



# **Developing Tomorrow's Workforce: Workforce Intermediaries and Career Advancement Strategies**

**Reinventing Older Communities: How Does  
Place Matter?**

**Federal Reserve Bank of Philadelphia**

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# Several Major Economic Trends Present Challenges and Opportunities for Workforce Development

- There is a growing income gap.
- The number of people working in the private sector and remaining under the poverty line is substantial.
  - Between 2000-2005, 25.5% were in poverty
  - 16.8% in the public sector were in poverty
- The percentage of jobs at the lower end of the earnings distribution is growing. It is thinning in the middle, and growing at both ends.
- More good jobs require post-secondary education, but the barriers are substantial.
- Adults in low-wage employment have difficulty moving up to higher wage employment. One study found that in the 1990's, a period of high growth, only 27% of low-wage earners consistently raised their incomes above the poverty line for a family of four.

# What can be done about these trends?

- **Supply side approaches**
  - Education and training
  - Skills training
  - Basic skills improvement
  - Post-secondary education
  - Income enhancements
    - Tax enhancements: EITC
    - Asset development



# What can be done about these trends?

- **Demand side approaches**
  - **Improve the quality of jobs**
    - **Public policy**
      - Increase minimum wages
      - Unionization
    - **Change the quality of jobs**
      - Career ladder approaches
      - Sectoral programs
    - **Create more good jobs**
      - Community benefit agreements, tax incentives, financing tools
      - Extension services, sectoral programs,



# Workforce Intermediaries: Working Both the Supply and Demand Sides

- **Different approach to workforce development, sometimes called by other names: “workforce partnerships”**
- **They have grown to fill a gap in a local labor market, not as a result of a national program or federal funding initiative**
- **There are many sponsoring “homes”: CBO’s, labor-management partnerships, employer associations, WIBs, community colleges**



# What Do Workforce Intermediaries Do?

- They are labor market organizers: They organize multiple partners and resources towards a common goal of advancing the status of low-wage workers
  - Aggregate employer demand
    - By sector
    - By occupation across sector
    - By geography
  - Organize providers
    - Sometimes provide, sometimes broker services
    - Set quality standards for providers
    - Build continuum of services: ie. Pre-employment to incumbent upgrading
  - Organize financial resources
    - Blend public funding to go beyond limits of categorical funding
    - Raise and blend in private funding: employer and philanthropic
    - Create new financing models

# **Workforce Intermediaries Work Both Sides of the Labor Market**

- **They see both employers and workers as customers**
- **They are bi-lingual: have strong employer and worker service skills and knowledge**
- **They see enhancement of skills and change in the quality of jobs as targets for intervention**
- **Focus not just on placement but on job and career advancement**
  - **Design and manage careers ladders**
  - **Help implement HR strategies beyond training: career coaching, etc.**
- **Work on broader policy issues that affect workforce development**



