**Building Massachusetts’ Skills to Compete:**

**Recommendations for**

**Massachusetts’ Next**

**Governor**

The Commonwealth has made considerable strides in improving pathways to employment and economic self-sufficiency. We have created the Workforce Competitiveness Trust Fund, a national model for supporting sector-based training that has launched dozens of regional partnerships with employers and placed thousands of people in jobs; we have instituted reform measures that will increase the completion rates of our community colleges and help graduates connect to jobs; we have helped tens of thousands of young people through investments in jobs and training for at risk youth.

Despite this progress, however, many working poor and vulnerable residents have lost ground as the economy has changed.

* From 2007-2012, the Massachusetts’ poverty rate has increased from 9.9% to 11.9%. Over 1 in every 7 children across the state is now living in poverty.
* The correlation between education and wages has strengthened over the last twenty years. In 2012, the median hourly wage for a Massachusetts worker with a Bachelor's degree or higher was almost twice the wage for a worker with a high school degree.[[1]](#footnote-3)
* The wage gap has widened significantly. Between 1985 and 2012, the gap in hourly pay between high (80th percentile) and low (20th percentile) wage earners grew by about $9.00, from more than $15 an hour to more than $24 an hour (adjusted for inflation).[[2]](#footnote-4)

Workers aren’t the only ones struggling to get ahead in the new economy. According to a recent report by the Massachusetts Business Alliance for Education (MBAE), two-thirds of businesses said they experienced difficulty hiring employees with the appropriate skills needed to grow and stay competitive.

The next governor of Massachusetts will shape the way we respond to these challenges and build a talent pipeline that will strengthen our economy and provide opportunity to all of our residents.

In the pages that follow, we offer six big ideas for Massachusetts’ next governor. If adopted, these recommendations have the potential to move more of the Commonwealth’s residents into career pathways, ensure our young adults are college and career ready and competitively position our businesses in the 21st century economy.

**Recommendations for Massachusetts’ Next Governor**

Our next governor needs to embrace six big ideas in order to ensure the continued competitiveness of Massachusetts workers and businesses.

1. **Invest in industry-led partnerships that ensure workforce development efforts continue to be responsive to Massachusetts’ business needs.**
2. **Increase investments in basic skill programs that ensure all MA residents have the skills they need to connect to 21st century jobs.**
3. **Increase investments in statewide youth employment efforts, especially in high-quality workplace internships and school-to-career efforts.**
4. **More effectively connect our education and workforce programs into a talent pipeline that helps individuals gain the skills and credentials needed in our economy.**
5. **Improve job quality—including raising the minimum wage—to address the rise in income inequality in the Commonwealth.**
6. **Measure and report results of education, training and employment programs in a comprehensive way across the workforce and education systems.**
7. **Invest in industry-led partnerships that ensure workforce development efforts continue to be responsive to Massachusetts’ business needs.**

# Applied Manufacturing Technology Training Institute

The Applied Manufacturing Technology Training Institute was awarded a grant of $489,158 in 2008. This partnership was led by Berkshire Community College, working in partnership with Crane & Company Inc., Interprint Inc., Sheffield Plastics, Armored Solutions, Hi-Tech Mold & Tool, Apex Resources Technologies, Boyd Technologies, and Pittsfield Plastics. The purpose of this partnership was to upgrade the skills of current workers and build a pipeline of new workers for this industry. As a result of the program 24 individuals earned an Applied Manufacturing Certificate and 62 individuals were either placed in a job or received a promotion/wage gain. Berkshire Community College continues to deliver the Applied Manufacturing Certificate to train new and current workers.

WCTF?

WA Workforce Competitiveness Trust Fund Success StoryWA

*What do we know?*

Job training is most effective when it is tailored to specific and current needs of employers. Participants in industry-driven training programs have been found to earn 20% more than similarly situated control group members.[[3]](#endnote-1)

In a recent study of four comprehensive industry-based job training and education programs for low-income adults in Boston, every dollar invested produced average returns of $2-3 in earned income within the first two years of program completion and returns of $5-$15 within five to ten years after completion.[[4]](#endnote-2)

*What do we have to build on?*

Massachusetts already has a national model for career pathway programs—the Workforce Competitiveness Trust Fund (WCTF). Established in 2006, the WCTF has supported 46 programs in critical industry sectors in Massachusetts in order to:

* Improve the competitive stature of Massachusetts businesses by improving the skills of current and future workers
* Improve access to well-paying jobs and long-term career success for all residents of Massachusetts, especially those who experience structural, social and educational barriers to employment

To date, nearly 7,000 individuals have been trained through these partnerships, with 4,800 earning a credential and 5,400 with a positive employment outcome.

