and learn experience, building from successful work-based learning models.

1.6

Help workers shore up foundational literacy, numeracy, financial literacy, and digital literacy skills essential for employment. One of the biggest barriers to economic mobility is gaps in literacy and numeracy. A respected international study estimates that 21% of U.S. adults – 43 million people – function at a low level of basic skills, far below most other developed nations. Those numbers worsen in both urban centers and rural counties where the percentage of adults functioning with low literacy approaches 40-50%.

Numerous studies have made clear that there is a widespread need to increase financial literacy, and that when that is provided, people make better decisions about spending, borrowing, and savings.

The picture becomes even more challenging when digital literacy gaps are added to the equation. A recent National Skills Coalition-Cognizant U.S. Foundation study indicates that one out of three U.S. workers possess little ability to work with a computer, despite nearly half of those workers being employed in jobs in which significant digital skills are required.[xvii] The scale of digital literacy gaps may even exceed the challenges in reading, writing and math skills.

We know what works in building foundational skills, as demonstrated through practices in a number of states and verified by evaluations: integrate basic skills and occupational skills instruction, contextualize basic skills instruction to work, and accelerate the pace of learning. What we don't do is invest at anywhere near the scale required to solve the literacy challenge facing the U.S.

Actions the Biden-Harris administration can take include:

- Dramatically increase funding for basic skills instruction, while integrating it more explicitly with funding for occupational skills education. The federal government makes an important but modest investment in tackling the literacy challenge now through WIOA adult education funding. State investments vary enormously, with too many operating from an old model that calls for adult education to come before occupational skills education. Research and experimentation over the past decade argues convincingly that simultaneous, integrated learning is more effective.
- Expand financial aid so that it supports education to improve literacy, numeracy, financial literacy and digital literacy.
- Champion effective models that integrate, contextualize, and accelerate acquisition of needed basic skills.
- Explicitly fund and prioritize helping workers attain a foundational level of digital literacy, and build occupation-specific digital literacy into training programs.
- Increase broadband access in both urban centers and rural areas through both technology investments and affordability initiatives.

1.7

Modularize credentialing to recognize skills. Competency-based credentials provide an employer with evidence of what a job applicant knows and can do. But the dominant credentials recognized by most employers – degrees – require 2-4 years of study to earn. And degrees only capture formal learning. A learner who took some college courses but did not complete their program gets no recognition in the labor market even though they acquired knowledge and skills in what they did that. A single mother who has not obtained any formal credentials also has knowledge and skills she picked up informally that are not documented.

Federal workforce policy can support and encourage creation of smaller credentials that represent skills and knowledge gained through formal and informal learning. Those credentials could then be structured modularly, including adding up to degrees. Foundations, notably Lumina Foundation, have invested in research and development on how to expand the concept of credentialing beyond just degrees and how to use diverse credentials to increase economic mobility.

One important dimension of this on which the federal government can play an important role is building the data and analysis systems to be clear on the value of many smaller credentials, including badges, certificates and certifications.

Actions that the Biden-Harris administration can take include:

- Set quality standards for non-degree credentials, spanning the content, competencies, and recognition by employers and educators.

- Collect data more consistently about attainment of industry certifications, badges, and other small credentials, and about non-credit courses at colleges and universities, and using that data to help measure wage/employment outcomes.
- Support states and regions in integrating smaller credentials with degrees into unified, modular systems.
- Encourage educational institutions to expand their use of prior learning assessments and provision of credit for prior learning.
- Support development of “skill passports” that are recognized across education, workforce systems, and employers, through which a learner could show all of their learning in one document, regardless of where they obtained each learning component.

STRATEGY 2:
Finance Workforce Development Through a Co-Investment Model

Adult learning in the U.S. has been funded through a combination of government grants and loans, employer support, and the personal funds of the learner. That needs to continue into the future, but with substantially expanded federal investment that also encourages employers to expand their own investments. We are now in a world in which many more adults will need to engage in more iterations of expanding their knowledge and skills across their lifetime of work.

This paper focuses on options for expanding and changing the federal financing of workforce development, with a deliberate eye toward encouraging expanded employer investments and supporting individuals in affordably contributing to their own learning.

