



# Back to School and Back to Work

## *Community Colleges and Workforce Development*

By Laura Choi

### Introduction

As the nation waits for economic recovery, workers from a variety of sectors and skill levels are struggling to recover from job losses. In past downturns, displaced workers could utilize unemployment insurance benefits to get by until the contraction ended, businesses expanded, and jobs were restored. But given the severity of job losses that have occurred in such a short period of time, displaced workers may face an entirely different employment landscape in the economy that emerges from this recession. A recent article in the *New York Times* reported that layoffs in key industries, such as manufacturing, financial services and retail, have accelerated so quickly that many companies may abandon whole areas of business; entire sectors of employment may not be restored and workers will have to be retrained for other careers.<sup>1</sup> This shift creates difficulties for displaced workers across the socioeco-

omic spectrum, but will be particularly impactful on low-wage, low-skilled workers trying to re-enter, or even make their first entry, into the labor market. These job seekers may face a barrage of additional challenges including limited work experience, weak information and labor market contacts, spatial mismatch (the geographic disconnect between good paying jobs and the neighborhoods where low-income workers live), and discrimination.<sup>2</sup>

The nation's community college system has a strong history of inclusive education and can play a significant role in low- and moderate-income (LMI) workforce development efforts. From the first community college built in Joliet, Illinois in 1901 to the more than 1,600 campus branches across the U.S. today, the system has expanded its reach significantly and presently serves 11.7 million students.<sup>3</sup> Well known for open-door ad-

missions policies, low tuition, flexible scheduling and accessible locations, community colleges have long been a valuable resource for LMI individuals seeking postsecondary education. In addition to their traditional roles of granting Associate's degrees and transitioning students into four-year university programs, community colleges have also become increasingly involved in local workforce development efforts. In light of the current state of the economy and the fragile labor market, worker training will likely become an even more important component going forward. This article explores the role that community colleges can play in preparing and connecting LMI adults to higher paying jobs and long-term career advancement.

### Meeting the Demand for Skilled Labor

Over the past two decades, researchers have predicted the creation of an "hourglass" labor force, characterized by rising job growth in the high-skill and low-skill occupational sectors. The declining share of "middle-skill" jobs, those requiring some training beyond high school but not a college level degree, has been cause for concern but recent data suggest that projected demand for these occupations will remain robust. According to one study, nearly half (about 45 percent) of all job openings between 2004 and 2014 will be in middle-skill occupations, as compared to 33 percent of job openings in the high-skill occupational categories and 22 percent in the low-skill service occupations.<sup>4</sup> It is projected that future growth in the supply of labor for these middle-skill jobs, including plumbers, electricians, healthcare workers, legal assistants and positions in the rapidly growing green building and clean technology sectors, will fall short of the growth in labor market demand, especially in light of the demographic shifts resulting from the immigrant labor force and retiring baby boomers.<sup>5</sup> Despite the current economic downturn, this projected shortage signals an important opportunity for LMI individuals to engage in skill building activities today that will allow them to transition into higher paying middle-skill jobs in the future.

One potential resource for connecting LMI workers with skill building opportunities and local jobs is the career "one-stop" system, created by the Workforce Investment Act (WIA) of 1998. One-stops were implemented as a response to the fragmented federal employment system and sought to efficiently provide employment and training services for workers while simultaneously linking employers with a skilled local labor pool. However, a Government Accountability Office (GAO) study found that employers predominantly utilized one-stops as a source of low-skilled labor: of

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the 9 percent of new employees hired through one-stop centers, two-thirds were low-skilled, in part because employers thought that labor available from one-stops were predominantly low-skilled.<sup>6</sup> Employers reported they would hire more job seekers from one-stops if they had the skills for which they were looking. These findings suggest that community colleges should play a vital role in addressing this skill deficiency by partnering with WIA one-stops to retrain low-skilled adults. In more than half the states, community college representatives serve on local Workforce Investment Boards (WIBs), providing important leadership and program capability, and valuable knowledge of what happens "on the ground" where service delivery occurs. Beyond serving on local WIBs, some community colleges are also operating one-stop centers, meaning they handle the day to day operations of the center. Community college officials explained that the benefits of this arrangement were cost efficiencies, cost savings, or access to other funding opportunities.<sup>7</sup> GAO reports that 11 percent of one-stops are operated solely or jointly by a community college and 34 percent have community college staff located at one-stop centers.<sup>8</sup> This type of collaboration adheres to the underlying intent of the one-stops to address fragmentation and increase efficiency, given the existing educational infrastructure available at community colleges and their experience in serving LMI adults with diverse educational backgrounds. In addition, formal partnerships with trusted educational institutions can lend greater credibility to the training capacity of one-stops, which may change employer perceptions about the quality of available labor.