# Sector Analysis

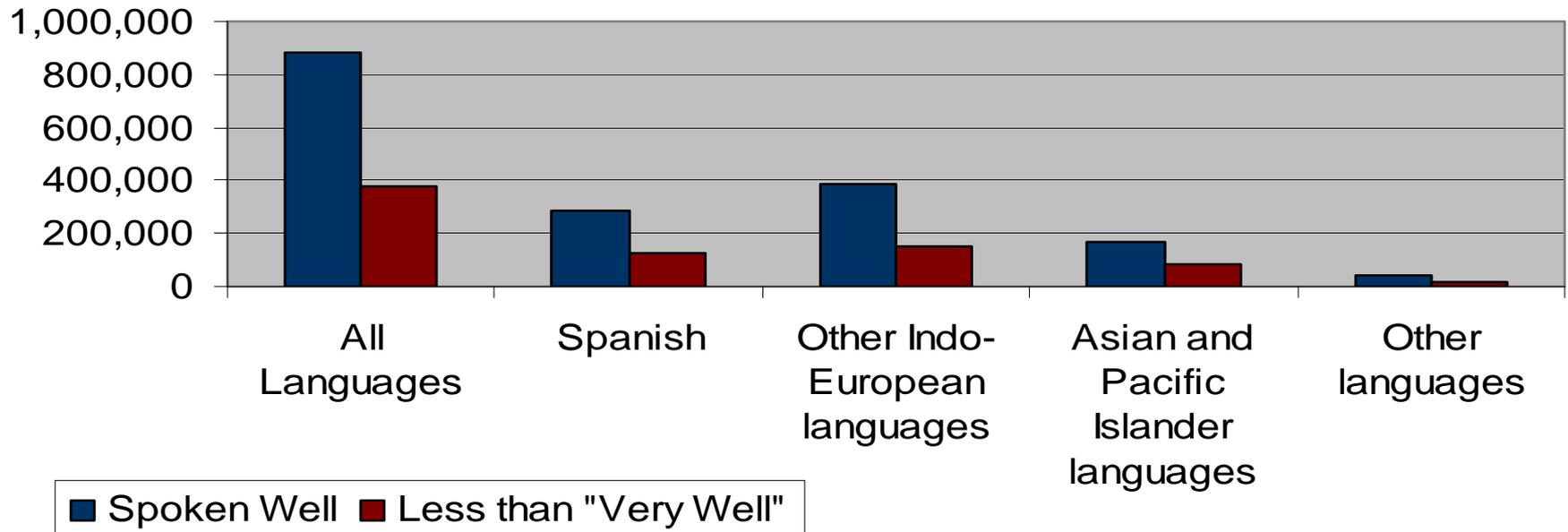
Industry	Establishments in Boston
Hospital and Nursing Care	132 (33 hospitals)
Retail–Health/Personal Care	244
Hospitality	135

# Sector Analysis

Occupation	Employees in Boston MSA	Mean wage
Janitors and cleaners	44,140	\$12.57
Maids and housekeepers	13,990	\$10.82
Food and preparation	16,850	\$10.18
Cashiers	55,320	\$9.38
CNA/Medical Assistant	7,100	\$15.49

# Sector Analysis

## Language Attainment for Non-native English Speakers



# Hospitality Career Institute

- **Outgrowth of focused sector work by two CBOs working in hospitality : JVS, IIB**
- **Focus on skills training, placement, and incumbent worker upgrading in culinary and lodging segments of hospitality industry**
- **Organizing employers**
  - **Convention Centers as hub of education and training**
  - **Hotel chains as hub of education and training: ie. Hilton**
- **Services**
  - **Pre-employment training and placement**
  - **Career ladder planning and design**
  - **Incumbent workers training: ESOL, ABE, computers, customer service, supervisory training, job specific**
  - **Career coaching/mentoring**
- **Strategic focus on linking economic development and workforce development: pipeline of new hotels, restaurants, particularly in Seaport district**



# Health Care Training Institute

- **Began in the Longwood Medical Area as a project of two Community Development Corporations, merged with JVS in 2007**
- **Provides pre-employment, workplace education, career coaching, career ladder development services**
- **Now serves fifteen Boston-area acute and long-term care health care institutions**



# Health Care Training Institute: The Long-Term Care Challenge

- **Long-term care facilities need LPN's but have difficulty finding and hiring them**
- **Most long-term care-givers are CNA's**
- **CNA's could be a great source of LPN's, but...**
  - **Limited English**
  - **Limited education**
  - **Not ready for college-level work**
  - **Working adults with busy lives and limited resources**



# Long-Term Care Career Development Model

- CNA to LPN
- ESOL and “pre-college” classes contextualized for the long-term care environment
- Career/academic coaching
- Interim “career ladder” positions: i.e.: CNA 2
- LPN classes
  - Reserved college slots
  - Release time
  - On-site or provide transportation to college

# Lessons Learned From Service Delivery

- Career ladders need to be realistic and attainable with interim steps as appropriate
- Workplace education must be “contextualized”
  - Use the language, experiences, and challenges of the workplace
  - Introduction of core competencies when available
  - Meet employer need: i.e. orientations
- The time to get college-ready can be long and difficult
- Career/academic coaching is key
- On-site, flexibly scheduled education is important
- Release time is a must

# Lessons Learned: Building Intermediaries

- **Scale is challenging, most operate in the 100's, not 1,000's**
- **A sustainable financing model is key to scale**
  - **Union-management funding agreements**
  - **Private investment models**
- **Capacity development is key to scale**
  - **Building a successful business**
  - **Delivering high quality services to employers**