

# >> The Most Competitive Workforce in the World

How Minnesota can help more adults gain the  
right skills to get and keep good jobs

January 2013

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Recommendations from the *Executive Committee*  
of the Governor's Workforce Development Council  
in a report written by Bryan F. Lindsley

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Minnesota was once known as the Brainpower State—a reputation built on strong investments in education and a highly competitive workforce.

Yet today, that reputation and the prosperity it affords is at risk.

The skills gap threatens Minnesota’s economic competitiveness and the ability of our citizens to secure a middle-class lifestyle. Not enough adults attain the right skills to get and keep a good job.

Evidence suggests that Minnesotans need to reach an educational tipping point—specifically, attainment of one year of postsecondary-credit courses with an industry-recognized credential—to get a good job.<sup>1</sup> Adults who have not reached this tipping point are unlikely to advance beyond lower wage jobs and are more likely to be unemployed than more skilled workers. In Minnesota, approximately 31 to 55 percent of the labor force has not reached the tipping point.<sup>2</sup>

Minnesota businesses have one of the highest needs for skilled workers in the nation.<sup>3</sup> Because two-thirds of the state’s 2035 labor force is already of working age, it is impossible to meet this skill demand without helping more adults get the right postsecondary credentials and skills.<sup>4</sup>



The Legislature should take specific steps to help Minnesota become one of the most competitive workforces in the world



## Minnesota needs more adults to attain postsecondary credentials in high-demand fields.

Driven by the federal Workforce Investment Act and the funding it provides, Minnesota's workforce system focuses on short-term job search and reemployment at the expense of long-term human capital investments. Our system currently cannot help enough adults get the skills and credentials they need to get a good job. While federal law is a challenge, Minnesota has unique resources and policy options—namely with the Workforce Development Fund—to invest in strengthening its workforce. Our state can and should invest more in helping adults attain the postsecondary credentials needed by employers.

Minnesota can reclaim its distinction as the Brainpower State by taking action to become one of the most competitive workforces in the world. By choosing the outcomes it measures and strategies it funds, the state helps determine how many people will gain valuable credentials<sup>5</sup> needed by employers. Empowering more adults to get the skills they need—and especially taking action to address large and persistent employment disparities—is within the state's power. If Minnesota takes the right steps now, our state could lead the nation and the world in postsecondary credential attainment in the future.

This report begins with a presentation of the overwhelming national and state consensus to strengthen our workforce by expanding career pathways strategies and increasing credential attainment.

The report then outlines four recommendations to close skill gaps, build a strong middle class, and ensure a prosperous and equitable economic future:



**Recommendation 1:** Establish a competitive career pathways grant for adults within the Workforce Development Fund.



**Recommendation 2:** Require publicly reported and disaggregated credential outcomes of workforce programs.



**Recommendation 3:** Direct Workforce Centers to focus more energy on helping customers attain industry-recognized credentials and one year of post-high school education.



**Recommendation 4:** Ensure adults have easy access to local labor market information, including jobs in demand and information about related career pathways training programs.

There is growing consensus at the state and national level that the workforce system must change its focus from short-term job placement to long-term human capital investments.

In 2009, President Obama set a goal for the United States to be “the best educated, most competitive workforce in the world” by leading the world in the percentage of adults with postsecondary degrees and/or industry-recognized certificates and credentials by 2020.<sup>6</sup>

To help meet the President’s goal, the Secretary of Labor set a goal to “increase by 10 percent (to 220,000) the number of people who receive training and attain a degree or certificate

through the following programs: Workforce Investment Act (WIA) adult, dislocated worker, and youth, National Emergency Grants (NEG), Trade Adjustment Assistance (TAA), and Career Pathways” by June 2012.<sup>7</sup>

Coordinated direction from the federal government in turn led Minnesota to include credential attainment, through career pathways training programs, as a primary goal of its five-year strategic plan for the Workforce Investment Act.

## What is the skills gap and what does it mean for Minnesota?

The skills gap is the growing rift between the needs of employers and the skills of Minnesota’s workforce. It is a product of larger economic and demographic forces, and presents both challenges and opportunities for our state. By understanding current trends, we can harness our opportunity to build an economy that works for all Minnesotans and Minnesota businesses.

View the GWDC’s *Skills at the Center* slideshow to learn why:

- 85% of all new jobs created in the decade after the recession formally ended will require postsecondary education.<sup>8</sup>
- Two-thirds of Minnesota manufacturers list a “high-performance workforce” as the number one factor for firm success.<sup>9</sup>
- 7 in 10 Americans hold jobs for which there’s low demand or an oversupply of qualified labor.<sup>10</sup>
- Two-thirds of employers nationwide report having positions for which they often cannot find qualified applicants.<sup>11</sup>

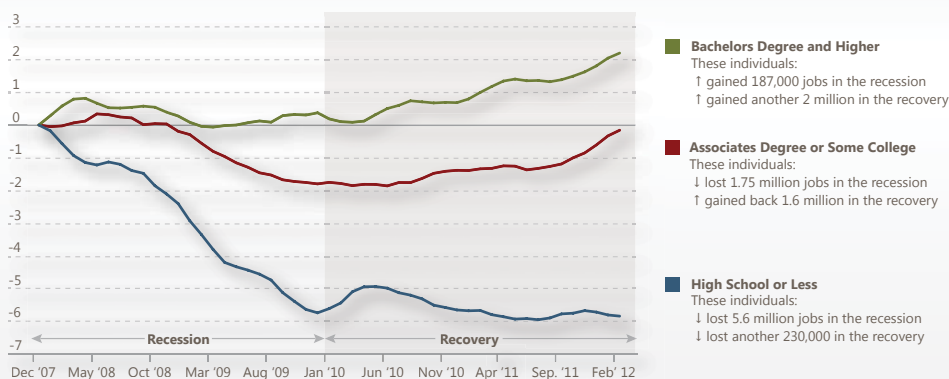


View *Skills at the Center* at [gwdc.org/policy/skills\\_gap](http://gwdc.org/policy/skills_gap)

### The recession has hastened the shift toward more highly-skilled jobs.

Most jobs eliminated during the recession were low-skill, while the vast majority of new jobs created since have required postsecondary education.

Change in Employment by Education (millions)



Source: The College Advantage, Georgetown Center on Education and the Workforce; Current Population Survey, U.S. Census Bureau

**New Jobs**  
85% of all new jobs created in the decade after the recession formally ended will require postsecondary education.