Our estimate of the cost of building and sustaining the ecosystem components recommended in this paper is $70 billion/year-- $50 billion/year for education and training, $10 billion/year for career navigation and other supports workers need, and $10 billion for shoring up the infrastructure of the workforce development system, including data, technology, professional development and R&D. A fuller explanation of the funding requirements can be found in Appendix A.

Specific actions the Biden/Harris administration could take to improve workforce development funding include:

2.1 **Establish new, dedicated Workforce Trust Funds to provide increased, sustained support for incentivizing employers to train and increasing access to lifelong learning opportunities.** This approach has been used by some states (California, Minnesota, and others) for many years, typically of limited scale and funded with employer contributions linked to unemployment taxes. A number of states (e.g., Texas) also have created such funds with state general revenue. Other countries, such as the United Kingdom, Singapore, and South Korea have taken this idea to larger scale and impact.

A modern workforce system must not only be well resourced, but should underscore the shared responsibility between government and industry to support the development of a competitive workforce. The establishment of workforce trust funds, resourced through dedicated tax revenue from employers, would not only serve as a new source of funds to support workforce innovation, but designed well, could help address current challenges related to employer engagement. For example:

- The tax scheme could be structured to address the “free rider concern,” by either incenting or guarding against risks borne by employers who train versus those who do not – such as by requiring contributions from employers who do not invest in their own front-line workers. Several countries have taken this “tax or train” approach. And the important 1990 America’s Choice: High Skills or Low Wages report proposed that employers could either document that they were investing an amount equal to 1% of payroll into a training fund or contribute that amount to a national fund for training.
- The tax could be targeted or limited/adjusted according to employers of certain size, sector, or status (i.e. their current engagement with federally recognized training/apprenticeship or collective bargaining agreements).
- The workforce trust fund could be structured at the national level (i.e. UK Skills Levy) or federal action could provide incentive/matching funds to states to develop schemes with certain parameters that build on existing state examples (i.e. CA, MN, WA).
- Workforce trust funds could be accessible by individual employers, intermediaries, or education institutions engaged in federally recognized workforce development activities.

2.2 **Create a system of Children's Savings Accounts.** This has been a key component of recommendations to increase the assets of those living in poverty. Some limited experiments have been done within the U.S.; larger initiatives have been undertaken in the United Kingdom, Canada and Singapore.

The core idea: ensure every person at birth gets a deposit into a savings account, starting them on a path to having assets for key investments, including education, as they grow up. Typically, there is a modest initial deposit from the federal government (e.g. $250-$500), with further contributions as the child grows coming from their families, similar to 529 college savings plans. For children in low-income homes, continued government deposits could be made. In many models, funds could not be withdrawn before the account holder turns 18. Creating CSAs would:

- Begin at birth investments to support education and skills, increasing the ability of CSA account holders to build savings that will make post-secondary education affordable.
- Make a vital statement that all children have the opportunity for a future with good jobs and mobility, a statement that research shows is especially motivating for poor and minority youth who otherwise are often discouraged by the obstacles they face.
- Help young people develop financial capabilities and enter adult life with a base of resources to support their learning , buying a home, or starting a small business.
- Incent families to make contributions to match public deposits.
- Support young people in poverty to amass resources they'll need to gain economic mobility as an adult.

2.3 **Build provisions into federal workforce grants and tax policies that incent/encourage employers to engage and invest in worker education.** Employer investment in workforce training has fallen in recent years for multiple reasons, including market pressure to focus on short-term results and greater movement among jobs by workers. As the U.S. resets for the post-pandemic recovery, it is an important time to encourage increased employer investment in the knowledge and skills of workers.

The Biden-Harris administration can encourage employer investments both through federal program policy and through tax code changes:

- Provide *seed federal funding for employer-centered workforce development initiatives*. This pattern within workforce programs has been growing in recent years, and it encourages employers to participate. Whether in building new apprenticeship programs, launching industry sector partnerships, or undertaking other work and learning initiatives, ensuring federal funds can cover the required costs during a startup phase greatly increases the likelihood of active employer participation in the development of strategies, provision of training, and in subsequent hiring and/or promotion for the involved workers. As current workforce legislation is modified going forward, we recommend the administration explicitly include language supporting this use of public funds.
- Create a new *Worker Training Tax Credit*, modeled on the popular R&D tax credit. This Worker Training Tax Credit should be structured to target resources to training low- and moderate-income workers. The Aspen Institute has recommended a 20 percent credit,[xviii] calculated on the increase in training above a base year level. At least six states offer such credits, ranges from 5% to 50%
- Create a system of *worker-controlled Lifelong Learning and Training Accounts (LLTAs)*. These accounts would be funded by workers, employers, and government, and could be used by

workers to pay for education and training opportunities over the course of their careers. The federal contribution could be structured to provide a higher percentage match for low-income workers, and employer deductibility could be based on providing LLTAs to low-income workers.[xix]

