



November 2012

2013 NYCETC Employment Agenda for Mayoral Candidates

Introduction

Earning a job is the ultimate anti-poverty initiative. Every year, the member organizations of the New York City Employment and Training Coalition (NYCETC) successfully connect hundreds of thousands of New Yorkers to employment. The next Mayor of New York City has a tremendous opportunity to help businesses grow and increase worker earnings by smartly prioritizing investments that align our workforce and education resources with the City's current and projected labor market demand and economic development agenda, so that New Yorkers have the necessary skills, training, and education to meet private sector demand and sustain quality employment.

New York City is continuing to face a jobs crisis with the highest sustained unemployment rates experienced in decades - a staggering 9.2% across the City.¹ African-Americans, Latino/as, and younger workers have endured a disproportionately weak recovery.² While recent job growth has been concentrated in low-wage industries and exacerbated income inequality, employers are challenged to find candidates with the necessary skills to fill job openings. About 46 percent of all current jobs are classified as middle-skill, which require more than a high school diploma and less than a four year college degree, but only 39 percent of New York workers have the credentials to fill them.³ New Yorkers need a Mayor that is prepared to boldly invest in human capital with tax levy dollars to bridge the widening skills gap and restore a shrinking middle class. By preserving successful Bloomberg initiatives, such as the Mayor's Center for Economic Opportunity, and making smart investments to build a more cohesive workforce development system that is effectively serving New Yorkers in need, the next Mayor of New York City can reverse polarizing economic inequality and help end the jobs crisis.

Recommendations

- 1. Fully integrate workforce agenda into economic development vision of New York City by creating a Deputy Mayor for Employment and Economic Development and prioritizing workforce development outcomes at the NYC Economic Development Corporation (NYCEDC).**

New York City's workforce development system is administered by ten different agencies that report to three different deputy mayors, the New York City Schools Chancellor, and the Chancellor of the City University of New York. The programming is too fragmented and it can be difficult and inefficient for providers to manage multiple contracts from different agencies with divergent reporting systems and outcomes. The recent creation of the Mayor's Office of Human Capital Development is a step in the right direction, but does not have sufficient policy discretion or control of funding to effect change.

¹ New York State Unemployment rate as of October, 2012: <http://www.labor.ny.gov/stats/pressreleases/prtbur.pdf>

² *State of Working New York*, Fiscal Policy Institute, September 2012. <http://bit.ly/QdvZpT>

³ *New York's Forgotten Middle-Skill Jobs*, National Skills Coalition, March 2011 <http://bit.ly/fFDCxL>

Recommendation: The creation of the position of Deputy Mayor for Employment and Economic Development sends a bold message that the incoming mayoral administration is focused on getting New Yorkers back to work. The position would not only integrate the city's workforce agenda into the long-term vision for economic development, but also foster deeper collaboration among the city's development agencies to make the system work better for jobseekers and employers. Ultimately, this highly fragmented system should be primarily managed by a single Deputy Mayor overseeing workforce and economic development initiatives to realize accountability, efficiency, and coordination in order to eliminate agency silos. In today's continuously changing economy, a Deputy Mayor for Employment and Economic Development can help ensure that employer and industry demands are taken into account when creating training programs and workforce development objectives are incorporated into policies that stimulate economic development.

As the economic development engine in New York City Government, it is imperative that NYCEDC use every tool in its arsenal to leverage relationships with the private sector to generate quality jobs and prioritize workforce development outcomes in evaluating agency success. From selecting tenants in NYCEDC properties to allocating subsidies for private businesses to choosing recipients of RFPs for development opportunities, quality employment outcomes for New Yorkers should be front and center.

2. Support neighborhood workforce development programming to more effectively reach and serve New Yorkers and better connect public and nonprofit workforce programming through new referral incentives.

Over the past decade, there has been a significant centralization of funding for workforce development, which has led to a major reduction in programming at the neighborhood level throughout New York City. Local community-based organizations have rich knowledge of the neighborhoods they serve and strong connections to the local private sector. Individuals in need of service are most likely to utilize quality, convenient programming in their community.