**A number of national reports have advocated for making changes to the workforce system in order to improve outcomes.**

*Corporation for a Skilled Workforce*

In March 2012, the Corporation for a Skilled Workforce proposed “redefining, reinventing and redeploying the current [WorkForce Centers] to transform them into places where work and learning intersect to help transitioning workers obtain needed skills, knowledge, and market-relevant credentials.”<sup>12</sup>

*Center for American Progress*

In June 2012, a Center for American Progress report called for the workforce system to “evolve into a hybrid model that combines the educational rigor of higher education with the flexibility and labor-market focus of industry-based workforce training—resulting in postsecondary degrees, certificates, and industry-recognized credentials.”<sup>13</sup>

*National Skills Coalition*

The National Skills Coalition has presented a range of reports that detail strategies to reinvent the workforce system, namely career pathways, cross-agency credential measurement, and sector strategies.<sup>14</sup>

*Complete College America*

Reports from Complete College America have advocated for a reinvention of college remediation. A 2012 report called remediation higher education’s “Bridge to Nowhere.”<sup>15</sup>

**In Minnesota, multiple organizations and partnerships have aligned on key policy messages.**

*Growth and Justice*

In July 2010, Growth and Justice unveiled its Smart Investment Agenda calling for action so that “at least 75 percent of adults have a higher-education credential by age 25, and students of color and American Indian students are making gains toward closing the achievement gap.”<sup>16</sup>

*Blue Ribbon Commission on Reducing Racial Employment Disparities*

In a September 2011 report, the Blue Ribbon Commission on Reducing Racial Employment Disparities recommended promoting “opportunities that increase postsecondary attainment and training for job readiness (e.g., degree, certificate, trade certification, stackable credentials, on-the-job training, youth employment/internships) that will help eliminate racial employment disparities.”<sup>17</sup>

*Itasca Project*

Itasca Project’s recent higher education report called for better alignment of academic offerings with workplace needs as well as taking systematic action to raise graduation rates.<sup>18</sup>

*Workforce Strategy Center*

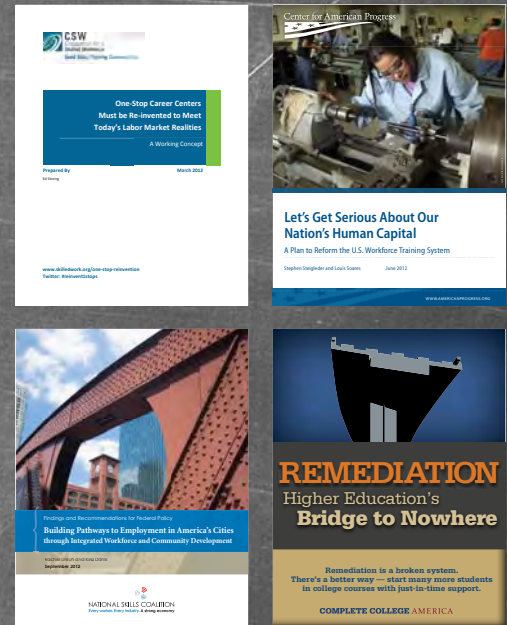
An October 2012 policy briefing from the Workforce Strategy Center made specific recommendations about funding a career pathways system in Minnesota using state discretionary funds.<sup>19</sup>

*Workforce Policy Funders Task Force*

Expanding career pathways has been a recommendation from a group of Minnesota philanthropists, including The St. Paul Foundation, The Minneapolis Foundation, the Initiative Foundation, the McKnight Foundation, The Phillips Family Foundation of Minnesota, Greater Twin Cities United Way, and the Joyce Foundation.<sup>20</sup>



National reports calling for a completely redesigned workforce system that prioritizes long-term human capital development to meet increasing skill requirements of most jobs



Minnesota reports advocating for new education and training goals and strategies to help more Minnesotans attain postsecondary education and training



# Recommendation 1: Establish a competitive career pathways grant for adults within the Workforce Development Fund

Minnesota's Workforce Development Fund, which exists to provide education and training programs, is the primary place legislators should look to implement innovative and effective workforce programs. Since ongoing federal Workforce Investment Act funding provides services that focus primarily on short-term job search and reemployment, Minnesota has the opportunity to use state discretionary funding to meet longer-term human capital needs. The Workforce Development Fund should aim to meet needs not met by federal funding, tackle employment disparities, and serve the wide range of Minnesotans that could benefit from education and training.

Currently, the Workforce Development Fund invests a disproportionately large share of funding in the State Dislocated Worker (DW) program. Although this program is well-operated and has merit, it receives significant federal resources and serves a more educated, higher-wage, and less diverse population than a potential career pathways system.

Expanding career pathways programming in Minnesota with criteria similar to that of the promising FastTRAC model is a logical way to begin making changes. Originally recommended by the GWDC in its 2011 *All Hands on Deck* report, expansion of career pathways programming will enable Minnesota to train more low-wage adults with the postsecondary credentials needed by employers. Expanding career pathways programs will also position Minnesota to compete nationally for funding that is increasingly directed toward innovative training models. However, the most compelling reason to expand career pathways programs in Minnesota is that they will help more adults earn college credit and complete degrees than other workforce programs.

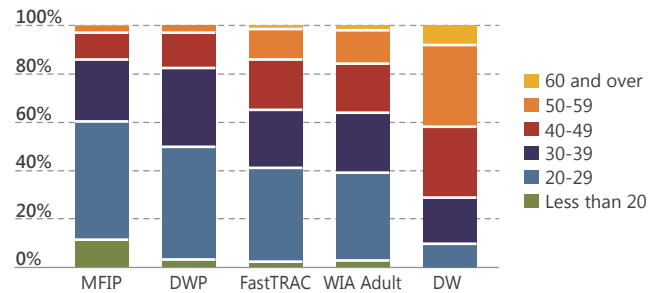
According to the Center for Law and Social Policy, career pathways "are spreading quickly across the country in workforce development, adult education, and community colleges. At least 10 states are engaged in statewide career pathways efforts and the federal government has endorsed the approach as a promising model to expand the number of postsecondary-educated adult workers in a state or local area."<sup>21</sup>

## A Look at Workforce Program Participants\*, July 2010–June 2012

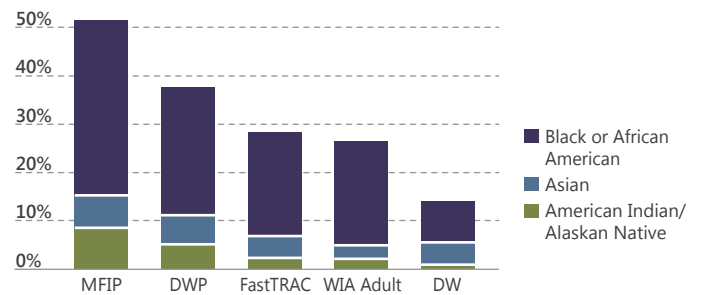
Gender of Enrollees in Minnesota Workforce Programs

Gender	MFIP	DWP	FastTRAC	WIA Adult	DW
Male	23.4%	25.7%	31.5%	39.5%	50.9%
Female	76.6%	74.3%	68.5%	60.5%	49.1%

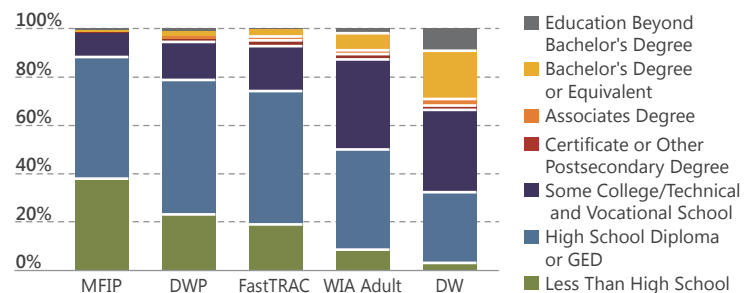
Age Breakdown of Enrollees in Minnesota Workforce Programs



Non-White Enrollees in Minnesota Workforce Programs



Educational Levels of Enrollees in Minnesota Workforce Programs



\* Programs listed are Minnesota Family Involvement Program (MFIP), Diversionary Work Program (DWP), FastTRAC (adult career pathways), Workforce Investment Act Adult Program (WIA Adult), and WIA/Minnesota Dislocated Worker Program (DW). See appendix on page 17 for more information.