- Increase the cap on the *deductibility of tuition reimbursement*, currently set at $5,250.
- *Continue to allow employers to deduct the cost of paying off student debt of workers*, which was authorized under the CARES Act, up to the same $5,250 limit. This helps reduce a major barrier to economic mobility for workers with large student debt overhead to manage.

2.4

Provide financial aid for learning to adults who aren't full-time students. Federal student aid has been structured to meet the needs of 18-22 year olds entering college straight out of high school. That's vital to sustain, but needs to be coupled with appropriate supports for adults going to school while continuing to work, and often needing some educational attainment smaller than a degree. Federal actions that could meet this need include:

- Modify Pell grant requirements to allow use for shorter educational programs than degree-based ones, including for learning that results in attainment of an industry recognized certification or other smaller credential than a degree. The learner may already have a degree but need a bundle of new skills to prepare for a career change; or they may not yet have a degree but need funding to earn a smaller credential that can also be a building block to a degree later.
- Create a new grant program modeled after state programs (e.g. Tennessee's and Michigan's Reconnect programs) that provide adults with up to two years of support for earning a credential. If such a program is appropriately funded (first dollar, not last dollar), it would complement Pell grants and not increase the pressure on Pell funding. Alternatively, this could be built into Pell as long as funding for Pell grants increased to cover these costs. These and Pell grants should be designed to incent learning skills that are in demand.
- Increase funding significantly for skills training within the Workforce Innovation and Opportunities Act (WIOA). Current levels of WIOA adult funding are mostly eaten up providing job search assistance through America's Workforce Centers, with a modest amount left to support training.

2.5

B**lending funding across multiple federal agencies into integrated grants to states and local agencies**. The work involved in increasing worker skills and improving employment and economic mobility requires a combination of multiple services and funding sources. The conundrum faced in the field is that a combination of restrictions on uses of specific federal programs and the limitations of greatly reduced funding have meant that well-designed strategies require multiple funding sources and collaborating partners.

Skilled local practitioners have become expert at what funding sources can pay for a given service, and what combinations of resources from different agencies and funding sources need to be aligned to provide the needed breadth and depth of comprehensive services. But this can be a challenge, requiring different documentation and reporting for each funding source used. The result is that those skilled at blending funding out in communities achieve greater impact than agencies who mostly focus on managing programs within their silos.

A number of states have experimented with creating and incenting pooled funding, in exchange for well-defined strategies and mutually agreed upon outcomes. An opportunity for the Biden-Harris administration is to work at the interagency level to make the blending easier. That could take many forms, such as combining funds from multiple sources into single grants and RFPs, with unified reporting. It might involve clarifying acceptable approaches to blending funding, and providing financial incentives to those who do blend funding.

This is not a recommendation to simply turn a set of federal programs into unrestricted block grants. These restrictions in part emanate from Congress, and the reality that workforce programs fall under the jurisdiction of several committees, each of which will have its own approach to defining eligibility, allowable activities, metrics, and other matters. Many programs have been set up to ensure important populations with urgent needs get served rather than ignored. Those requirements can be left in place, however, while identifying and encouraging blended funding in the field.

STRATEGY 3:
Shift the Paradigm from Short-term Transactions to Longer-term Investments

Federal workforce development programs are mostly structured on a short-term model that assumes participants are "done" after completion of their initial transaction. That's understandable; many of the programs were created with the intent to meet urgent needs, such as transitioning to a new job after a plant closing. In other cases, the motivation to focus short-term came from a desire to minimize the duration of public support to be provided to an individual.