Recommendation: The City should dedicate new funding streams to revitalize the community-based workforce development landscape. The Department of Small Business Services has recently launched a dozen satellite Workforce1 Career Centers. We recommend that all of these Career Centers be operated by local community-based organizations, such as the example of East River Development Alliance managing a Long Island City center. Another strategy would be to reinstitute Special Populations contracts supported by the Workforce Investment Act that ensured community-based organizations have capacity to train and place individuals with multiple barriers to employment in sustainable jobs.

The Workforce1 Centers and the public sector workforce system should have a more collaborative relationship with community based organizations regarding job placements, referrals and skills training to optimize utilization of the breadth of the workforce system by jobseekers and employers. This should incorporate a compensation system that incents and recognizes collaboration and rewards effective referrals, rather than just final placements.

3. Create a citywide data system that tracks the public and private investments and ensure “no wrong door” accessibility to the workforce system for jobseekers, workers, and businesses.

A critical problem of the city's workforce system is a lack of universal data that reflects how individuals, businesses, and providers are interacting on a system-wide level. This makes

providers unable to fully compare models and outcomes, leaving room for errors and missed opportunities for growth. This lack of universal data also impedes the development and expansion of best practices and service models on a city-wide scale and severely inhibits referrals.

Recommendation: A citywide data system that develops universal standards for assessing workforce programs and measuring performance outcomes would help jobseekers and businesses make better decisions about how to participate within the system and make short and long-term goals. Such a data system would track individuals as they enter, progressing within, and exit the system, measuring data such as employment and wage status, skill and credential gains, and entry into and retention within employment and education. Data measuring businesses connecting with the workforce system would look at information such as economic needs, resources used, skills and credentials sought for employees, etc. Such a data system would help hold workforce providers accountable by measuring their performance against the workforce development field, as well as increase accountability among individuals and employers who are benefiting from scarce public investments. It would also enable an increased level of coordination among providers and city agencies. Universal reports would streamline services, and reduce paperwork and time devoted to reporting outcomes, as well as lead to better program and service models.

A universal data system would facilitate tracking of referrals from community based organizations to city agencies and referrals across the public sector. We aspire to every community-based organization being an access point to the breadth of citywide workforce development services, so that there is “no wrong door” for businesses, jobseekers and incumbent workers. The “no wrong door” model aims to ensure a level of accessibility whereas regardless of how an individual or business seeks out workforce services – via a city agency or community based organization – they should be able to connect to the services best able to meet their needs. This entails robust online and publicly available information, use of a uniform assessment tool, and a system that incentivizes referrals.

4. Prioritize Disconnected Youth Crisis

With nearly 200,000 disconnected youth across the five boroughs, New York City faces an extraordinary challenge in helping young adults achieve economic self-sufficiency. These young people, age 16 to 24, are neither in school nor working and the recession has led to a skyrocketing unemployment rate for young adults that remains at approximately 20 percent. Long-term absence from the workforce is especially impactful for young workers as it further hurts future prospects for steady work at decent wages, making early disconnection one of the biggest reasons for long-term poverty. According to a 2011 White House Council for Community Solutions report, in 2011 alone taxpayers shouldered more than \$93 billion to compensate for lost taxes and direct costs to support young people disengaged from both education and work. The high school dropout rate remains high throughout the city, with 10,000 to 13,000 young people leaving high school each year without graduating, adding to the nearly 1.25 million adult, New Yorkers without a high school diploma or equivalent.

Recommendation: GED and other educational programs that prepare and connect young adults to postsecondary education should be improved and expanded with the goal of connecting 75% of NYC disconnected youth to at least one year of training and the attainment of a credential. A career pathways approach should be adopted that enables youth to efficiently transition along a path from basic skills and educational training to higher education and occupational programs to internship and employment services. This requires increased collaboration between workforce

and education stakeholders throughout the city. Particular programs that connect youth to work experience and training, such as the Young Adult Internship Program and Summer Youth Employment Program, should be expanded to better serve the significant percentage of youth in need. This requires a targeted and strong financial investment in youth-centered programs that have a proven track record of helping young adults achieve self sufficiency through quality jobs. Due to the fact that work is path-dependent, with early job experience leading to a higher likelihood of future employability and increase in job quality, such investments have high long-term returns both for individuals and the general public.