Source: Office of Policy, Planning, and Measures, Minnesota Department of Employment and Economic Development





## Creating a Career Pathways System

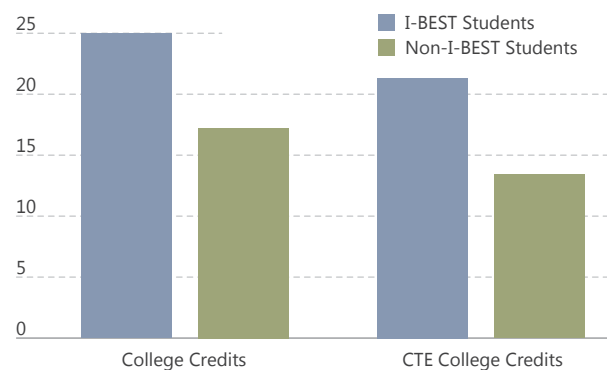
For the purposes of this report, career pathways is defined as “a sequence of education and training services that enable students, often while they are working, to advance over time to successively higher levels of education and employment in a given industry or occupational sector.”<sup>24</sup>

Creating a career pathways system will take more than just a competitive grant program. Because career pathways models like FastTRAC operate more like a coordinated local strategy than an isolated program, they require shared vision and a statewide commitment to career pathways. FastTRAC’s leadership structure and technical assistance to local career pathways programs has been crucial to fostering cross-agency partnerships, local business engagement and rigorous performance evaluation. A similar oversight structure and support staff to evaluate potential grantees based on criteria below and provide assistance to grantees would help ensure that Minnesota is maximizing its investment.

Research on career pathways suggests promising results in helping participants attain postsecondary credentials. A 2010 Columbia University study found Washington State’s career pathways program, I-BEST, to be 56 percent more likely than regular Adult Basic Education and English as a second language (ESL) students to earn college credit, 26 percent more likely to earn a certificate or degree, and 19 percent more likely to achieve learning gains on basic skills tests.<sup>22</sup>

Minnesota’s own career pathways model, FastTRAC, has already shown promising results, helping 88 percent of participants in credit-bearing, integrated Adult Basic Education–postsecondary courses successfully reach course completion.<sup>23</sup>

College Credits Earned, Propensity Score Matched Samples



Source: Ziedenberg et al., *Washington State’s Integrated Basic Education and Skills Training Program: New Evidence of Effectiveness*, 2010

## Recommendation 1

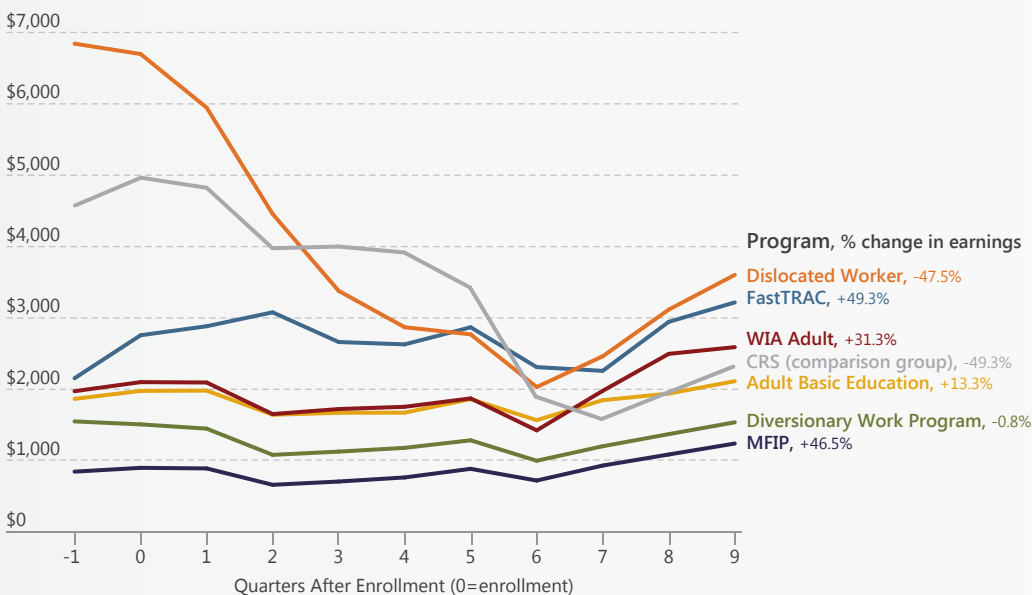
The Minnesota Legislature should make changes to the WorkForce Development Fund to create a career pathways system and funding stream that has an explicit focus on postsecondary credential attainment in high-growth, high-demand occupations, especially for lower wage and low skill adults.

An ideal format to create the career pathways system in Minnesota would be to institute a significant and permanent competitive grant fund within the Workforce Development Fund that awards grants based on career pathways criteria. Although career pathways models vary nationwide, Minnesota should require the following three components<sup>25</sup> for all grantees:

1. Adult Basic Education bridge instruction that prepares adults for an integrated instructional set of credit-bearing postsecondary courses.
2. Integrated instruction that includes integrated ABE instruction in existing postsecondary college and technical gateway courses through accumulation of credits. These credits must be within a financial aid eligible program that leads directly to a diploma or degree program via stackable credentials. Integration of at least six college credits targeted to courses with high drop/withdraw rates is required.
3. Comprehensive support services delivered through pathway completion via a navigator<sup>26</sup>, including transition to employment or further continued education, placement, and retention.

# A career pathways system should focus on multiple performance measures across programs

Quarterly Earnings for Program Participants with Less Than a High School Diploma



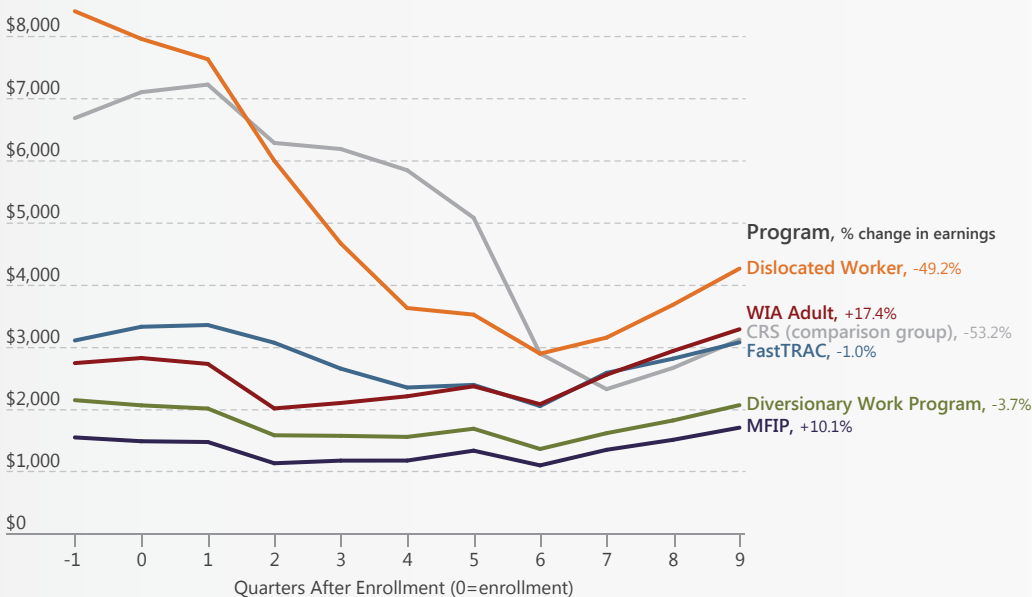
Notes on data:

Average earnings for the Workforce Investment Act (WIA) Adult Program, Adult Basic Education, the Dislocated Worker Program (both WIA and state-funded activities), the Diversionary Work Program (DWP), and the Minnesota Family Investment Program (MFIP) are a result of earnings data from eight cohorts enrolling in successive quarters. The earliest cohort was enrolled in the third quarter of 2008 and then tracked out through the fourth quarter of 2010. The latest cohort was enrolled in the second quarter of 2010 and is tracked through the third quarter of 2012.