What has resulted is a bias towards program design that funds and measures transactions, most often with the individual enrolled for a year or less. Workforce development programs are in some respects the social policy equivalent of the emergency room in the health care system. They play an important role, but typically reactive to a crisis. What's too often missing are preventive services that reduce the frequency and depth of the moments of crisis. As in health care, workforce development needs to shift from a "remediation and recovery" primary model to a "wellness and health" approach.

The current short-term, crisis-centered model doesn't align well with the reality of an ecosystem of work and learning in which people need workforce services and supports multiple times in their life as they navigate rapidly changing jobs and skills requirements. We need program designs and measures that both encourage preventive strategies and encourage individuals to build on an initial round of training and employment to continue their learning, stacking it through modular credentials, and advancement in their careers. That approach requires federal workforce policy to accommodate and embrace the reality that individuals will require help at multiple points, not just at a single point of intervention.

3.1

Modify the metrics. One of the positive developments of the past several years has been the Office of Management and Budget requirement that the Department of Labor and other departments make common measures a much greater reality than ever before. That model is helpful. The challenge is that the common measures are based on short-term transactions – initial employment, earnings and educational credential gains while enrolled in programs. They don't capture longer-term results for enrollees, nor for employers or the community.

In particular, the Biden-Harris administration has the opportunity to bring together a rethinking of workforce development metrics with a parallel rethinking that has been underway for some time in post-secondary education, including how to integrate short-term credentials (including industry-based certifications) with existing educational data to provide more comprehensive information about outcomes.

Such common measures will need to balance short-term and long-term outcomes, and recognize the need for some program-specific measures appropriate to the program's specific purpose and target customers. Adopting many of them will require a significant investment in data systems and expert staff, spanning the many agencies involved in workforce development.

Examples of what could be included in a systemic set of common measures include:

- *Economic mobility/earnings/educational improvement over time* – Instead of tracking only initial employment and wage level, the metric could look at the individual's progress over 2-5 years after entering a workforce program. One key to making this measure work is to create a common unemployment insurance/wage reporting record accessible by program administrators and researchers/evaluators in every state.
- *Community results metrics* – These would measure the impact of community workforce

strategies. Examples include scale of increase in number of postsecondary credentials held in the community, increases of employment and income for low-income residents, reduction of community poverty rate, and more. Some communities already have launched local dashboards focusing on these sorts of community-wide improvements, which could be built upon.

- *Systems change metrics* – These could include measures about the depth/quality/breadth of regional/local collaboration, gauging the stage of employer engagement in systems change, and evidence of changes in laws, policies and practices in support of systems change.
- *Unified measurement of work co-funded by multiple partners*. Today, while federal law encourages and recognizes integrative work by multiple agencies, each still has to deal with the common measures individually in reporting about the programs they administer. The Department of Labor and its partners could integrate their reporting systems regarding jointly funded work (e.g. America's Job Centers).

3.2 **Shift the focus within workforce programs from short-term transactions to continuing services.** In addition to introducing a longer-term view to measuring results, every federal workforce program should be modified to encourage a longer-term view for service strategies. The length of time in which individuals need to be engaged in skill building and career transition will vary from a few weeks to a few years, depending on their circumstances. As workforce development is reconceived to underpin an ecosystem that supports lifelong learning and multiple career transitions, customers likely will need help multiple times over a period of years.

STRATEGY 4:
Challenge and Support Community Collaboratives to Deliver Results

Workforce development is built upon partnerships. For more than 40 years, federal workforce legislation has charged state and local public-private boards with responsibility for policy, strategy and service delivery. But the need and opportunity for collaboration doesn't stop with that legal requirement.

Across the country, hundreds of examples have emerged of partnerships formed to tackle challenging workforce issues, including:

- *Industry sector partnerships* in which companies, educators, workforce agencies, and other stakeholders collaborate to identify and solve industry-level workforce needs.
- *Workforce funders collaboratives* in which philanthropic organizations have aligned their resources within communities to jointly tackle important challenges.
- *Business-education partnerships* that focus on improving educational outcomes.
- *Community collaboratives that tackle systemic workforce issues*. Often these are supported by a combination of public, corporate, and foundation contributions.
- *Labor-management workforce partnerships* that support and offer educational and career advancement support to workers.

