

WORKFORCE DEVELOPMENT

EXECUTIVE SUMMARY

June, 2009



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The Workforce Development report was developed by the **Chicago Jobs Council** in collaboration with an advisory committee. The report is commissioned by The Chicago Community Trust to support the 2040 comprehensive regional planning effort led by the Chicago Metropolitan Agency for Planning.

INTRODUCTION

It used to be that many people in the United States could have lifetime employment armed just with the education they received in high school, plus a little on-the-job training, and that the labor market had enough jobs requiring that level of skill.

But times have changed. A higher percentage of jobs now require educational attainment beyond high school. Workers now must hold multiple jobs over their lifetimes; often new skills are required every time they change jobs (voluntarily or involuntarily). And quickly evolving technological and business practices are making it necessary for individuals to get training many times over the course of their careers.

All of these changes – plus numerous demographic and societal shifts – place new demands on the nation’s workforce system, that network of programs, services and systems that provides employers with appropriately-prepared workers and provides individuals with education, skill development and access to employment and advancement in the labor market.

To maintain a workforce that is skilled, productive and competitive in this new environment, leaders in the Chicago area need to bring the region’s workforce systems and strategies to a new level. They need to create new mechanisms to foster regional analysis, cooperation and coordination and to make the system flexible enough to adapt to what are expected to be the ever-changing needs of employers and individuals. They also need to make sure there are enough accessible “on ramps” to careers and further education for the least skilled individuals.

To understand what kind of a system will be needed by 2040, it’s important to realize that there is no regional workforce development system now. Across the metropolitan region, workforce development services are delivered and funded by a variety of public and private entities. While there have been promising region-wide initiatives, there is no administrative body or jurisdiction charged with developing or implementing a regional strategy.

The region’s “system” is really one core system (federal programs under the Workforce Investment Act, or WIA) that intersects with three other systems (education, economic development and human services), each of which does workforce development activities but has a different emphasis than the federal system.

While the region has a vast network of workforce development services, it is challenged to produce the best results for businesses and workers. The variety of systems and programs, inconsistent access to appropriate services, and lack of flexibility in public funding streams combine to create complicated and potentially duplicative service delivery and difficulties communicating the information that businesses and individuals need to navigate the system. Moreover, sometimes-inconsistent public funding and policy trends can result in inconsistent service delivery, limited access to services for some individuals and businesses, and poor quality training.

Programs for low-skilled individuals are a particular challenge. While post-secondary institutions provide the backbone of the training infrastructure in the region, they are not where the least-skilled individuals are likely to get appropriate preparation and skill-building. And while most workforce development or job training that individuals get outside of traditional education systems is employer-based (including on-the-job training, customized training developed for a particular employer, non-credit professional development and employer-paid credit-based education for some employees), this kind of help accrues mostly to higher skilled incumbent workers.

Instead, low-income individuals are most likely to turn to public systems to acquire the skills they need to get and maintain employment and to advance in the labor market. However, although WIA is the main public workforce program that low skilled individuals turn to, WIA has never been a robust resource for training the unskilled workforce. And now, with flat funding, it pays for even less training as tuition costs rise.

At the same time, work-focused policy in public assistance programs has created additional demand for workforce services without accompanying funding or policy guidance. And federal policies focused on lowering public assistance caseloads and getting people into any kind of job conflict with workforce development goals for labor market advancement and skill building.

Additionally, while most people who need training turn to public and private post-secondary schools for training, what these schools provide is not always part of any career and education pathway. There are important initiatives at the state level to build pieces of these pathways but the full complement of workforce, training and education components that should make up robust career and education pathways still remain fragmented.

All of the fragmentation impedes the workforce and education systems' ability to support workers' advancement through the labor market. It also limits the development of "just-in-time" solutions that address specific industry or business workforce challenges.

Addressing these problems does not require reorganizing existing systems, agencies or boards; just moving the "boxes" into a new structure will not guarantee better service delivery and outcomes. To accomplish a region-wide vision for workforce development in the absence of region-wide institutions, the Chicago area should build on what already works, create ways to conduct multi-system projects, and enhance community-focused strategies. Information transparency, innovation, community-focused solutions and coordination will be essential.

What's needed are coordinated workforce, education, and economic development planning and information systems across the region, along with an integrated and adaptive career and education pathway system driven by skill needs of employers and accessible to all workers in the region.

Ultimately such a “system” would operate more like a coordinated network of services. Public policies and funding would facilitate workforce information, access for those who need it the most, and collaboration. Mechanisms would be created to bridge the existing systems for specific purposes.

The extent to which the various players in the region’s workforce systems can work together will have a great impact on the effectiveness of workforce development strategies.

VISION STATEMENT

- The region’s workforce will have the appropriate skills for jobs in the regional labor market.
- The region’s businesses will experience only limited skilled labor shortages.
- Public investments in the region’s human capital will occur through workforce development programs or other training that will prepare students and workers to excel in the diversified jobs of the future and that will support the economic stability and prosperity of the region’s households and businesses.

RECOMMENDATIONS

This vision can be achieved if the following recommendations are implemented:

INFORMATION SYSTEMS

1. Assess data and information that is collected, needed and used by the region’s workforce, education and economic development programs.
2. Establish a region-wide, integrated, transparent data/information network or consortium to guide the region’s job seekers and businesses to appropriate workforce solutions.
3. Establish ongoing monitoring to determine whether the data and information systems are functioning to serve individuals and businesses in the region.

PLANNING SYSTEMS

4. Assess existing regional economic development, workforce development and education coordination across the region.
5. Establish common goals among workforce, education and economic development systems in the region.
6. Create mechanisms for coordination among these systems, where they intersect, that will facilitate workforce development services for the region’s individuals and businesses.
7. Build cross-system coordination into these workforce, education and economic development systems.
8. Establish mechanisms to monitor and ensure long term coordination.

CAREER PATHWAYS MECHANISM

9. Complete an environment scan of existing career pathways initiatives in the region.
10. Establish a cross-system “pathways” working group.
11. Implement a regional, cross-systems pathways coordinating hub, responsible for ongoing mapping of career pathways for industries and occupations.

REGIONAL INFRASTRUCTURE

12. Conduct an environmental scan of current community-focused workforce development entities.
13. Identify strengths and weaknesses of local service delivery networks.
14. Determine optimal community-focused service delivery.

FLEXIBLE PUBLIC FUNDING STREAMS AND POLICIES

15. Conduct a comprehensive documentation of existing public funding streams used for workforce development in the region.
16. Influence new policies in public funding streams, as appropriate.
17. Monitor impact of more flexible funding.

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The Chicago Jobs Council (CJC) served as the lead agency for the development of the report with support and assistance from Annie Byrne, of the Chicago Metropolitan Agency for Planning (CMAP), and Leah Bradford and Phil Thomas, of the Chicago Community Trust (CCT). CJC staff who worked on the project were Robert Wordlaw, Carrie Thomas, and Jennifer Keeling. Senior staff at both CMAP and CCT, as well as the other lead agencies, provided active support.

Editor for this summary was Vivian Vahlberg.