Only four FastTRAC cohorts are used because program enrollments did not occur consistently until third quarter of 2009. Average wages cover a smaller period of time and are based on a smaller number of participants than other programs.

Customer Registration System (CRS) data on individuals who visited a WorkForce Center but did not enroll in a program are provided as a nonscientific comparison group. Due to limited data availability, enrollments begin in the fourth quarter of 2009. Comparison to the other programs may be problematic because average wages cover a different period of time than most of the other averages.

Quarterly Earnings for Program Participants with only a High School Diploma or GED



Source: Office of Policy, Planning, and Measures, Minnesota Department of Employment and Economic Development



## Interpreting Quarterly Earnings Graphs

Graphs at left show average the quarterly earnings of individuals by education level from preenrollment (average of two quarters prior) through nine quarters after enrollment. It should be noted that one graph cannot provide sufficient analysis to make good policy or funding decisions. The following factors should be considered when using these graphs:

- **Direct comparison of programs is difficult because they serve different populations.**  
Different workforce programs have diverse missions and serve varied clients, so comparing average earnings results directly can be misleading. For example, dislocated workers generally have a stronger attachment to the labor market (and higher earnings) than participants in other programs. This means that dislocated worker earnings may initially drop significantly more than other participants but be higher over the long-term. Conversely, FastTRAC participants are generally below 200% of the poverty level, are not college-ready, and are particularly likely to face barriers such as being an ex-offender or having low English proficiency. All of these factors should be taken into account when analyzing program outcomes.
- **Disaggregating by educational differences alone provides limited insight.**  
Disaggregating outcomes helps, but differences in outcomes for participants may be explained by other factors such as race, gender, occupation, employment history, and geography. Controlling for these factors and using statistical techniques to compare participants to similar nonparticipants would provide a better understanding of program impact and should be done regularly.
- **Impact over time may vary significantly.**  
These graphs present 11 quarters of wage data, but program impact could vary over longer time periods. Labor market conditions, like unemployment rate, should be considered during analysis as they could significantly impact results. Future analysis should provide short-, medium-, and long-term analysis to better understand how benefits persist over time.
- **Ongoing analysis based on multiple factors is needed.**  
Program analysis should consider a range of other important factors, such as program cost, enrollment period, program completion and credential attainment rates. Presenting results based on type of training is important because program participants who enroll in training have been shown to have a higher employment probability and higher wages than those not in training (see page 13).

## Recommendation 2: Require publicly reported and disaggregated credential outcomes of workforce programs

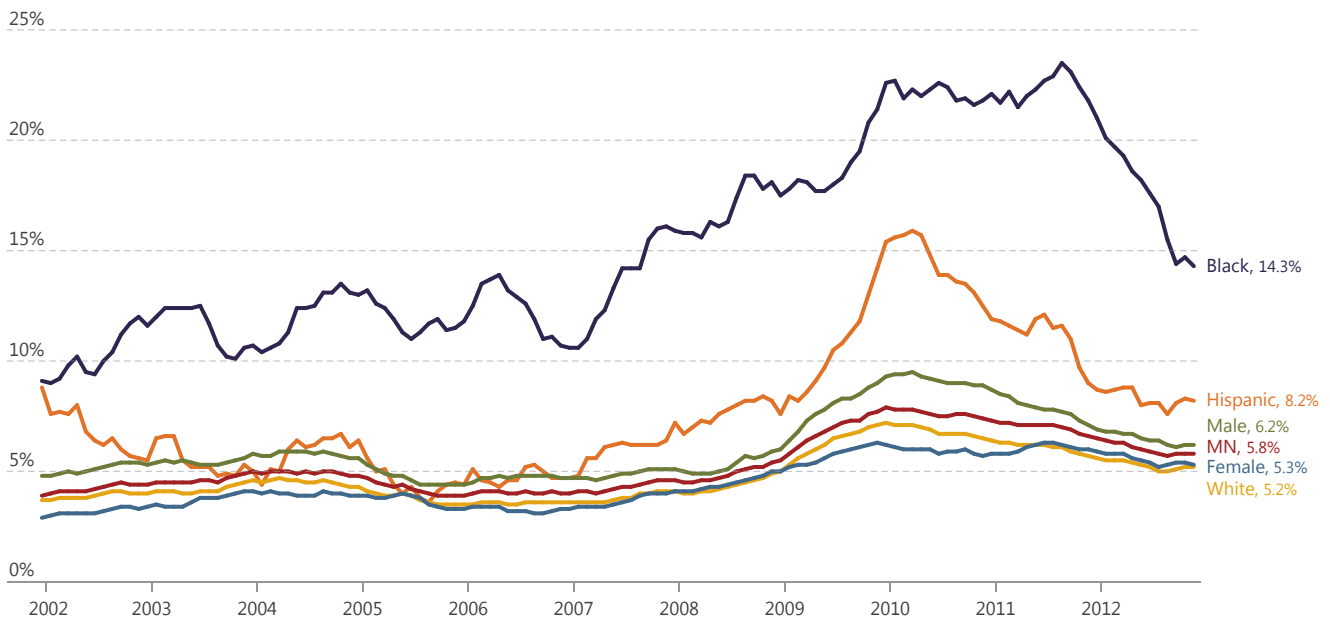
Recent reports indicate that the Twin Cities metropolitan area has the highest racial employment disparity in the nation.<sup>27</sup> Blacks in Minneapolis are 3.1 times more likely to be unemployed as whites—the worst level of disparity among the 50 largest metropolitan areas in the nation.<sup>28</sup> High school graduation statistics on young adults soon to be entering the labor market are no more promising. Data released by the U.S. Department of Education in November 2012—the first year for which all states used a common, rigorous measure—revealed that Minnesota has the lowest high school graduation rate in the nation for American Indians (42%) and Hispanic/Latino students (51%), the second lowest rate for Black or African American students (49%), and the third lowest rate for economically disadvantaged students (58%).<sup>29</sup>

To address this issue, Minnesota should start by collecting and reporting information on disparate education and training outcomes. Disaggregated progress and outcome data will uncover gaps and help ensure that policymakers address them. In addition to shedding light on racial and socioeconomic disparities, disaggregated performance reporting could present information on other key populations, such as the long-term unemployed, part-time students, and people with disabilities.