It is not accidental that collaboratives are inherent in workforce development strategies, particularly in places with long-standing reputations for innovation and effectiveness. Workforce development inherently intersects with economic and community development, K-12 and post-secondary education, human services, and other systems of public policy and services. When workforce development agencies operate in relative isolation, their impact is typically far less than it is when they collaborate extensively with each other and with employers, CBOs and community foundations.

Workforce development collaborations have been encouraged by specific federal or state initiatives, and effective collaboratives been forged and sustained by strong local leadership operating with trust and shared values. But too often, support for these partnerships has been short-term, such as from a competitive grant or a special initiative at the federal or state level. The lack of sustained funding has made it much harder for collaboratives to do longer-term work and to become institutionalized. In fact, partners at times find themselves in the position of competing for resources and attention, whether at the state or federal level. Sustained federal funding that supports/incents collaboration can help change that dynamic and drive a culture change to embrace these important partnerships.

One other important dynamic about collaboratives – their shape reflects the context of their community. In some places, community colleges play roles that are handled by community-based organizations in other locales. You may find key roles played by local business organizations in some places, while others are better led by government agencies. A partnership may be based at a foundation, in a mayor's office, at a college, in a human services organization, at an economic development council, or other places.[xx]

Federal workforce laws and policies should be rethought to focus clearly on the outcomes sought over time and to maximize the local flexibility about how to deliver those results.

4.1 **Strengthen the role of workforce boards as conveners of community collaboratives.** Through multiple names and laws, local workforce boards have been caught in a tension between dual roles. First, they serve as the formal or informal board of directors for an agency expending federal workforce funds.

That work centers on overseeing funding decisions and provision of services by or through the agency managing federal workforce funds. Second, in some regions they play more strategic roles, focusing extensively on labor market research and analysis, and on catalyzing coalitions for systemic change to tackle important workforce issues.

Federal law and policy should focus workforce boards on strengthening that strategic role, building and supporting strong partnerships that work over time to move the needle on crucial workforce challenges in their communities. One dimension of the ongoing federal workforce funding in a region should be funds that are designated to provide staff support to the collaboratives that are formed and to help fund the strategies they develop.

4.2

Charge local collaboratives with delivering high quality workforce services and outcomes. Today, workforce development is managed through competitive procurements in most locales. And federal procurement requirements often make it nearly impossible for collaboratives to obtain funding. The result is a lot of energy expended annually on contracting processes, changes of service providers from contract cycle to contract cycle, and a bias towards competition among local providers rather than collaboration.

Federal policy (including legislation) should correct the procurement bias against collaboration, shifting to encouraging multi-partner collaboratives as a modality of service delivery, including a process to ensure continuing support for their work. Those collaboratives would be held accountable for delivering essential services in a high-quality way, such as assessment, life coaching, supportive human services, career navigation advising, access to education and brokering funding to support it. These collaboratives could be supported by integrated funding from multiple relevant federal agencies, and they should be able to operate with a single set of unified metrics and one reporting system.

One important culture change is required in making this move. For decades, the culture around workforce development funding has been dominated by fear of disallowed costs. That has made financial management and attention to fiscal process detail dominant in many places, overwhelming strategy and retarding innovation in service delivery. Making this change will require engaging both program staff and fiscal/procurement staff at the federal, state, and local levels in developing new processes that better align with a model based more on collaboration than on competitive proposals.

Managing public funds legally IS important, but that expectation needs to be balanced with broader flexibility that reduces the fear of being second-guessed by federal or state monitors and auditors later.

4.3

Charge states with being catalysts of innovation. States can play a pivotal role in a more agile workforce development system – as hubs of innovation, providing encouragement, funding, and technical assistance to regional collaboratives. State workforce boards and agencies could be charged with:

- Aligning policies, practices and resources across state agencies, mirroring what is being asked of federal agencies.
- Building statewide vision and strategies for developing the lifelong work and learn ecosystem in regions across their states.
- Providing flexible funding to support innovative strategies undertaken by regional collaboratives, using a WIOA state discretionary fund and state funds.
- Convening regional collaboratives as a learning community and providing technical assistance resources to sites needing help.

- Operating statewide dashboards tracking the progress and impact of regional collaboratives.
- Creating new partnerships with Tribal Governments and programs serving Native Americans, Alaska Natives, and Native Hawaiians under Sec. 166 of WIOA and integrated education and training programs under PL 102-477.
- Improving and sharing labor market information with local agencies and with the public that can be used to inform choices.

