

Workforce Development and Persistent Poverty

Presented at
“Confronting Persistent Poverty: A Policy Forum”
Federal Reserve System, Board of Governors
Washington D.C., December 3, 2008

Rick McGahey
Director, Impact Assessment
The Ford Foundation

Federal Workforce Programs and Poverty

- Division between workforce training and anti-poverty programs
- Fragmentation and underfunding of programs
- Varying administration by states, lack of accountability and effective monitoring

Persistent Problems in Workforce Programs

- Underfunded and siloed Federal training often administered by unemployment system
- Discrete population targeting (youth, poverty, dislocated workers) increases fragmentation
- Uneven service delivery through variety of providers, including nonprofits, community colleges, for-profit providers, unions, and others
- Lack of consistent engagement by private sector employers

Emergence of a New Approach

- In 1990's, local innovations emerging with more promise
- Key element: “dual customer” focus
- Not driven by federal policy, which continues to focus on jurisdictional issues
- Nurtured, not created, by foundations
- Not defined by institution, but by activity

Key Elements in New Workforce Approaches

- “Dual customer” focus
- Concentrate on specific sectors with career pathways
- Flexible responses to variety of needs
- Ties to regional economy and economic development policy
- Philanthropic funding collaborative--National Fund for Workforce Solutions

Challenges for Sectoral Approaches

- Linkage to unsubsidized private sector employment is core element
- Are they less relevant for harder-to-serve and marginalized, persistently poor groups?
- Often not equipped to deal with legal or other barriers (e.g. ex-offenders, undocumented workers)
- We know less about effective approaches for harder-to-serve workers

Macroeconomic Challenges

- Already one year into likely deepest recession in post-war period
- Major job creation and stimulus necessary
- Don't burden workforce development with job creation

New Efforts in Workforce Development

- Strengthen regional and sectoral efforts with intentional focus on working poor and dislocated
- Serious experiments with variety of approaches for persistently poor and hard to serve
- Align and expand work-related benefits (EITC, S-CHIP, paid leave)

Operating Principles

- Enlist and reward states and local governments as partners in innovation, have standards, assess and learn from results
- Build sectoral approach into stimulus, infrastructure, energy and “green” development, health care
- Don’t get siloed—reward reorganization and coordination

Fragmentation Impedes Effectiveness

Tracking Workforce Funds

This New York workforce needs map the state's workforce development efforts, mapping together all state and federal employment and training programs on one page in order to illustrate how much money is in the system and how government has chosen to use it. What follows is a helpful guide to reading the matrix.

OVERSIGHT AGENCY includes what department is state or federal government is responsible for managing a given fund or program. PROGRAM identifies what the funds are used for. In some cases the rank of the program clearly indicates to whom the oversight agency and funding source are, for example, the "Workforce Investment Act of 2002" and "Other Federal Programs."

AVAILABLE FUNDS shows the total amount of money available to the program in a given year. It includes all federal, state, and local government funds that are available to the program in a given year. It also includes any other funds that are available to the program in a given year.

PROGRAM identifies what the funds are used for. In some cases the rank of the program clearly indicates to whom the oversight agency and funding source are, for example, the "Workforce Investment Act of 2002" and "Other Federal Programs."

AVAILABLE FUNDS shows the total amount of money available to the program in a given year. It includes all federal, state, and local government funds that are available to the program in a given year. It also includes any other funds that are available to the program in a given year.

OVERSIGHT BODY New York State Other as indicated	Department of Labor	NYET	New York State Education Department	Office of Children and Family Services	Department of Conditional Services	Department of Health	Empire State Development Corporation	Office of World Health	Office of Mental Health	United States Department of Labor	Other	OVERSIGHT BODY New York State Other as indicated
PROGRAM	Workforce Investment Act of 2002	Workforce Development Programs	Job Placement & Referral Program	Post-Secondary Education Program	Workforce Development Programs	Workforce Development Programs	Workforce Development Programs	Workforce Development Programs	Workforce Development Programs	Workforce Development Programs	Workforce Development Programs	PROGRAM
AVAILABLE FUNDS (FY 2012)	\$14,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	AVAILABLE FUNDS (FY 2012)
PROGRAMS	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	Adult, Youth, Older Workers	PROGRAMS
SERVICES	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	Skills Training, Job Placement Assistance, On-Site Services	SERVICES
TARGET POPULATION	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	Adults, Older Workers	TARGET POPULATION
AGENCIES & ASSOCIATIONS	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	Dept of Education, State University of New York, etc.	AGENCIES & ASSOCIATIONS
REELING IN THE YEARS	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	2012-2013	REELING IN THE YEARS
NYA DISBURSEMENT IN NEW YORK STATE AND NEW YORK CITY, PROGRAM YEARS 2011-2013	<p>Table with 3 columns: FISCAL YEAR, AMOUNT, % CHANGE FROM PREVIOUS YEAR.</p>											

Scaling Up Innovation

- “Dual customer” approach is key to success, but not every program has to do everything
- How to move from isolated “islands of innovation” to more systemic improvement?
- How to balance need for targeted approaches to populations with need for flexible, responsive programs?
- Philanthropy as a partner, nationally and regionally