

# Building an effective training system

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# Work Arrangements: we are not being uberized

Standard Employees First Job	81.5%
Freelancers In first Job	7.7%
Contract Firm Workers First Job	10.8% (temps = 2.1%)
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Gig Workers	1.0%
Freelancers in a second job	5.7%

Source: Paul Osterman, "How American's Obtain Their Work Skills," 2020; Paul Osterman, "Skill Training For Adults," MIT Task Force On the Work of the Future, 2020

# Skill Demands: Don't freak out

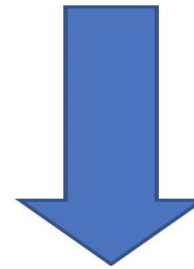
Future skill demands are within reach of most people and community colleges can provide them

# Demographics will create opportunities for middle skill work

## An Illustration

### Projected Net Change in Production Worker Jobs, 2018-2028

**Minus 429,500**



## Openings

**If people retire at age 65**

**1,642,000**

**If people retire at age 70**

**620,000**



# America has a distinctive and remarkably complex skill delivery system

## **School Based Entry**

CTE (voc ed) in high schools

Career Academies

Apprenticeships

Community College

Proprietary Schools

## **School Based Adult “Lifetime”**

Community Colleges

New models (e.g. coding academies)

Proprietary Schools

## **Firm Based**

OJT

Classroom

Apprenticeships

## **Remedial/Sectoral**

WIOA etc

Intermediaries

# Assessing The System

**The critique:** complicated, poorly articulated, hard to navigate

**The critique:** “nothing” works

**But:** It is open, flexible, permits mind-changing and reflects the realities of the U.S. job market

**But:** a great deal does work

# How does COVID-19 change things?

Need to reallocate: e.g. help the restaurant worker move into health care

Firms may accelerate technology to “people proof” themselves

Implications: the case for job training is even stronger than before!

And the demands and expectations on the system will grow!

# Employer provided training in previous 12 months

Standard employees	58.5%
Contractors	36.0%
First job freelancers	29.7%
Whites	56.0%
African-Americans	55.3%
Hispanics	47.4%
College Degree	61.1%
High School	50.1%
Less than high school	19.5%

These disparities hold up to fancy models with controls

These disparities make the case for a strong public system



# THE MAIN SOURCE OF FORMAL TRAINING: COMMUNITY COLLEGES

1,200 nationally. Offer degrees and certificates

Credit courses: about 6 million students

- 4 million are part time

- 33% work 35 or more hours a week

- 40% over age 24

Another 6 million in non-credit courses

About half of all CC students are in vocationally oriented programs

Disproportionally minority, first generation college, lower income

Average annual sticker price \$3,520 but real price after grants and tax benefits: \$500

# Challenges

Diffusing best practice, raising completion rates

Integrating CC's with the other components of the system. Playing nice.

# Intermediaries

Modern model

- dual customer: strong employer connections

- support services

- provide remedial and training

  - sometimes training in-house, sometimes in community colleges

Varied auspices: community groups, business groups, unions

National support networks: National Fund For Workforce Solutions, Aspen Institute Economic Opportunities Program, Jobs For the Future

Heavily foundation supported but Federal funding now directed (to what are terms “sectoral” programs but are the same thing