STRATEGY 5:
Invest in R&D, Technology and Continuous Learning within the Workforce Development Ecosystem

A reality facing the incoming administration is that resources to support some crucial federal roles in workforce development have been gutted gradually over decades. As an example, in sharp contrast to its partner agencies (HHS, Education), the Labor Department's research and evaluation staff has shrunk over the years from more than 300 to a fraction of that size today. It will be important to build up the federal staffing and funding required to rebuild some important offices/functions within the Department of Labor and other related agencies. Four specific areas on which to focus are:

5.1 **Invest in professional development.** Today there is no concerted nationwide effort to increase the skills of the professionals tasked with helping Americans navigate an enormously complex labor market. More than forty years ago, the Labor Department sponsored a nationwide network of university-based development opportunities for workforce development professionals. In the four decades since that has ended, professional development has been pieced together through occasional federal projects building it in, through foundation supporting academies and learning networks, and the limited scale workforce associations can afford to do without dedicated funding to this purpose. The success of many of the examples of effective professional development within workforce development argues for the federal government to return to this space and significantly expand the resources dedicated to it. Staff at all levels need learning opportunities, including those working in state agencies, at local workforce agencies/boards, at colleges, at community organizations, managing collaboratives and more. We need to strengthen the skills of a next generation of workforce leaders and professionals to see the quality of systemic, innovative change needed. One specific action the Biden-Harris administration can take: make professional development an allowable use of funds and a priority in every workforce and education program.

5.2 **Invest in research and development.** Historically, a key federal role has been in sponsoring R&D – projects that can try new approaches and then be learned from. This role has been lessened by lack of funding and should be restored at greater scale than in the past. Models in other sectors of the federal government can be used as a basis for stimulating continuing R&D and learning in the field – the Defense Advanced Research Projects Agency (DARPA) is an incredible example to model. One important consideration: it is important to design R&D funding to flow continuously to states and local entities (such as workforce boards and community colleges) and not be limited to the handful who win nationally procured one-time grants.

5.3 **Invest in evaluation.** The federal government at one time operated with a planned research and evaluation agenda designed to tackle timely questions to improve funding priorities and services. As funding has shrunk, so has the federal investment in workforce evaluation. It needs to be restored, with an emphasis on formative evaluation aimed at capturing the learnings during systemic change and informing practitioners making the changes as they proceed and not only after the fact, in addition to the current emphasis on summative evaluation.

5.4 **Invest in workforce technology/data infrastructure.** Like in many parts of the federal government, investments in technology haven't kept up with the needs. The most important aspect of that in the workforce development space is that a much greater investment in data systems is needed. Federal agencies, along with far too many states and regions are operating with obsolete workforce data systems and obsolete technology for service delivery. Some of this can be fixed through grants to accelerate modernization of data systems and adoption of rapidly emerging new technologies to support workforce development are needed. Work in the right direction has come through the Workforce Data Quality Initiative, through which states have gotten grants to increase data integration connecting workforce data with educational system data. But the federal government should also consider building unified nationally integrated data systems in some major cases, rather than trying to fix 53 obsolete ones. The BETS workgroup on Unemployment Compensation is making just that recommendation about the broken systems for processing unemployment claims.[xxi]

Conclusion

Only with a well-skilled workforce can a modern economy remain competitive, and its workers enjoy broadly shared prosperity. Yet, it has become increasingly difficult for workers to become and remain highly skilled, due both to faster skill obsolescence and to understandable reductions in employer investments in training. In these circumstances it is imperative that the federal government do much more to promote effective workforce development, both through the services it provides and through policies that incent and enable other participants in the system – employers, unions, education and training providers, state and local governments, and individuals, especially those most in danger of being left behind – to do their part. This brief has offered evidence-based recommendations for many specific actions that the new Administration and Congress could take to meet the challenge. They are investments that will pay huge dividends.

Appendix 1

The Dimensions of the Required Workforce Investments

It's always been true that people who want to learn an in-demand skill often struggle to afford the training they need to step into a better career. In this economy, it will be even tougher. Nearly fifty million people have filed for unemployment – and many will have to change their field of work. Yet, less than half of Americans say they have access to the information, professional networks, education and skills training they want and need to find family-supporting jobs.