*Policy proposals*

* Identify a permanent, reliable funding stream of $10 million annually for the WCTF so that the best programs can move past the pilot stage and toward scale and sustainability
* Include provisions to include industry-driven training through the WCTF in any new economic development bill or proposal, so that as the state is creating jobs, we are simultaneously helping to ensure that unemployed individuals have an opportunity to train for and compete for those jobs.
* Instead of reinventing the wheel, leverage the existing infrastructure of the WCTF to create better pathways to employment for high need populations like TAFDC recipients and disconnected young adults.
1. **Invest in basic skill programs that assure that all MA residents have the skills they need to connect to 21st century jobs.**

# Juan Mauricio Perez

When Juan Mauricio Perez turned to Middlesex Community College’s Adult Learning Center, he wanted to improve his English, math and science skills. He had no idea the program would lead to a career in biotechnology.

Perez had attended college in his native Colombia, then moved to the United States. “One day, I was sweeping the floor at McDonald’s and I thought to myself, ‘I’m 28, I need to go back to school,’ ”. So, Perez enrolled at the Adult Learning Center. “The way they were teaching made it easy to learn,” he said. “Plus, I was in class with students who were older,

from other countries, and motivated, just like I was.”

Once Perez had a GED, he enrolled in MCC’s Biotechnology Program. After two semesters, he got a part-time job at Microbia Inc., a local biotechnology company.

Perez graduated from Middlesex and was named 2008-09 Biotechnology Student of the Year. He is continuing his studies at Boston University. Perez also works full-time as a research technician– and his employer helps pay his tuition. “Middlesex is a great school with great teachers,” said Perez. “You need somebody to believe in you, and they believed in me.”

WA Workforce Competitiveness Trust Fund Success StoryWA

*What do we know?*

* By 2020, 72% of the jobs in Massachusetts will require some post-secondary education or training.[[5]](#endnote-3)
* Massachusetts’ workforce is aging, and workers 45 and older have higher levels of educational attainment than younger cohorts, pointing the way toward shortages of skilled workers in the coming years as older workers retire.
* Massachusetts’ workforce is growing more diverse: Our immigrant population has grown substantially and accounts for virtually all population growth within the state in the last decade.[[6]](#endnote-4)
* Massachusetts continually has a waitlist of nearly 20,000 individuals who are unable to get into state-funded adult basic education and ESOL programs. If Congress passes immigration reform in the next few years, that number will grow exponentially as more immigrants seek language and employment support services to help them on their path to citizenship.

*What do we have to build on?*

* Massachusetts has robust, state-funded and community-based programs with relatively stable funding in Adult Basic Education and English for Speakers of Other Languages.
* In recent years, Massachusetts’ Department of Early and Secondary Education has added new areas of funding and programmatic focus that place a new emphasis on connecting to the labor market , including: Adult Career Pathways; Transition to College; and Workplace Education.
* Strong local collaboratives, such as English for New Bostonians, are leveraging public and private philanthropic dollars to increase the capacity and quality of ESOL programs.

*Policy Recommendations*

* Increase state funding for Adult Basic Education and ESOL to $40 million/year and drastically reduce or eliminate the waitlist.
* Expand the scale and intensity of Adult Basic Education and English language programs, and continue to strengthen their focus on college and career readiness.
* Provide industry-specific professional development to help ABE/ESOL teachers understand industry shifts and the application of learning at the workplace.Effectively leverage SNAP-Employment and Training federal matching resources, currently under-utilized in Massachusetts, to increase funding available for basic skills and employment training activities.
1. **Connect our education and workforce programs into a talent pipeline that helps individuals gain the skills and credentials needed in our economy.**

# Connecting the Dots – A College Navigator’s Role

Courtney Galvez was already a success story, having graduated from the Year Up program in Boston and earned a job at Atlas Venture providing desktop support.

However, with a young son to support, Courtney wanted to complete a post-secondary degree and earn a better job, and he wasn’t sure how to get there.

Enter Zeida Santos, SkillWorks’ college navigation coach at Bunker Hill Community College. Zeida worked with Courtney to understand his background, experience and skills. She helped him transfer his 12 credits from Year Up to Bunker Hill, choose a career path, and enroll in classes. She also convinced him of the value of pursuing the shorter-term, stackable CISCO Systems CCNA Certificate on the way to finishing his AS, and eventually transferring to a four-year college.

Courtney earned his CCNA Certificate in December 2013 and is on his way to achieving his goals.

WA Workforce Competitiveness Trust Fund Success StoryWA

*What do we know?*

Individuals who have a post-secondary credential of at least one year are much more likely to reach economic self-sufficiency in our state. Yet it’s nearly impossible for low-skilled individuals, especially adults, to get there on their own. Credential completion rates at community colleges are abysmal for individuals who start in ESOL or developmental education, with only 3-5% of those who start ever earning a credential.