In late 2012, the Workforce Strategy Center interviewed 18 leaders in Minnesota’s workforce development system. According to their report, interviewees generally agreed on the need for more and better reporting of workforce program outcomes. As the report states,

Traditional program measures, such as “the number of individuals placed in employment”, are helpful but do not shed light on program output and efficiency. It is not easy to discern what outcomes and, hence value, Minnesota is gaining for its \$87 million investment (\$37 million General Fund, \$50 million Workforce Development Fund). This is also true of the dollars spent on customized and dislocated worker training. Therefore, there is confusion about what is actually working with respect to workforce dollars. A relatively easy and low-cost solution to this issue would be to require public reporting of outcome data that would be easily accessible to policymakers and students alike.<sup>30</sup>

Unemployment Rates for Minnesota Demographic Groups, Seasonally Adjusted



Source: Current Population Survey, U.S. Census Bureau



An ideal reporting tool would be online and be able to answer questions such as:

- How many individuals of a certain race (or income level, educational level, etc.) participating in the workforce system enrolled in training and received some type of credential?
- What types of credentials were attained by workforce system participants in a particular region of the state? (A related question would be how these are aligned with credentials needed by employers in the region).
- Are the training enrollments or credential attainment rates of a workforce system target population better or worse than other groups?
- When workforce system participants fail to complete a credential program, where do they have the most difficulty (e.g. completing math prerequisites, completing their first term, securing financial aid or support)?
- What percentage of workforce system participants who attain a credential go on to additional stackable credentials?

## Education alone cannot explain black employment disparities

The following is an excerpt from an op-ed published in The Daily Voice by Algernon Austin on August 1, 2008.<sup>31</sup>

“ Many argue that the key is to have more black men stay in school and earn college degrees. More education is a good idea for many reasons, but, unfortunately, it’s only a partial solution to the black employment crisis.



Algernon Austin, Economic Policy Institute

Education definitely helps. The employment rate for blacks who did not have a high school diploma was 54 percent. For blacks who had a four-year college degree it was 90 percent. Being better educated improves one’s job prospects.

The gap in the employment rate between black and white men, however, is not just about education. At every education level, whites are more likely to be employed than blacks. White male college graduates had a 4 percentage-point employment rate advantage over their black male peers. The white male advantage over black males for high school dropouts was a whopping 15 percentage points wide. ”

## Recommendation 2

The Minnesota legislature should require the Workforce Investment Act Adult program, the Dislocated Worker program (both WIA and state-funded activities), and FastTRAC<sup>32</sup> to publicly report important progress points and outcomes like training enrollment and completion, degree and credential attainment, and employment and wage data. It is extremely important that these outcomes be easily disaggregated by region and program as well as by the participants’ race, gender, income and educational attainment and/or skill level. Reporting only aggregated results masks education and employment disparities that Minnesota must address directly.

# Recommendation 3

## Direct WorkForce Centers to focus more energy on helping customers attain industry-recognized credentials and one year of post-high school education

### WorkForce Centers should make postsecondary credential attainment a higher priority.

According to Workforce Investment Act (WIA) program administrators, only 3.8% of 245,015 individuals participating in the WorkForce Center system enrolled in training through dislocated worker or adult programs in the last year.<sup>33</sup> Of the almost 20,000 program participants that enrolled in dislocated worker, state dislocated worker and Trade Adjustment Assistance in PY2011, only 2,668 (14% of program participants or 1% of total workforce system participants) attained some type of credential.<sup>34</sup> As program administrators report, “There is no program that allows individuals, once they are working, to enter long-term training along a career pathway that will move them from lower-wage employment to self-sufficiency.”<sup>35</sup>

Designed in another era, WIA focuses on short-term job search and reemployment.<sup>36</sup> Program administrators and local workforce boards report that credential attainment is already a priority, yet credential attainment rates remain relatively low and information about which customers receive which credentials is not easily accessible to legislators or the general public.

WorkForce Centers face multiple barriers to increasing credential attainment, including but not limited to large numbers of universal customers<sup>37</sup>, federal reporting guidelines that differ by program and reward short-term outcomes, and consistently declining resources. However, even in this challenging environment, the need for better and more

publicly reported outcomes is paramount. Future funding for WorkForce Centers from state or federal sources will likely hinge on the ability to show the value of workforce programs, specifically including credential outcomes.

Adding triage<sup>38</sup> and online services to WorkForce Centers services could ensure more time and energy is spent on helping customers attain industry-recognized credentials. According to WIA program administrators, Minnesota is already beginning to invest in more online services.<sup>39</sup> For example, recently added services on [minnesotaworks.net](http://minnesotaworks.net) are creating value-added services and reaching thousands of users. Another good example is the Minnesota Intelligent Rural Communities project funded by the U.S. Department of Commerce. The Blandin Foundation and 19 coalition partners received a \$4.7 million grant award in 2010 to increase broadband adoption and digital literacy throughout greater Minnesota. As a partner in the grant, the Department of Employment and Economic Development has worked on the design and implementation of an online digital literacy curriculum that has already reached well over 6,000 learners at 36 sites in rural Minnesota.

### Why the workforce system should focus on training

The following is an excerpt from *One-Stop Career Centers Must Be Reinvented to Meet Today's Labor Market Realities*, published by the Corporation for a Skilled Workforce in March 2012.<sup>40</sup>

“As short-term, universal interventions have been favored as a means by which to achieve rapid reemployment, and as WIA dollars have shrunk, the result has been fewer and fewer people trained under the Workforce Investment Act—12% of enrollees in the past three years. Further, what training has been provided has typically been short-term to assist with rapid reattachment to the labor market—just 24% of WIA training participants are in programs longer than one year. In some cases this has been consistent with the wishes of customers who urgently need to return to work as quickly as possible. In other cases, this focus has deprived motivated clients the opportunity to earn meaningful credentials that can support their long-term viability in a changing labor market. This short-term focus has exacerbated a widening skills mismatch while depriving employers of an adequate supply of skilled workers to meet their needs. Despite record unemployment, many employers continue to be unable to fill key positions.”

## Training has the greatest impact on employment and earnings

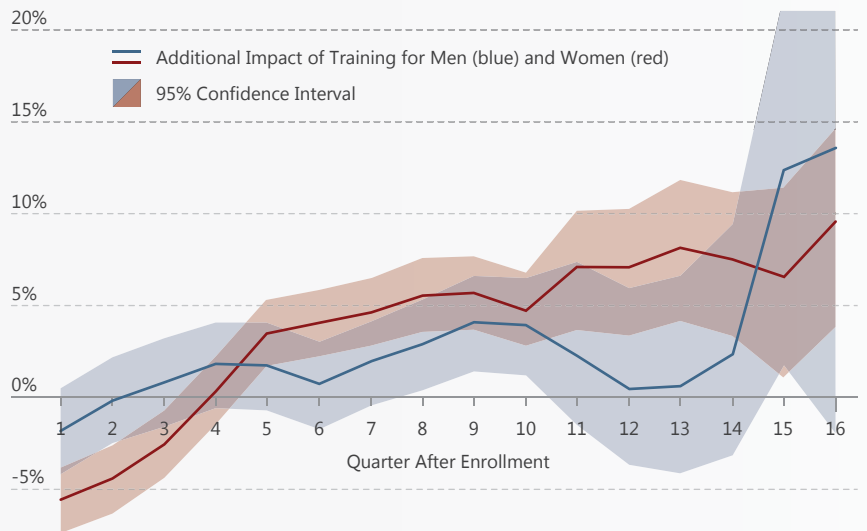
The graphs at right show the additional positive impacts of training on WIA Adult program participants (see the red and blue lines) compared against a baseline of WIA Adult participants who did not receive training but received other services (represented by the x-axis).

Workforce program participants that do not receive training experience short-term benefits but those benefits decline over time. Participants that receive training often experience lower initial returns, but their earnings ultimately register a larger return than those who did not receive training.