Skills training and career navigation should be a critical component of our country's inclusive economic recovery plan. And, voters overwhelmingly support increasing investment in skills and technical training as a cornerstone of our nation's economic policy.[xxii] A recent national survey by the Heldrich Center for Workforce Development found that 74% support government funding to assist laid-off workers with education and skills training, including majorities of both Democrats and Republicans.[xxiii]

1 We invest less than every other industrialized country.

The U.S. – the world's largest economy and a country with a workforce of 160 million people – invests just 0.1 percent of GDP on active labor market policies,[xxiv] less than any other industrialized country except for Mexico.[xxv] Australia invests twenty-four times that amount, and Ireland invests forty-eight times that amount. A 2019 White House Council of Economic Advisers' report found that the U.S. would need to invest $80 billion more a year just to reach the median level of investment in workforce development of other industrialized nations.[xxvi]

2 We invest less than we have historically.

Since 2001, WIOA funding has been cut by 40 percent, Career and Technical Education funding by 29 percent and Adult Education funding by almost 15 percent.[xxvii] These cuts mean fewer workers have access to services necessary to find and keep good jobs and businesses continue to look for skilled workers. The cuts have meant drastic limitations to the capacity of an already stretched system. For example, the American Job Centers are intended to serve as a primary access point to workforce services. Many communities, particularly in rural areas, have struggled to keep them open with declining funds.[xxviii]

3 We invest less than the scale of need.

Roughly 15 million – the government's own estimates vary – are unemployed, and millions more are either underemployed or have left the labor market. When the pandemic subsides, many workers who lost their jobs won't be able to return to the same companies, occupations, or industries. They'll have to look for and train for something new – especially if they want a good-paying job. Investments now are critical to ensuring that those workers, and the tens of millions of workers who are underemployed – individuals working part-time or making less than $15 per hour – have opportunities to access and succeed in education and training to reenter or progress in the workforce.

Our current investments in reskilling and reemployment programs only enable about 5% of all workers who lose their jobs to access comprehensive services. There will be many more people who need training than there are resources to train them. Our workforce and education systems can connect workers to skills training that leads to good jobs – but we need to invest today to make that possible.

4 We invest mostly in short-term occupational training rather than in more effective work-based learning.

These trainings are often non-credit and very short-term, placing people in occupations with high turnover (e.g. truck driver training) or limited career pathways (e.g. nursing assistant), resulting in low earnings outcomes, especially for women of color.[xxix]

5 We invest in program silos, so the end user experiences a maze of frustrating and confusing maze.

Programs spend an inordinate amount of time determining eligibility and documenting performance, given varying definitions, eligibility requirements, and program rules. And the underlying data systems are outdates and typically not linked to support integrative service delivery.[xxx]

What do we do?

The idea of restructuring our workforce investments and financing is not a new idea. The Chairs of both the House Education and Workforce Committee and the Senate Health Education Labor and Pensions Committee, Chairman Bobby Scott (D-VA) and Chairwoman Murray (D-WA), have introduced the Relaunching America's Workforce Act, which would invest $15 billion in supplemental funding for the workforce system as an immediate response to our current crisis.[xxxi] Republicans also led efforts in the last Congress that would have doubled state WIOA formula funding levels with $3.5 billion targeted for investments in training costs.

These proposals would provide a critical down payment for addressing the skill needs of workers who have been dislocated as a result of the pandemic, and we strongly support them. However, it is critical that we begin to talk about what is required to adequately invest in America's workers. This need is exponentially higher than current funding levels or even what Congress has proposed in response to the COVID crisis. Restructuring, modernizing and transforming the U.S. workforce development system will require substantial but necessary investments in workers and businesses that drive our economy. Each of the proposals described in the paper necessitate concerted public investment to fulfill a comprehensive vision of modernizing how workers access training and supports through our public workforce system and how the system meets industry needs. For this reason, we strongly support funding levels consistent with those proposed during the Biden-Harris campaign. We propose increasing federal workforce funding by $70 billion per year.

1 We need to invest in creating more equal access to quality jobs and learning opportunities for all Americans: $50 billion/year.