We lose people at the point of transition. The more points of transition—whether between programs, semesters or systems—the greater the chance people will slip through the cracks. We need to pay more attention to critical transition points and how we connect the dots between programs.

*What do we have to build on?*

* Massachusetts will launch MA Career Ready 101 this summer, which brings together community colleges, career centers, and adult basic education providers around a common assessment of basic skills, a shared basic skills training platform and certification, and shared outcomes data.
* For the last several years, SkillWorks and others have piloted efforts to increase the success of adult/non-traditional students in college. In these pilots, students who already have a high school diploma or equivalent but are not academically prepared for college receive help to make a successful transition. This has resulted in a much higher success rate and fewer students getting stuck in remedial/developmental education.
* Through the Massachusetts Community College and Workforce Development Transformation Agenda, coaching and college navigation have become integrated into college operations, and some colleges are using operational or incentive funding to keep their college and career coaches after the end of the grant.
* In FY2014, Massachusetts created a new Adult College Transition Services line item (7066-0040) to help people 18 or older transition into higher education by teaching content skills as well as providing assistance with the application and financial aid processes.

*Policy Recommendations*

* Support the full implementation of MA Career Ready 101, focusing in the next two years on building system capacity to utilize the assessment and remediation tools as well as building Massachusetts’ employer recognition of the National Career Readiness Certificate to facilitate hiring.
* Provide more robust funding for Adult College Transition Services, and include college navigation as an allowable activity under this line item.
1. **Increase investments in statewide youth employment efforts, especially in high-quality workplace internships and school-to-career efforts**

# School to Career Generates Robust ROI

During FY13, when the state appropriation was $2.87 million, Connecting Activities generated the following Return on Investment (ROI):

* Employers invested $11.9 million in wages to support student internships.
* 9,832 students were placed in internships at 3,530 employer sites.
* 7,209 (73%) students utilized the Massachusetts Work-Based Learning Plan (WBLP) on the job. The WBLP structures learning and productivity at the worksite and formally connects classroom lessons (MA Curriculum Frameworks aligned with Common Core Standards) to work-based learning experiences.
* 6,540 students participated in classes/workshops including career exploration, work-readiness and internship workshops.
* Over 1,600 employers sponsored career awareness and exploration activities for students including career days, job shadowing and guest speaker programs.

WA Workforce Competitiveness Trust Fund Success StoryWA

***What do we know?***

The teen employment rate in MA has declined dramatically. In 1999-2000, over 50% of all teens in our state were employed. Today, the teen employment rate has dropped to 27%.[[7]](#endnote-5) Less than 30% of all Massachusetts high school students have participated in any kind of structured career development opportunities.[[8]](#endnote-6)

Workers aged 16-34 make up only 33.5 percent of the civilian

workforce, but they represent 45.4 percent of all unemployed people. For a state with an aging population, disproportionate youth and young adult unemployment may lead to significant replacement and productivity issues if we do not find a way to strengthen the connection of young workers to the job market.

**What do we have to build on?**

* [**School to Career Connecting Activities**](http://workforce.massbudget.org/school-career-connecting-activities) is a state-funded system, led by the Massachusetts Department of Elementary and Secondary Education, linking education and workforce development through the work of skilled intermediaries. It provides our youth with work experience and other career awareness activities that support their preparation for college and careers. It is a leading vehicle for businesses to partner with school districts and influence the quality of public education.
* [**YouthWorks (Summer Jobs for At-Risk Youth)**](http://workforce.massbudget.org/youthworks) is an employment program designed to provide low-income teens and young adults with their first employment experience, along with work-readiness training and the skills they need for a successful career. YouthWorks supports subsidized employment experiences for teens and young adults age 14-21 in 31 cities across the Commonwealth--specifically for people who live in households earning less than 200% of the federal poverty rate.

**Policy Recommendations**

* Double the capacity of the School to Career Connecting Activities program to reach at least 20,000 students across the Commonwealth and allow them to access paid work experience.
* Increase funding for YouthWorks to at least $12 million to enable more Opportunity Youth to gain access to their first job.
* Increase capacity of our vocational and technical education high schools to accept more students and address growing waitlists.
* Develop a state reporting system to track the employment rates of our high school students by gender, race, family income, and geographic area of the state.
1. **Improve job quality and raise the minimum wage to address the rise in income inequality in the Commonwealth.**

*What do we know?*

Even in our high-skilled economy, we will always have jobs that do not require post-secondary education. In the past, federal and state requirements for a minimum wage have helped raise the salary floor for such jobs. In Massachusetts, some 500,000 workers would see an increase in the wages if the minimum wage were raised to $10.50 per hour by 2016.[1](http://massbudget.org/reports/swma/minimum_wage.php#min_wage1)

Over the past forty years the value of the minimum wage has been eroded by inflation. A minimum wage earner working full time in Massachusetts will earn about $16,000 this year; higher than the poverty threshold for an individual (a little over $11,700 in 2012), but lower than the threshold for a family of three (around $18,500). That same worker would have earned about $21,400 back in 1968—or $5,400 more than today, adjusted for inflation.

