

# TRANSFORMING U.S. WORKFORCE DEVELOPMENT POLICIES FOR THE 21ST CENTURY CONFERENCE

## Panel Summary Report #1

### Reforming Workforce Development Policies for American Workers

by Kathy Krepcio

*In October 2014, the Federal Reserve Banks of Atlanta and Kansas City and the Heldrich Center for Workforce Development at Rutgers University hosted a national conference titled, Transforming U.S. Workforce Development Policies for the 21st Century. The goal of the conference was to provide a forum for policymakers, practitioners, and researchers to share perspectives on transformative education and workforce development policies.*

*Over 250 people, including business and labor leaders, scholars, educators, policy advocates, researchers, and workforce development professionals, attended the conference. More than 60 national and international experts shared recommendations for developing policies and programs that will meet the nation's needs for talented workers. This publication, the first in a series of nine reports, highlights the discussions and recommendations that were offered during the panel, "Reforming Workforce Development Policies for American Workers."*

**L**abor market economists have long documented the dynamic changes that have been occurring in the U.S. economy, citing the effects that rapid technological change, globalization, and changing demographics have had on the U.S. labor market and its workforce. Many have pointed out how these trends are putting greater demands on workers for acquiring higher skills, contributing to longer spells of unemployment for those displaced from jobs (especially older workers), youth, and others with bar-

riers to employment. Such trends are contributing to the rise in part-time, temporary, and contingent work arrangements, and creating greater income inequality and stagnating wages for many low- and middle-income workers. Policymakers, concerned that current federal and state workforce development and educational policies and practices are out of alignment with today's trends, are calling for serious policy changes. Others believe that with unemployment trending back to pre-recession levels, the jobless situation will reverse without any real policy interventions or changes. Given this scenario, session moderator **Kathy Krepcio**, Executive Director of the John J. Heldrich Center for Workforce Development, asked panelists whether they believed new policies or interventions are truly necessary to meet the needs of employers and workers.

**Larry Good**, Co-Founder and Chair of the Corporation for a Skilled Workforce, pointed out that the U.S. economy is in the midst of large-scale changes that we don't fully understand, causing complications and disconnects for job seekers and workers. "Right now," he noted, "there's a cord of people doing pretty well, cords of people doing really badly, and without policy interventions, we are not closing the gap for folks."

**Mara Swan**, Executive Vice President, Global Strategy and Talent at Manpower Group, concurred, pointing out that current labor market demand is neither strong enough nor predictable enough to address today's jobless situation. She stated that today's businesses are competing globally as well as

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locally. Additionally, they are under great pressure to decrease costs and to do so they are looking at labor. One of the policy challenges, she noted, is that “the conversation tends to be too much about the United States and not enough about how we compete for the good jobs here because we are competing against the world, not ourselves.”

**Rich Hobbie**, Visiting Scholar at the Heldrich Center for Workforce Development and former Executive Director of the National Association of State Workforce Agencies, remarked that while it appears we are almost at what is considered “full employment,” there continues to be insufficient demand and more demand is needed to get to full employment. He observed, however, that the usual and obvious policy and economic tools, such as government stimulus, additional business investment, and increased consumption, have been elusive and not forthcoming.

**Bill Strahan**, Executive Vice President for Comcast Cable and Chair of Philadelphia Works, perceived that a policy intervention may not be necessary, but the lack of an intervention and investment may mean more disparities in the labor market between high-wage/high-skilled workers and low-wage/low-skilled workers. This, he noted, may get the United States to a place that is “socially, civilly, and economically so different than where I think we want to be and where we have been.”

The panelists discussed who (government, employer, individual) is responsible for ensuring there are policy solutions and investments if there is agreement that doing nothing is not a good strategy. Larry Good suggested that we are in the midst of redefining and recalculating old assumptions about who is responsible for investing in crafting a new future. While he noted that post-World War II, the bargain was a mutual investment by employers, workers, and the government, he believes that bargain is broken and needs to be refigured. In response, Bill Strahan commented that job seekers and individuals also need to be accountable for and have a commitment to investment in themselves, noting that if we are going to challenge business, we must also challenge individual workers. Mara Swan noted that individual investment in lifelong learning is an important part of the equation and needs to be inculcated in people at

an early age along with a recognition that how we define and think about learning and education has to change as well.

Finally, panelists discussed the historical investment and policy trends in the workforce and unemployment insurance programs and whether new approaches are needed to help those unemployed and those looking for work given the new economy. Rich Hobbie described a history that responded to social and economic conditions of various points in time, thus creating laws and programs that reflected those times and conditions. Larry Good noted that it is clear that times have changed and that we are at a point where we need to take a new, fresh perspective. He gave as examples a need to move from the mindset of a “one and done” educational perspective to one of lifelong learning, of looking at different approaches to education and skill development, and of rethinking the structure and services provided under the American Job Center (previously known as One-Stop Career Center) concept, including moving from a concept of job placement to one of career navigation and investment.

### About the Author

Kathy Krepcio is executive director of the Heldrich Center for Workforce Development at Rutgers University.

### Conference Videos

View interviews with some of the members of this panel at the links below.

Larry Good

Rich Hobbie

Kathy Krepcio

## Photo Gallery



*Larry Good*



*Mara Swan*



*Rich Hobbie*



*Bill Strahan*



*Kathy Krepcio*





*Mara Swan and Rich Hobbie (l-r)*



*Bill Strahan and Larry Good (l-r)*



*Bill Strahan, Larry Good, Kathy Krepcio, Mara Swan, and Rich Hobbie (l-r)*



*Audience members listen attentively*





*Christopher King of the University of Texas at Austin asks a question*



*Amanda Cage of the Chicago Cook Workforce Partnership poses a question to the panel*