# EVALUATIONS OF BEST PRACTICE ARE POSITIVE



Source: Elliott and Roder, 2017

Paul Osterman

**COST = \$10,500 PER PARTICIPANT**

# Intermediary issues

Scale

Diffusing best practice models

Weeding out weak players, growing the strong ones

# Building the system.....

A regional compact

- Employers

- WIBs

- Community Colleges

- Intermediaries

- Community actors

The hard parts

- Getting employers on board

- The political will to convince stovepipes to play nice with each other

RESOURCES    RESOURCES RESOURCES

# Community College Funding

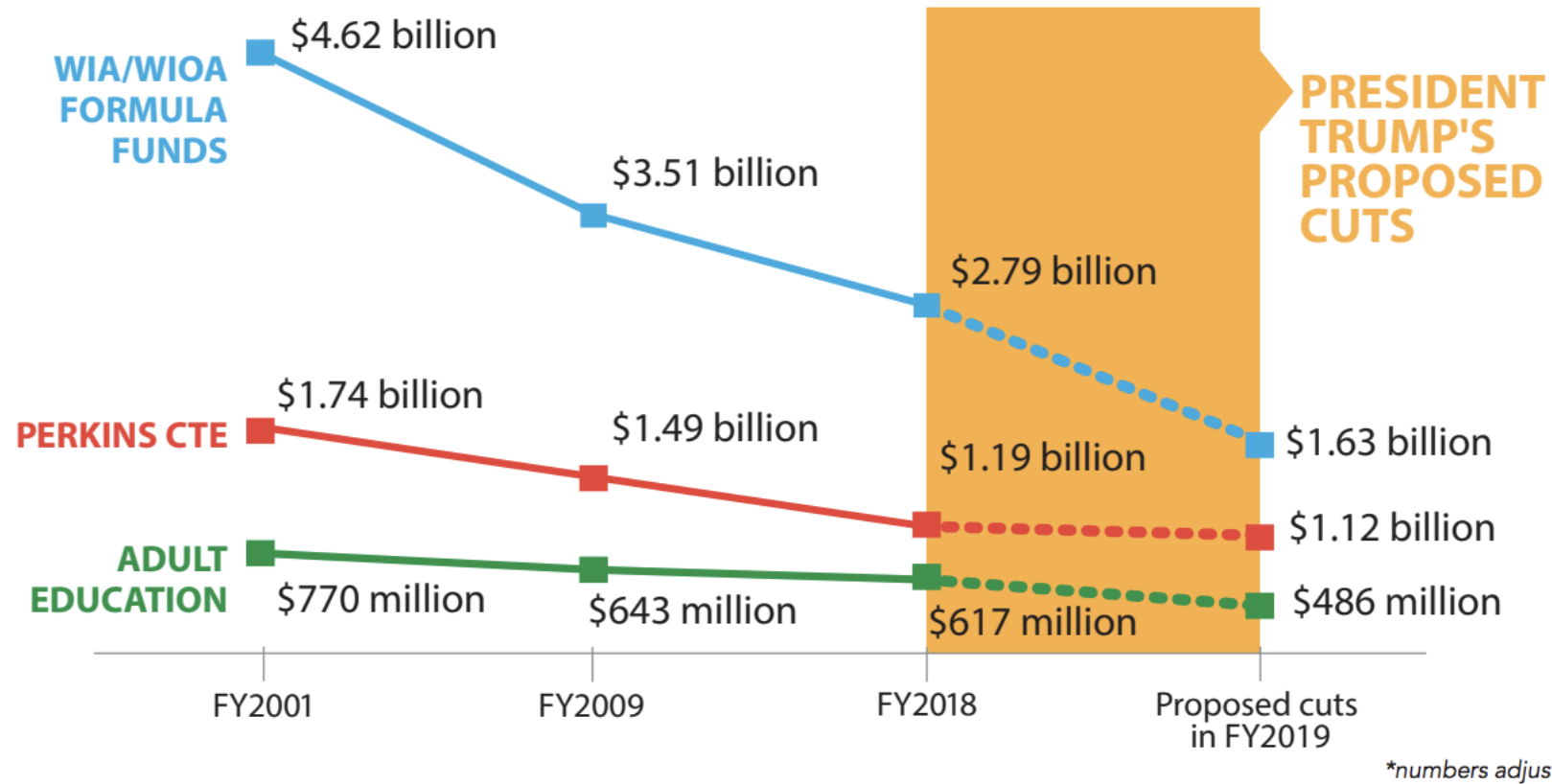
Government funding accounts for 65 percent of community college revenue and between 2000 and 2018 FTE public funding from all government sources was flat in inflation adjusted dollars

Community colleges per pupil operating expenditures less than half of four year bachelor (not masters or research) private colleges.

Sources: <https://ccrc.tc.columbia.edu/easyblog/community-college-funding-covid-19.html>; Kahlenberg, Richard, Robert Shireman, Kimberl Quick, and Tariq Habash, Polic Strategies for Pursuing Adequate Funding of Community Colleges, The Centur Foundation, October 2018.



# FEDERAL FUNDING



Source: <https://www.nationalskillscoalition.org/resources/publications/file/Americas-workforce-We-cant-compete-i>

# Two other currently fashionable ideas

## Standardizing credentials

What do new credentials add to existing CC degrees and certificates?

A rationale for shorter sequences?

## Information Systems/Transparency

Reasonable in principle

But will employers actually use credentials?

Will information drive out bad players?

And no substitute for resources and for institution building

# Why employers shy

Shorter job tenures = less time to amortize investments

Greater use of contract workers

Financial pressures = efforts to shift costs elsewhere

Weaker HR function/weaker employee voice

Ignorance of or bias against public programs

# How move the needle with employers?

Incentives, e.g. tax credits for training?

More effective outreach by schools and programs?

Changing norms and jawboning?

Pressure?

- Government purchasing?

- Employee Voice?

# In conclusion

We have experienced several periods in which education, training, and skill have been at the center of American policy discourse

The War on Poverty

The “Made In America,” “America’s Choice” era

We may be in such a period now given the concerns with both technology and inequality. We have a real opportunity to move forward on these issues

You are at the leading edge of these discussions. Go to it!!

THANK YOU!