Community colleges can also leverage their institutional strengths to improve the training and educational component of sectoral initiatives. Sectoral approaches rely on local employers and industry clusters to identify skill gaps and future labor demands, which can then be met through a variety of strategies carried out through community partners, such as community based nonprofits, local government agencies, or faith based organizations. Many sectoral strategies have proven successful, but are limited in their ability to achieve scale and serve a large number of workers and employers.<sup>9</sup> A growing number of sectoral initiatives are utilizing community

colleges as the sole training providers, allowing them to take advantage of resources such as a vast network of physical campuses, administrative competencies in admissions and financial aid, and faculty members specialized in a variety of subjects, all of which can lead to valuable increases in capacity. But perhaps the most important benefit of partnering with community colleges is their institutional expertise in understanding and meeting the needs of disadvantaged students.

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### **Addressing the Unique Challenges Facing Low-Income Adult Workers**

LMI adult workers face a number of challenges that may hinder them from engaging in beneficial workforce training opportunities. These may include limited financial resources to pay for tuition and educational supplies, limited English speaking ability, weak literacy and math skills, as well as inflexible work schedules and the demands of caring for dependent children. In addition to these challenges, welfare reform in the nineties created additional barriers to educational attainment by instituting a “work first” policy that encouraged labor force participation among welfare recipients as soon as possible. Employment rates increased in response to the policy change but research suggests that these gains came at the cost of reduced educational attainment, particularly for low-income single mothers in low-wage jobs.<sup>10</sup>

Community colleges can partner with state Temporary Assistance for Needy Family (TANF) programs to bridge educational opportunities with work activities and transition welfare recipient students into long-term self-sufficiency. The California state TANF program known as CalWORKS partners with the California Community Colleges (CCC) system to offer: service coordination between county welfare offices, other public agencies and campus services; subsidized child care; job placement and job development services; and the development of new short-term, open entry/exit vocational programs. These shorter programs are especially vital in light of federal time limits for assistance, as TANF recipients must engage in work activities after reaching a trigger limit of no more than 24 months. Work-study is another important component of CCC CalWORKS that allows students to meet TANF work requirements while

simultaneously gaining valuable work experience and additional income.<sup>11</sup> Program implementation is done at the local level so courses can be geared towards fields with strong local labor market demand, and work study placements can become employment pipelines. For example, the Los Angeles Community College District works directly with Los Angeles government agencies to place CCC CalWORKS participants in public sector jobs. The CCC system reports that those in vocational programs and those who left with certificates or associate degrees increased their median annual earnings by 65-85 percent one year after completing their schooling and even CalWORKS recipients who entered without a high school diploma increased their earnings by 40 percent one year after exiting.<sup>12</sup>

But the challenges described above reach beyond TANF recipients, affecting the broader population of low-skilled, low-wage workers as well. One of the key strategies to increasing access to higher learning for low-skilled adults is to provide comprehensive supports, such as qualified career advisors, personal case management, affordable childcare, flexible scheduling and accessible locations. In Oregon, Portland Community College and Mount Hood Community College have developed “Career Pathways,” accelerated short term training programs for low-skill working adults. LMI adults may have academic deficiencies and lack the proper educational background to complete college-level technical courses; the pathways couple basic adult education with targeted employment training, allowing students to progressively move to higher-wage positions within an occupation as they complete more training.<sup>13</sup> The pathways model, which is being implemented state-wide, provides multiple entry, exit and reentry points into a broad range of programs which provides scheduling flexibility for working adults who may only be able to attend in short intervals.<sup>14</sup> These “modularized career pathways” are broken down into manageable pieces, imparting specific skills valued by local employers and leading to more rapid career progression.<sup>15</sup> LMI workers may have to overcome a number of other day-to-day hurdles on the path to skill attainment, such as limited means of transportation or geographic isolation from central city campus locations. The Washington State Institute for Extended Learning (part of the Community Colleges of Spokane District) addresses this need by operating more than 100 off-campus sites such as churches and community centers throughout the six-county district, including rural areas. Community colleges across the country are becoming more sensitive to the needs of LMI working students and are adapting to increase access and address attrition.

## Community College Fast Facts

Enrollment	
Total	11.7 million
Credit	6.7 million
Noncredit	5 million
Enrolled full time	40%
Enrolled part time	60%

Student Demographics	
Women	58%
Men	42%
Black	13%
Hispanic	16%
Asian/Pacific Islander	7%
Native American	1%
First generation to attend college	39%
Single parents	17%
Non-U.S. Citizens	8%

Average Annual Tuition and Fees	
Community colleges (public)	\$2,402
4-year colleges (public)	\$6,585

