



The State of the U.S. Workforce System: Time for a Realignment or Revolution?

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Where We Have Been as a Public Workforce System

- Established a more robust public infrastructure building off of New Deal and Great Society Programs, as well as WIA
- Improved employment access and opportunity for disadvantaged populations and unemployed workers
- Better engaged the private sector and educational institutions creating awareness of the need for stronger educational and economic development linkages
- Improved interagency coordination and service integration, and efforts to integrate technology into operations
- Improved attention to and use of labor market information
- Worked to enhance accountability

Major Trends Affecting Today's Public Workforce System

- ✓ Demographics: The Aging and Diversification of America
- ✓ A Slow Growth Economy, Long Term Unemployment, and Widespread Declines in Labor Force Participation among Youth and Prime Age Workers
- ✓ Changing Labor Markets and Employment Relations
- ✓ Advances in Information and Communications Technology

Demographics

- The population and workforce are getting older. The U.S. Census projects that by 2030, older Americans will be close to 25% of the U.S. population and nearly 25% of the workforce by 2018.
- This is already creating challenges to the future of legacy social programs such as Social Security retirement benefits, Social Security Disability Insurance and Medicare.
- The population is getting more diverse. The U.S. Census reports that in 2011 the Hispanic population surged 43%, rising to 50.5 million in 2011 from 35.3 million in 2000. Latinos now constitute 16% of the nation's total population. In 2010, Hispanics represented 15% of the labor force. By 2018, they are expected to comprise 18%.

Challenges to the Public Workforce System

- Increase in low skilled, non college educated workers with limited English speaking skills
- Increase in youth unemployment and decrease in youth participation rates along with the rise in “malemployment”
- Increase in older workers needing to work longer, looking/needing to re-skill, re-train, re-educate in mid-life, mid-career
- Increase in African-American unemployment for men, women and youth

Slow Growth Economy, Long Term Unemployment, and Declines in Labor Force Participation

- Post-recession era characterized by federal budget deficits, fiscal instability, resource constraints and debt challenges, high unemployment and especially the “unprecedented” rate of long-term unemployment, which creates its own challenges for job seekers, low job growth, rising caseloads and costs of safety net and legacy programs, political battles over spending and taxation policies and priorities
- Continued growth in entitlement programs (Social Security Retirement, Medicare, Medicaid, Social Security Disability, etc) unless there are changes/reforms
- Continued pressure to reduce discretionary spending

Challenges to the Public Workforce System

- Pressure to be more efficient with less resources and staff requiring the system to rethink how it provides more services, and better services to more people with less resources
- WIA was created to provide limited job search and short-term training to help temporarily unemployed people get reemployed quickly. More permanent job loss will necessitate more longer term training, and changing and rising skill requirements mean all workers need occasional upgrading.
- The decline in labor force participation means more people absent from the labor market for longer periods of time (meaning they may need a different mix of education, training and support services to return to work)

Changing Labor Markets and Employment Relations

Globalization and advances in technology have created changes in work and the workplace. Resulting in:

- An increase in hyper-specialization or just-in-time work and workers
- An increase in temporary and contingent workers and part time work
- The elimination of more routine work and the accelerated replacement of labor with machines
- The creation of jobs that require more knowledge, education, innovation, critical thinking, entrepreneurial, and technical skills
- An increase in the polarization of opportunity (high skill, high wage jobs and low wage, low skilled jobs) and the rise in middle skill jobs needing more than a high school diploma but less than a bachelors degree
- Widespread and unprecedented unemployment and longer durations of unemployment

Challenges to the Public Workforce System

- People looking for work who require re-skilling and re-careering, as well as mid-life and mid-career rebooting
- People who lack basic literacy, numeracy and digital skills that would enable them to access formal education and/or demand occupations
- Individuals with long absences from the labor market resulting in eroding skills and social networks
- People with no income and little resources to pay for education and training and other supports such as child care, transportation that would help them move up the job skills and wage ladder
- Workers who lack information/skills/resources to operate in a freelance economy

Advances in Information and Communication Technology

- Technology and automation are becoming increasingly sophisticated, causing jobs to be eliminated and/or to have jobs that require more advanced skills
- Witnessing an acceleration of networks, hyper-connectivity and instant information (social media)
- Increased portability of information/mobile computing (cloud computing, wireless networks, smart phones and mobile apps)
- Increased collaboration and sharing at home, at work, at school
- Technology creating location and time independence
- Advances in data mining and analysis resulting in more targeted and customized products, services and marketing – the “Age of Big Data”
- Technology continues to change business structures – flattening, decentralizing, and allowing businesses to build off of common and readily available IT infrastructures to create organizations that are more productive with less workers

Challenges to the Public Workforce System

- Advances in technology call into question what is a 'value added' service to both jobseekers and businesses, and where and how those services can now be best provided. For example:
Technology can make place based services seem less efficient, and virtual and on line services more cost-effective.
 - Consumers expect information to be delivered quicker and in multiple ways, especially over the Internet/websites, social media, mobile devices with more current and customized content
 - Businesses are using services in the private market through technology (e.g., Linked In) that are more cost effective than traditional services provided by the workforce system (e.g., job fairs, candidate screening, etc)