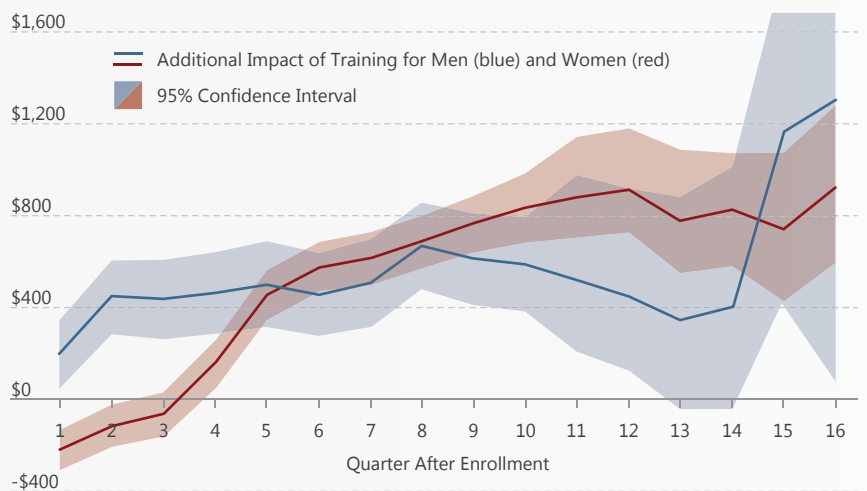
These findings are based on a net impact evaluation of administrative data from 12 states including Minnesota, covering approximately 160,000 WIA participants who entered WIA programs July 2003-June 2005, and nearly 3 million comparison group members.<sup>41</sup>

Source: Heinrich et al., *Workforce Investment Act Non-Experimental Net Impact Evaluation Final Report*, Impaq International, December 2008

### WIA Adult Impact on Employment Probability, Training vs. Core/Intensive



### WIA Adult Impact on Quarterly Earnings, Training vs. Core/Intensive



## Recommendation 3

The Minnesota Department of Employment and Economic Development and WorkForce Centers should continue to implement better triage and online services in an effort to reduce operating costs and improve services to universal customers. These strategies should allow WorkForce Centers to concentrate more time, energy and resources on postsecondary credential attainment. Additionally, WorkForce Centers should focus on strategic alliances with partners, such as libraries, to help create and promote an effective pipeline of services. There is an increasing need for in-depth education and career navigation in career pathways systems. WorkForce Centers, which already provide some level of navigational services, should redouble efforts to help more customers reach the tipping point—specifically, attainment of one year of postsecondary-credit courses with an industry-recognized credential.<sup>42</sup>

## Recommendation 4

### Ensure adults have easy access to labor market and related training information

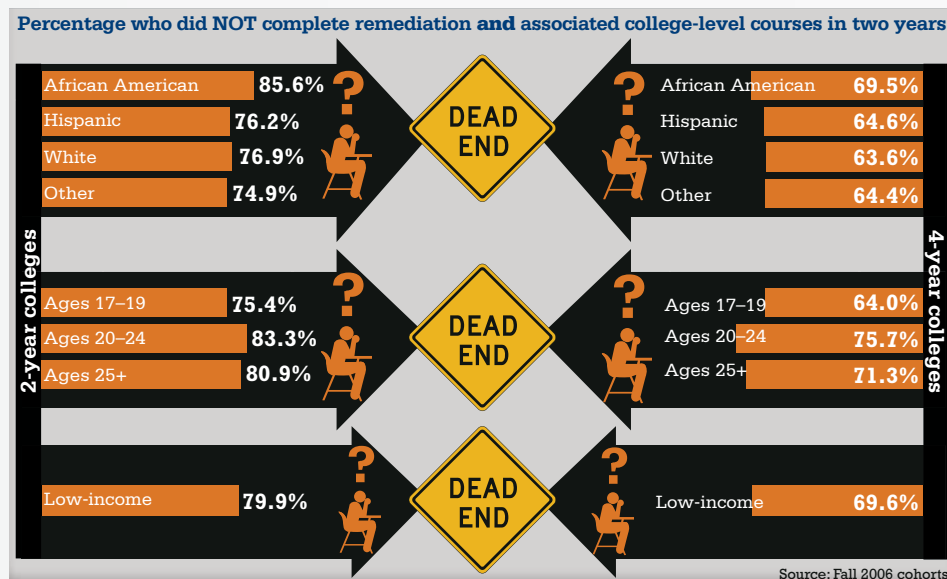
Minnesota adults need easily accessible information to make good decisions about what education and training to pursue. Job seekers must consider future demand for occupations in a given region, the training options available, the cost of training, and anticipated wages. In other words, what is the return on investment of training? Answering these questions can be difficult and time consuming.

Minnesota has a range of online tools that delve into each of these questions. *iSeek* serves as a portal to explore careers, find information about education programs, and explore the labor market. *CareerOneStop* provides a host of tools, assessments, and other resources. *Occupations in Demand* helps one find regional job information, *JobSTAT* helps match an individual's skills with job openings that require similar skills, and the *Job Vacancy Survey* presents semi-annual data on hiring demand and job vacancy characteristics.

However, finding quick, easy-to-read briefs about jobs and related training is difficult. WorkForce Centers have individual pages on the Department of Employment and Economic Development website that cover location, workshops offered, and a list of resources, but a central jobseeker portal with comprehensive labor market information and related training resources does not exist.

In a recent series of action planning meetings held by Skills@Work, a campaign to close Minnesota's skills gap, employers and community leaders often expressed the need for "snapshots" of regional labor market needs and related education programs that do not involve digging into online databases. To accommodate these requests, Skills@Work produced regional skills profiles that aimed to provide a one-page summary of the most relevant labor market information, including a comparison of educational supply and demand, educational output versus job growth, and a list of top job vacancies. Most of the information provided was available elsewhere, but a one-page document allowed anyone in the region—businesses, job seekers, and policymakers—the ability to get a comprehensive picture of the region and its skill needs in a short time.

Other national initiatives, like the Obama administration's college scorecard and Complete College America, have sought to provide comprehensive and easy-to-use tools that go beyond providing a database of information. These scorecards and report cards are designed to compress huge amounts of data into digestible forms that enhance decision-making. Minnesota should aim to emulate these innovative examples.



As national statistics show, remediation can often lead to a dead end for students.

Minnesota has not reported remediation data to Complete College America or presented disaggregated data in an easy-to-read report card.

From *Remediation: Higher Education's Bridge to Nowhere*, Complete College America, 2013



The Skills@Work "Skills Profile" presented regional labor market information onto one page. Similar profiles should be presented online and in hard copy at WorkForce Centers.

Instead of presenting just education attainment of the current workforce or just education levels required by new jobs, Skills@Work listed these charts next to each other to give a sense of general supply and demand.

Knowing a region's high growth and high wage jobs is of limited value without comparing to the expected number of graduates in related certificates and degrees.

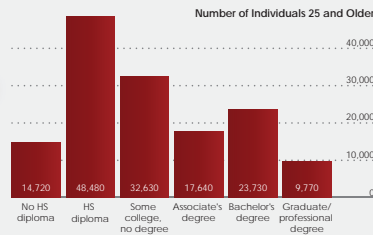
Listing top job vacancies is interesting, but this information needs to be regularly vetted by employers. Ideally, vacancies could be connected to information about related education and training programs.