Minimum wage and low-wage workers are concentrated in a few industries—in fact, nearly two-thirds of Massachusetts workers who earn between $8.00 and $11.00 per hour are concentrated in just three industries—Retail, Leisure & Hospitality, and Education & Health Care - all of which have seen healthy job growth in recent years (details [here](http://massbudget.org/reports/swma/employment.php)).[3](http://massbudget.org/reports/swma/minimum_wage.php#min_wage3) Over 40 percent of minimum wage and low-wage earners (those workers earning $11/hr or less) work full time.[2](http://massbudget.org/reports/swma/minimum_wage.php#min_wage2)

Low-wage workers face other barriers in addition to low pay, such as lack of paid sick leave and family leave, part-time/unpredictable schedules, and uneven access to education and training to upgrade their jobs and skills.

What do we have to build on?

Massachusetts has strong public support for raising the minimum wage in Massachusetts, with the legislature poised to pass legislation to increase the minimum wage by July 2014.

Policy Recommendations

* Raise the minimum wage to at least $11/hour.
* Support robust enforcement of existing employment standards.
* Provide incentives to employers who create career pathways and provide training to low-wage employees.
* Require employer partners in state grants to improve job quality including offering more full time jobs with benefits and access to skills training/career development.
1. **Measure and report results of education, training and employment programs in a comprehensive way across the workforce and education systems.**

*What do we know?*

Education and workforce programs do not consistently report the types of credentials received by participants, especially non-degree credentials. It is difficult for policymakers to understand whether these programs are helping to meet goals for postsecondary credential attainment and to analyze which types of credentials have value in the labor market.

In Massachusetts, it is difficult for training providers and programs to get reliable data on whether graduates of career-oriented education programs are obtaining licenses and certifications. Some programs survey their graduates to find out if they have successfully earned a certification or license, but these surveys can be burdensome and may not be very accurate, especially if they occur months or years after program completion. Certification bodies and licensing agencies maintain individual-level data on attainment of these credentials, but it is not shared and matched with student records or employment data, such as our wage record matching system. These data linkages would enable richer and more complete analysis of education and training program alignment with industry requirements, as well as provide evidence on which licenses and certifications demonstrate value in the labor market over time.

*What do we have to build on?*

In 2012-13, the Boston Healthcare Careers Consortium with support from SkillWorks and the Skilled Careers in Life Sciences Initiative, engaged in a data collection and reporting pilot to collect and report completion and employment outcomes data for several allied health programs and occupations. The experience, captured in a recent brief, pointed not only to promising practices but also to areas where greater state leadership would be welcome to provide data that would help both employers and education and training consumers make more informed decisions.

*Policy recommendations:*

* Choose a reliable source for employment and earnings data, such as Unemployment Insurance wage records and Social Security Administration earnings data, which cover most workers.
* Gain access to cross-state or national employment data needed to determine outcomes for students and graduates who cross state lines.
* Adopt a legally permissible process to collect and match student records with earnings data to calculate aggregate results for these metrics while protecting individual privacy.
1. http://massbudget.org/reports/swma/work-education.php [↑](#footnote-ref-3)
2. http://massbudget.org/reports/swma/wages.php [↑](#footnote-ref-4)
3. Public/Private Ventures, “Tuning into Local Labor Markets: Findings from the Sectoral Employment Impact Study,” New York, 2010. http://ppv.issuelab.org/resource/tuning\_in\_to\_local\_labor\_markets\_findings\_from\_the\_sectoral\_employment\_impact\_study [↑](#endnote-ref-1)
4. Cooney et. al., “Social Return on Investment: A Case Study of JVS,” Boston, 2012. [↑](#endnote-ref-2)
5. Georgetown University Center for Education and the Workforce, “Recovery: Job Growth And Education Requirements Through 2020,” 2013. [↑](#endnote-ref-3)
6. Commonwealth Corporation, “Closing the Skills Gap,” 2013. [↑](#endnote-ref-4)
7. Statistics provided by the Center for Labor Market Studies, Northeastern University. [↑](#endnote-ref-5)
8. MA Department of Elementary and Secondary Education, “From Cradle to Career: Educating our Students for Lifelong Success,” June 2012. [↑](#endnote-ref-6)