5. Expand Emphasis on Closing the Skills Gap through Workforce Sector Strategies and Contextualized, Basic Literacy Programs

There is a widening skills gap across the city's economy between the knowledge and training required by employers those already possessed by workers. Research on projected job openings and retirement trends in the workforce shows middle-skill jobs – those that demand more than a high school diploma but not a four-year degree – make up the largest share (approximately two-fifths) of jobs in New York today, and will continue to do so over the next decade of economic growth. According to reports by the CUNY Jobs Task Force and the Center for an Urban Future, growth sectors in the economy such as finance, insurance, and accounting; health care; higher education; information technology; and media and advertising are facing growing shortages of workers with the technical and soft skills and knowledge required.

Within this overall skills gap, New York's high rates of illiteracy and limited English language skills pose one of the most significant challenges to the City's ability to develop a skilled and competitive workforce. Over 1.5 million adults in the five boroughs, or more than a quarter of all adult New Yorkers, don't have adequate literacy skills, yet only 62,000 of them receive adult literacy services each year. In every borough other than Staten Island, at least 25 percent of adults are functionally illiterate. These individuals lack necessary English skills to qualify for many positions, which leave employers unable to fill openings and stifles the potential of the city's economy. Individuals with English proficiency and literacy earn considerably more than those with limited English skills.

Recommendation: A strategic plan for city-wide workforce programming is needed to identify employer demand and long-term training for growth sectors. This plan should develop sector based models, educational curricula, and career pathways between Career and Technical Education (CTE) schools, community colleges, and workforce development organizations. City Hall needs to leverage employer relationships to bring the private sector to the table, so that skills and training programs effectively meet employer needs and lead to quality employment.

For New Yorkers with limited literacy and English skills, these sectoral programs should offer contextualized adult literacy, ESL and GED-preparation programs that address both linguistic and workforce related barriers for individuals seeking employment by combining basic literacy with vocation-specific training. Such programs offer a more innovative approach than traditional adult literacy programs and accelerate participants' progress on their career path. With employer participation in developing the curriculum and connecting participants to related internships or work experiences, participants receive specific job skills demanded by industries that offer the greatest opportunity for career advancement. The City should encourage collaborations between literacy and vocational training providers, as well as employers from targeted growing sectors, to create programs that train individuals for high-growth middle wage careers. Such programs have a proven track record of successfully elevating participants'

employability and long-term earning power. For example, Washington State's Integrated Basic Education and Skills Training (I-BEST) program is a model worthy of replication.

6. Enhance funding models that leverage private and public funding sources to address the workforce needs of growing New York City population and business sector

In the last decade, funding for federal workforce development programs has declined by more than 30% - including more than \$1 billion just since Fiscal Year (FY) 2010. According to a 2011 report of the city's workforce system by the NYC Workforce Investment Board, New York City's WIA Title I allocation in FY 2002 was approximately \$116 million (about \$142 million in 2010 dollars). By FY 2010, that was down to about \$68.4 million. Persisting financial pressures make it likely that such a decline will continue in the years to come, necessitating a smart and flexible funding strategy that fully supports the city's workforce needs.

Recommendation: We recommend development of flexible funding models that are responsive to changing economic and labor demands by blending philanthropic, private and public funding streams. Although some public funds can be used for a variety of diverse purposes to improve workforce development systems, they also come with certain constraints such as eligibility restrictions and regulations. On the other hand, the philanthropic sector has a greater flexibility to support a wide range of workforce activities due to its faster and more streamlined approval and fund-disbursement processes. A flexible funding model that encourages collaboration between the private and public sectors would be more agile in supporting initiatives that are more comprehensive than would be possible with a single funding source that has limited goals and means. Successful examples include Massachusetts's Workforce Training Fund, which is financed entirely by Massachusetts employers for the purpose of providing resources to businesses and workers within the state to train current and newly hired employees.