## Skills Profile for West Central Minnesota

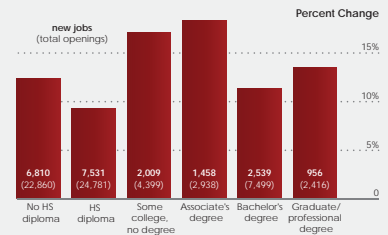
Does this data adequately capture skill challenges in your region? Tell us what you'd like to know at [info@skillsatwork.org](mailto:info@skillsatwork.org).

**Growing Demand for Skills.** Skills are central to the new economy, and a growing share of new jobs require some education beyond high school. Studies show that education is a key driver of regional economic growth.

Education Levels in West Central Minnesota, 2010<sup>1</sup>



New Job Growth by Education Level, 2009-2019<sup>2</sup>



**Output vs. Job Growth.** We must align our educational output with the skills demanded by employers. This means looking at where future jobs will be relative to the types of skills and credentials produced today.

Total Annual Graduates by Major, 2010<sup>3</sup>

1. Health professions and clinical sciences	826
2. Business, management, and marketing	554
3. Security and protective services	379
4. Education	370
5. Visual and performing arts	301
6. Liberal arts and sciences, and humanities	290
7. Construction trades	178
8. Mechanic and repair technologies	178
9. Social sciences	170
10. Communication and journalism	168

Top High Growth/High Pay Industries by Number of New Jobs (and Median Salaries), 2009-2019<sup>4</sup>

1. Offices of Physicians, \$71,708	1,341 (+43.4%)
2. Building Equipment Contractors, \$37,544	434 (+20.8%)
3. Insurance Agencies, Brokerages & Support \$39,260	324 (+21.0%)
4. Offices of Dentists, \$37,856	308 (+22.6%)
5. Grocery Product Merchant Wholesalers, \$40,976	284 (+17.4%)
6. Animal Slaughtering and Processing, \$33,488	284 (+17.2%)
7. Machine Shops and Threaded Products, \$37,128	186 (+13.9%)
8. Accounting and Bookkeeping, \$31,200	163 (+17.4%)
9. Architectural and Engineering Services, \$53,300	162 (+24.8%)
10. Other Specialty Trade Contractors, \$33,644	159 (+18.6%)

**Current Vacancies.** A lack of skilled workers leads to job vacancies. Delivering the right training can fill these vacancies and help businesses thrive.

Top Job Vacancies Requiring Postsecondary Education (and Vacancy Rates), 2nd Quarter 2012<sup>5</sup>

1. Transportation and Material Moving	422 (6.6%)
2. Production	314 (4.5%)
3. Sales and Related	275 (3.5%)
4. Healthcare Practitioners and Technical	258 (5.6%)
5. Installation, Maintenance, and Repair	190 (6.5%)
6. Healthcare Support	180 (4.8%)
7. Office and Administrative Support	123 (1.1%)
8. Community and Social Service	114 (7.3%)
9. Education, Training, and Library	106 (1.6%)
10. Management	44 (1.3%)

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[www.skillsatwork.org](http://www.skillsatwork.org)



All figures are for Economic Development Region 4 except where noted

<sup>1</sup> American Community Survey 5-Year Estimates, 2006-2010

<sup>2</sup> MN DEED Long-Term Projections for the Northwest Planning Region, 2009-2019

<sup>3</sup> Integrated Postsecondary Educational Data System, 2010

<sup>4</sup> MN DEED Long-Term Projections for the Northwest Planning Region, 2009-2019

<sup>5</sup> MN DEED Job Vacancy Survey, 4Q 2011. Vacancy rate is defined as the proportion of job vacancies relative to all jobs in the occupation.

## Recommendation 4

The Minnesota Department of Employment and Economic Development (DEED) Labor Market Information Office in partnership with WorkForce Boards should collect and provide easily accessible information on the specific credentials in-demand by local employers and connect this information to adult career pathways information for use by WorkForce Center customers. The information presented should be easily understood by WorkForce Center customers and should include future projections (as opposed to only current vacancies) of high-wage and high-demand jobs, estimated costs of training by credential, and potential earnings estimates by occupation. Information should be reviewed regularly by local employers, including employers who are not members of Workforce Investment Boards. Although some of this information exists via DEED's Labor Market Information office and in local board strategic plans, the information should be easily available online and in print at WorkForce Centers for participants to use. Minnesota Workforce Council Association could provide a "one-stop-shop" on their website with links to this information for each region of the state.

