Raise the Floor & Build Ladders: 
Workforce development that works for all 

Workforce Development Leaders Forum 
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Why do we need Build Ladders and Raise the Floor Strategies?

1. Education and skills are important
2. Education and training are not everything
3. Different industry sectors present different challenges and opportunities
4. Tools beyond training are needed to address the challenge of low-wage work
Education is important...

Earnings and unemployment rates by educational attainment

Unemployment rate in 2013 (%)

<table>
<thead>
<tr>
<th>Education Attainment</th>
<th>Median weekly earnings in 2013 ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctoral degree</td>
<td>1,623</td>
</tr>
<tr>
<td>Professional degree</td>
<td>1,714</td>
</tr>
<tr>
<td>Master's degree</td>
<td>1,329</td>
</tr>
<tr>
<td>Bachelor's degree</td>
<td>1,108</td>
</tr>
<tr>
<td>Associate's degree</td>
<td>777</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>727</td>
</tr>
<tr>
<td>High school diploma</td>
<td>651</td>
</tr>
<tr>
<td>Less than a high school diploma</td>
<td>472</td>
</tr>
</tbody>
</table>

All workers: 6.1% | All workers: $827

... and we’re making progress
But education isn’t everything ...

Unemployment Rate for Blacks and Whites aged 25 and older, by Educational Attainment, 2011 Annual Average

... and the return to skills is uncertain

Productivity growth and real hourly compensation growth, nonfarm business sector, selected periods, 1947–2009

Source: Fleck, Monthly Labor Review, 2011 (BLS data)
Are skill needs really changing that quickly?

“Occupations typically requiring postsecondary education for entry generally had higher median wages ($57,770) in 2012 and are projected to grow faster (14.0 percent) between 2012 and 2022 than occupations that typically require a high school diploma or less ($27,670 and 9.1 percent).”

But, the proportion of jobs that require any post-secondary education relative to those that require only H.S. or less won’t be that different:

Demand for low-wage workers remains substantial.
The challenge of low-wages is borne by some more than others...

- In 2013, 20.6% of adults (between 24 and 65) worked in jobs that paid $11.27/hr or less (threshold for 125% of poverty, family of 3) and 30.8% earned $13.53/hr or less (150% of poverty)
- 49% have at least 1 child under 18 in HH
- 35.8% of women (v. 26.2% of men) are low-wage workers
- 49% of Hispanic, 41.5% of black and 24.1 of non-Hispanic white workers are low-wage
...and industries differ in their reliance on low-wage work

Distribution of low-wage work by industry, 2013

Only those industries which account for 3 percent or more of sub-standard employment are included
Raise the Floor and Build the Ladder

Career Advancement

Economic

Wages
Transportation
Benefits
Respect

Job Quality

Communication
Supervision

Skill Building
Job Experience

Stability

Legal
Safety
Job Design
Schedule
<table>
<thead>
<tr>
<th>Strategy</th>
<th>Approach</th>
<th>Examples</th>
</tr>
</thead>
</table>
| Persuade | Appeal to biz self interest to improve design of jobs | • The SOURCE  
• Manufacturing Works |
| Advocate | Appeal to policy makers and general public to support laws and policies that encourage job quality | • IAF  
• ROC  
• School of Labor & Emp. Relations; UI-Urbana |
| Create   | Develop model business that highlights job quality issues and shows viability of better jobs; use as platform to influence public and private decision making | • CHCA/PHI  
• Primavera Works |
Example:

Coaching & consulting for eldercare and disability service providers

Training & support for direct-care workers and those they assist.

Create better jobs....

....& leverage experience to advocate for change

Promoting policies to strengthen the direct care workforce
For Employees

We remove barriers to employment and find the resources that people need in order to be able to keep their jobs and take care of their families.

Services

- HOUSING
- HUNGER
- HEALTH
- LEGAL ASSISTANCE
- SUBSTANCE ABUSE
- SUPPORT FOR FAMILIES

Member Companies

- Spectrum Industries, Inc.
- Butterball Farms, Inc.
- 7000+ EMPLOYEES
- 97.6% DHHS RETENTION
- 19 MEMBERS
- 283% RETURN ON INVESTMENT
Industrial Areas Foundation:

- Faith
- Democracy
- Relationships
- Leadership
- Impact

Opening opportunities for education that leads to high wage jobs

Economic development that includes Community Organizing

Advocating for safety standards and lawful employment practices

Workers Defense Project

Project QUEST

COPS/Metro

Capital IDEA

Faith

Democracy

Leadership

Impact
### WIOA Framework: Sample Indicators of Effectiveness (Employer Engagement)

<table>
<thead>
<tr>
<th>Transactional relationship</th>
<th>Transformational relationship</th>
<th>Transformation with a Group of Employers as in a sector strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Transactions with an Individual Employer</strong></td>
<td><strong>Transformation with an Individual Employer</strong></td>
<td><strong>Transformation with a Group of Employers as in a sector strategy</strong></td>
</tr>
<tr>
<td>Place individuals in jobs</td>
<td>Place individual from excluded group into job</td>
<td>Place indiv.s from excluded group w/ many employers -&gt; chg industry norm</td>
</tr>
<tr>
<td>Provide OJT</td>
<td>Co-invest in credentialed learning</td>
<td>Employers create earn &amp; learn models that facilitate cross-industry career advancement</td>
</tr>
<tr>
<td>Provide post-placement retention supports</td>
<td>Engage company in problem-solving for worker transportation issues</td>
<td>Employers provide economic stabilization and retention services as a group to workers</td>
</tr>
<tr>
<td>Encourage cross-training, better scheduling practices, etc. with individual employer to address workforce challenge</td>
<td>Employer redesigns entry-level job position</td>
<td>Many employers re-design entry-level position to support stability and success</td>
</tr>
</tbody>
</table>
Final Thoughts

• One organization doesn’t have to do everything
  – Partnerships / relationships essential
• No one model
  – Variety of factors influence strategy
• Leadership and innovation critical
  – Nascent field—experimentation needed
• Can’t make change unless we’re willing to change
  – Courage required to question conventional wisdom, pose tough questions & try something new
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