In Summary

- We are working in an economy where there are not enough jobs for every one who wants to work. Where the jobs do exist, they require more extensive skills, education and training than workers currently possess
- Workers do not have the information they need to make informed choices about careers, educational options, and their career paths, which perpetuates these skill mismatches
- The nature of work and the types of jobs in this economy have undergone fundamental change
- Workers are finding themselves more responsible for their own professional development and career management, while lacking the skills and information necessary to ensure that they remain marketable in this economy

In Summary

- There is an increasing gap between low skill/low wage workers facing multiple barriers to employment, and those who have higher skills and education
- Both still face frequent unemployment due to the volatile economy and employers 'just in time' approach to work
- Both need services and supports from the workforce system at a time when the system has diminishing capacity to serve them
- Technological changes are having an incredible impact on the workplace, changing both the nature of jobs, as well as how workforce services and supports can be provided.

In Summary

- The workforce system is under siege, as fewer dollars are available to serve more people. Programs and services that could help people back to work are spread across multiple federal, state and local agencies and funding streams, each with its own set of rules, regulations and requirements
- Too much energy and resources are expended simply on coordination across these various silos, with workers often unable to access the full range of services they need
- Little resources have been invested in the workers in the workforce system, and little resources have been spent on research and development that can help focus resources on strategies proven to work

The Public Workforce System is at a Crossroads: Is there a Need for Realignment or Revolution?

Where We Still Are: The Old Approach to Workforce Development	Where We Need to Be: A New Approach to Workforce Development
<p>Responsive to the bureaucracy, service providers and program administrators</p>	<p>Responsive to the hiring market and job/skill needs of local and global employers and job creators</p>
<p>Funding tied to distinct and separate programs and policies from the 1930s, 60s, 90s, separate from the secondary and post secondary education system, requiring a sophisticated knowledge of eligibility, funding streams and regulations to navigate</p>	<p>Flexible funding that can be used to serve a wide variety of job seekers. Program and policies are aligned or part of the education system and labor market needs</p>
<p>Funds programs not people. Funding tied to individuals and distinct special/sub populations but eligibility and service packages dictated by program rules</p>	<p>Funds people not programs. Flexible funding that offers resources for services and work supports that are available and tied to/customized to what each individual needs to succeed</p>
<p>Focused on job development and matching with traditional employers offering wage based employment. Connections to economic development and education limited. Resources and income support benefits tied primarily to traditional wage based employment or to a classification of worker</p>	<p>Targets resources and services to activities likely to create job growth, including wage employment as well as entrepreneurship, small business and social enterprise incubation. Work supports and income support benefits helps a wider array of workers and working arrangements that acknowledges the flexible and mobile ways more people are working</p>

The Public Workforce System is at a Crossroads: Is there a Need for Realignment or Revolution?

Where We Still Are: The Old Approach to Workforce Development	Where We Need to Be: A New Approach to Workforce Development
Views education, training and career development separately from (re) employment assistance and unemployment insurance	Views education, training and career development as a vital part of (re) employment assistance and unemployment insurance
Views education and training as a social service	Views education and training as preparation for a job and as critical to skill and career development and long range economic security
Offers a menu of one size fits all (core, intensive, training) to jobseekers at a geographic location	Offers a variety of services customized to the jobseeker when and where they want/need it. Offers both 'high tech' (self-directed, virtual, and mobile services) and 'high touch' (personal, targeted, customized) not necessarily in a physical space
Services and labor force planning tied to geo-political boundaries	Services and labor force planning tied to economic markets and high growth/strategic industry sectors
Services focused on the 'dual customer' of jobseekers and business	Services focused on the jobseeker as the primary customer, yet responsive to, informed by and closely aligned with the labor market, employers and job creators

The Public Workforce System is at a Crossroads: Is there a Need for Realignment or Revolution?

Where We Still Are: The Old Approach to Workforce Development	Where We Need to Be: A New Approach to Workforce Development
Uses technology to collect individual data, process transactions, and push out information to customers	Uses technology and data to customize services and supports and get services and resources more quickly and with higher quality to jobseekers, to analyze trends and effective practices, and to pull in information/feedback from customers as well as push out information
Resources and investments directed at building separate IT systems, physical spaces, integrating and coordinating siloed programs and funding, and staffing	Resources and investments directed at the professional development of workforce staff, providing higher quality and more timely information, analyzing and mining data, and making better use of existing technology and social media platforms and applications
Innovation and experimentation tied to new grants and add-ons while maintaining traditional programs and funding arrangements	Innovation and experimentation embedded in flexible, fungible funding nationwide with resources tied to evidence based practices
Government role is funder, regulator, direct service provider/program administrator	Government role is investor, strategist, research and development sponsor, innovation cultivator, continuous quality improvement facilitator

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