# Endnotes

- 1 Jenkins, D. and Prince, D. *Building Pathways to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice from a Longitudinal Student Tracking Study (The "Tipping Point" Research)*. (2005). Washington State Board for Community and Technical Colleges. Available at [http://www.sbctc.edu/docs/data/research\\_reports/resh\\_06-2\\_tipping\\_point.pdf](http://www.sbctc.edu/docs/data/research_reports/resh_06-2_tipping_point.pdf).
- 2 *American Community Survey, 5-year estimates, 2006-2010*. U.S. Census Bureau. 31% refers to Minnesotans 25-64 with a high school diploma/GED or less education. 55% includes the category "some college, no degree." Individuals in this category may have completed an occupationally specific certification below the associate degree. It is difficult to determine exactly how many Minnesotans have certificates because the Census combines them with dropouts and others in the "some college, no degree" category.
- 3 Carnevale, A. P. et al. (2010). *Help Wanted: Projections of Jobs and Education Requirements Through 2018*. Georgetown University Center on Education and the Workforce. Available at <http://www.cew.georgetown.edu/jobs2018>.
- 4 Hine, S. (2008). *Minnesota Labor Markets: What's In Store?* Presentation to the Governor's Workforce Development Council. Available at [http://www.gwdc.org/committees/Full\\_Council/Docs/11-13-08-full\\_council\\_steve\\_hines\\_presentation.ppt](http://www.gwdc.org/committees/Full_Council/Docs/11-13-08-full_council_steve_hines_presentation.ppt).
- 5 For the purposes of this paper, credential is defined as "the umbrella term which encompasses postsecondary degrees, diplomas, licenses, certificates and certifications. ...A credential is awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance within an occupation. These technical or occupational skills are generally based on standards developed or endorsed by employers. Certificates awarded by workforce investment boards (WIBs) are not included in this definition, nor are work readiness certificates because neither of them document "measurable technical or occupational skills necessary to gain employment or advance within an occupation" (U.S. Department of Labor, *Training and Employment Guidance Letter 15-10*. (2010). Available at <http://wdr.doleta.gov/directives/attach/TEGL15-10.pdf>).
- 6 *Remarks by President Obama on Higher Education on April 24, 2009*. Available at <http://www.whitehouse.gov/the-press-office/remarks-president-higher-education>. See also, U.S. Department of Labor *Training and Employment Guidance Letter 15-10* (2010). Available at <http://wdr.doleta.gov/directives/attach/TEGL15-10.pdf>.
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- 9 *Understanding the Worker Needs of Manufacturers: the 2011 Minnesota Skills Gap Survey*. Department of Employment and Economic Development. Available at [http://www.positivelyminnesota.com/Data\\_Publications/Data/Research\\_Reports/Manufacturing\\_Skills\\_Gap\\_Surveys/2011\\_Skills\\_Gap\\_Survey\\_Summary.pdf](http://www.positivelyminnesota.com/Data_Publications/Data/Research_Reports/Manufacturing_Skills_Gap_Surveys/2011_Skills_Gap_Survey_Summary.pdf).
- 10 *Changing the Fortunes of America's Workforce: A Human Capital Challenge*. (2009). McKinsey Global Institute. Available at [http://www.mckinsey.com/mgi/publications/changing\\_fortunes/](http://www.mckinsey.com/mgi/publications/changing_fortunes/).
- 11 *An Economy that Works: Job Creation and America's Future*. (2011). McKinsey Global Institute. Available at [http://www.mckinsey.com/insights/mgi/research/labor\\_markets/an\\_economy\\_that\\_works\\_for\\_us\\_job\\_creation](http://www.mckinsey.com/insights/mgi/research/labor_markets/an_economy_that_works_for_us_job_creation).
- 12 *One-Stop Career Centers Must be Re-Invented to Meet Today's Labor Market Realities*. (2012). Corporation for a Skilled Workforce. Available at [http://www.skilledwork.org/sites/default/files/One\\_Stop\\_Center\\_Reinvention\\_0.pdf](http://www.skilledwork.org/sites/default/files/One_Stop_Center_Reinvention_0.pdf).
- 13 Soares, S. and Steigleder, S. *Let's Get Serious About Our Nation's Human Capital*. (2012). Center for American Progress. Available at [http://www.americanprogress.org/wp-content/uploads/issues/2012/06/pdf/workforce\\_training.pdf](http://www.americanprogress.org/wp-content/uploads/issues/2012/06/pdf/workforce_training.pdf).
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- 15 *Remediation: Higher Education's Bridge to Nowhere*. (2012). Complete College America. Available at <http://www.completecollege.org/docs/CCA-Remediation-final.pdf>.
- 16 *A Smart Investment Agenda for Minnesota's Next Decade*. (2010). Growth and Justice. Available at [http://www.growthandjustice.org/sites/2d9abd3a-10a9-47bf-ba1a-fe315d55be04/uploads/G\\_J\\_Agenda\\_Online\\_2.pdf](http://www.growthandjustice.org/sites/2d9abd3a-10a9-47bf-ba1a-fe315d55be04/uploads/G_J_Agenda_Online_2.pdf).
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- 21 Alliance for Quality Career Pathways, a project of Center for Law and Social Policy. See <http://www.clasp.org/postsecondary/pages?id=0029>.
- 22 Matthew Zeidenberg, Sung-Woo Cho, and Davis Jenkins. *Washington State's Integrated Basic Education and Skills Training Program (I-BEST): New Evidence of Effectiveness* (CCRC Working Paper No. 20). Community College Research Center, 2010. available at <http://ccrc.tc.columbia.edu/Publication.asp?UID=805>.
- 23 FastTRAC program data. FastTRAC reports that to date, 88 percent of participants in FastTRAC credit-bearing integrated Adult Basic Education/postsecondary courses have successfully completed the integrated course. Available at [http://www.mnfasttrac.org/making\\_the\\_case.html](http://www.mnfasttrac.org/making_the_case.html).
- 24 Alliance for Quality Career Pathways, a project of Center for Law and Social Policy. See <http://www.clasp.org/postsecondary/pages?id=0029>.
- 25 Adapted from Minnesota FastTRAC Adult Career Pathway 2012 Request for Proposal. Available at <http://www.mnfasttrac.org/docs/Minnesota%20FastTRAC%20Adult%20Career%20Pathway%202012%20RFP.docx>.
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- 32 Additional programs such as the WIA youth program, Minnesota Family Investment Program, Adult Basic Education and MnSCU's career and technical education, customized training, and remediation should also be considered.
- 33 Some of the 245,015 already have a postsecondary credential. See GWDC survey response from WIA program administrators at [http://www.gwdc.org/policy/workforce\\_centers.html](http://www.gwdc.org/policy/workforce_centers.html).
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- 37 "Universal customer" refers to any customer seeking services in a WorkForce Center who is not affiliated with any specific workforce program.
- 38 In the context of WorkForce Centers, triage is the process of determining participant services based on individual needs. This process helps ration services efficiently when resources are insufficient for all participants to receive services immediately.
- 39 See GWDC survey response from WIA program administrators at [http://www.gwdc.org/policy/workforce\\_centers.html](http://www.gwdc.org/policy/workforce_centers.html).
- 40 *One-Stop Career Centers Must be Re-Invented to Meet Today's Labor Market Realities*. (2012). Corporation for a Skilled Workforce. Available at [http://www.skilledwork.org/sites/default/files/One\\_Stop\\_Center\\_Reinvention\\_0.pdf](http://www.skilledwork.org/sites/default/files/One_Stop_Center_Reinvention_0.pdf).
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- 42 Jenkins, D. and Prince, D. *Building Pathways to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice from a Longitudinal Student Tracking Study (The "Tipping Point" Research)*. (2005). Washington State Board for Community and Technical Colleges. Available at [http://www.sbctc.edu/docs/data/research\\_reports/resh\\_06-2\\_tipping\\_point.pdf](http://www.sbctc.edu/docs/data/research_reports/resh_06-2_tipping_point.pdf).

# Appendix

## Workforce Program Participants, Program Year 2012

	MFIP	DWP	FastTRAC	WIA Adult	DW	ABE	CRS
<b>All Program Participants</b>	47,207	16,464	685	2,368	19,669	17,772	106,351
Exiters	26,296	13,678	237	1,172	10,142	35,146	NA
Average Length of Enrollment (days)	357	86	227	498	541	250	NA
Credential Attainment	NA	NA	79	576	2,551	2,595	NA
Percentage of Exiters Attaining Credential	NA	NA	33%	49%	25%	7%	NA
<b>Participants with less than high school education</b>	18,388	3,805	115	176	649	NA	9,859
Exiters	9,772	3,136	57	101	324	NA	NA
Average Length of Enrollment (days)	412	85	253	440	627	NA	NA
Credential Attainment	NA	NA	24	38	38	NA	NA
Percentage of Exiters Attaining Credential	NA	NA	42%	38%	12%	NA	NA
<b>Participants with only a high school diploma or GED</b>	23,905	9,135	381	983	5,887	NA	36,506
Exiters	13,520	7,613	116	485	2,996	NA	NA
Average Length of Enrollment (days)	323	87	225	495	561	NA	NA
Credential Attainment	NA	NA	34	215	793	NA	NA
Percentage of Exiters Attaining Credential	NA	NA	29%	44%	26%	NA	NA

Note: Since some participants may still be enrolled in programs and training, exiter and credential attainment figures may understate final totals. Programs listed are Minnesota Family Involvement Program (MFIP), Diversionary Work Program (DWP), FastTRAC (adult career pathways), Workforce Investment Act Adult Program (WIA Adult), WIA/Minnesota Dislocated Worker Program (DW), Adult Basic Education (ABE), and the Customer Registration System (CRS).

Source: Office of Policy, Planning, and Measures, Minnesota Department of Employment and Economic Development.

## About this Report

This report fulfills Minnesota Statutes 116L.665, Subdivision 4.

The recommendations in this report were approved by the GWDC Executive Committee in December 2012.

The report was based in part on survey responses from DEED's workforce development division, State Services for the Blind, Minnesota FastTRAC adult career pathways, and the Minnesota Workforce Council Association. Survey questions and full verbatim responses can be found at [www.gwdc.org/policy/workforce\\_centers.html](http://www.gwdc.org/policy/workforce_centers.html).

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