An estimated 60% of U.S. jobs in the coming years will require learning and credentials beyond a high school diploma.[xxxii] At the same time, workers who have lost their jobs during this recession have disproportionately been those without any education past a high school diploma. The U.S. economic recovery relies on ensuring all workers have access to publicly funded training to gain skills necessary to fill jobs once our economy reopens. To provide skills training to just three quarters of the workers who are still without jobs and expand opportunities for reskilling to workers stuck in low-paying jobs and struggling in today's economy, we would need at least $50 billion per year (based on the level of Pell grant investments for traditional college students and adult worker "reconnect" initiatives being done by several states). This funding would support significant expansion of community college-based adult learning services, training provided by community-based organizations, and apprenticeship programs across many industries. This investment should be paired with a strategy to improve job quality, as outlined in a companion paper in the BETS series.

2 We need to invest in career navigation and income and social supports for all workers: $10 billion/year.

Rapidly changing labor markets, occupations, and skill requirements are challenging to navigate. Providing all Americans with access to robust career navigation systems, technology, and skilled coaches can help them understand diverse pathway options and the shortest paths to good jobs and careers. Building this high quality service across the country can accelerate transitions, reduce false starts, and help students, job seekers and workers successfully navigate next steps for learning and employment. In particular, career navigation services can help those most often left out of the labor market to succeed. In order to engage in training and succeed in employment, many workers also need access to support services (such as child care and transportation) and income support while in training at much larger scale that current workforce funding can cover.

3 We need to invest in the alignment and modernization of our workforce development ecosystem: $10 billion/year.

The U.S. workforce development ecosystem components were designed for a different economy than we live in today and assumed that most people would not need much support in making career transitions. Many of our recommendations call for modernizing that ecosystem to account for the higher frequency of job changes, rapid deployment of new technologies in the workplace, and lack of a level playing field for workers without degrees in employer hiring practices. That updating requires sustained investments, including:

- *Contributing to public-private-philanthropic partnerships.* Tough employment challenges require public-private-philanthropic partnerships to solve, meaning that workforce, inclusive economic development, and philanthropic activities need to be coordinated at the regional/local level. It also calls for a greater role of employers in training and refreshing the skills of their employees to stay competitive and innovate. Public investment can leverage corporate and foundation investments to better align and adequately fund solutions. For example, industry sector partnerships, in which multiple companies within a region and an industry are brought together, have demonstrated their ability to improve outcomes for workers and companies.
- *Supporting multi-agency partnerships.* Workforce development is most effective when provided through multi-faceted collaborations. Cross-system investments in adult education, community colleges, and workforce development systems changes will result in working smarter and more efficiently; using technology to expand the reach, service capacity, and effectiveness of programming.
- *Investing in professional development.* The U.S. needs to make a systemic investment in the skills of those who deliver workforce services. Our failure to do so in recent years has meant the workforce development field lacks the resources to do the upskilling and career pathway building that we advocate be done in other industries.
- *Increasing investment in evaluation, research and development.* Ensuring that practices in the field are appropriate and relevant requires a much larger investment in learning what works, and experiments in innovative strategies that can inform agile changes across the country. R&D and evaluation funding is needed at all levels – federal, state, community colleges, and workforce agencies.
- *Improving data collection and analysis.* Increased federal investment in data systems and analysis is essential, including in labor market information, workforce data quality, and connecting workforce data with longitudinal education data. These data enhance career navigation, education and training choice, transparency of outcomes, and evaluation.
- Developing and expanding strategies that can improve outcomes for historically underserved populations. Funding needs to be dedicated to ensuring workforce development strategies create opportunity and improve results for those left behind in the U.S. economy, including Black and Latinx people, as well as community members returning from incarceration.
- *Supporting institutional transformation and scaling of innovation.* Through the Trade Adjustment Assistance Community College & Career Transformation (TAACCCT) grants during the Obama administration, hundreds of community colleges designed and implemented new modes of service delivery that improved outcomes for their students. Our community and technical college and workforce development systems stand poised – with adequate and stable investments – to respond to industry and worker needs, but require substantial support from the federal government to achieve needed transformation.

Endorsers

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Organizational Endorsers:

- **Corporation for a Skilled Workforce**
- **Jobs for the Future**
- **National Skills Coalition**
- **New America**

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