Source: American Association of Community Colleges.  
As of January 2009

## The Role of Noncredit Education

Many of the workforce development and training courses offered by community colleges are considered “noncredit” education, meaning they do not earn academic credit toward completion of a degree. Noncredit education makes up a significant part of community college activity; according to the American Association of Community Colleges, 43 percent of the nation’s community college students were enrolled in noncredit education in 2008. Workforce training is becoming an increasingly large component of noncredit education at community colleges and generally operates outside the confines of traditional academic programs, which offers certain advantages such as shorter terms, flexible course design and rapid responsiveness to local labor market trends. This can also be appealing to LMI students, who benefit from easier enrollment, flexible schedules, and less formal and less intimidating classroom environments.<sup>16</sup> A recent report by the Community College Research Center (CCRC), part of the Teachers College at Columbia University, found that several community colleges now promote workforce development as a major college mission and that federal and state funds have also spurred the development of noncredit program offerings in new technologies.<sup>17</sup> For example, Wenatchee Community College, located in central Washington State, offers a noncredit program in geographic information systems and the City College of San Francisco uses state economic development initiative funds to



bring advanced manufacturing, such as rapid prototyping and nanotechnology, into the classroom. However, noncredit education programs usually don't have tuition limits and are free to charge "what the market will bear," which could significantly impact equity and access issues for LMI students. According to CCRC, in 2008, more than half of the states provide general funds for noncredit workforce education, which helps to offset student costs. States allocated general funds for noncredit education in a variety of ways: California and Oregon provided funds based on "contact hours," or the amount of time students spend in class; Utah and Arizona allocated an annually determined fixed amount toward noncredit education; and in Alaska and Idaho, individual community colleges had discretion over how they choose to divide general funds between credit and noncredit education, while Washington, Nevada and Hawaii did not allow any general funds to be applied toward noncredit education.

Some groups have been resistant to support noncredit education, since it does not lead to a degree and may not lead to career advancement in the same way as degree programs. Past critics of noncredit education contend that low-funding levels and lack of outcome accountability may perpetuate class distinctions within the system as many noncredit programs serve a large share of LMI students.<sup>18</sup> But research has also shown that noncredit education can be an important point of entry into for-credit postsecondary education for this same reason, as many LMI students are introduced to the college experience through noncredit programs.<sup>19</sup> States are beginning to cultivate connections between noncredit and for-credit education and are creating innovative mechanisms to link the two, such as offering retroactive credits for students transferring from noncredit to for-credit programs and actively recruiting LMI students from noncredit programs into degree granting programs.<sup>20</sup> State policy can also play a role in increasing access to credit programs; CCRC found that colleges in states that provide general fund support for noncredit education were more likely to integrate noncredit and credit programs and to connect noncredit students to degree granting programs.<sup>21</sup> With the proper academic and comprehensive supports described above, students who may have otherwise never considered postsecondary education may be able to transition from workforce training to a college degree, allowing them to enter the workforce at higher wage levels, with greater long term career potential.

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## Conclusion

As the country waits for economic expansion and the resulting restoration of jobs, the community development field has a timely opportunity to promote workforce development efforts. The recently passed American Recovery and Reinvestment Act (ARRA) of 2009 includes support for community colleges and their students, recognizing the importance of a skilled workforce for economic recovery. Additional financial assistance comes in the form of increased Pell Grants, a \$200 million expansion of the federal work-study program, the new "American Opportunity Tax Credit" that offers up to \$2,500 toward eligible student expenses, as well as state fiscal stabilization funds which can be used toward postsecondary educational and general expenses and facility modernization.<sup>22</sup> In addition, \$250 million will go towards the development of state-wide data systems that strongly emphasize the inclusion of postsecondary workforce information.

Community colleges that offer well designed occupational training programs should be considered valuable partners in the LMI workforce development effort. While such efforts in times of high unemployment may naturally focus on rapid job placement, the longer term goals of skill building and wage and career advancement should not be overlooked. As workforce development practitioners, policymakers, and community colleges continue to collaborate and innovate, the resulting impact on LMI communities will be significant. Going back to school today can make it easier to go back to work tomorrow, but more importantly, the additional skills and training will lead to a lifetime of economic stability and self sufficiency. **CI**

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## Beyond Lump Sum

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### San Francisco Works to Support Working Families

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- 2 According to the Brookings Institution, EITC participation rates are very difficult to estimate. Cited estimate from Burman, Leonard and Deborah Kobes (2002). "Analysis of GAO Study of EITC Eligibility and Participation." *Tax Policy Center*; U.S. General Accounting Office (2002) "Earned Income Tax Credit Eligibility and Participation."
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- 4 For more information on the EITC and the WFC, see "From Refunds to Assets: Leveraging the Benefits of the Earned Income Tax Credit." *Community Investments*, Vol. 17, No.2, 2005.
- 5 See "From Mattress Money to Bank Accounts: A Profile of Bank on San Francisco." *Community Investments*, Vol. 21, No. 1, 2008.
- 6 California Reinvestment Coalition website. <http://www.calreinvest.org/predatory-lending/refund-anticipation-loans>