Top 5 in 2017: Workforce Development

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CSG Director of Education and Workforce Development Policy Elizabeth Whitehouse and Education and Workforce Development Policy Analyst Donna Counts outline the top five issues in workforce development policy for 2017, including skills and apprenticeships, Workforce Innovation and Opportunity Act implementation, wages and benefits, occupational licensure and workforce re-entry.

Skills and Apprenticeships

State leaders are focused on skill development and apprenticeships as the way forward in increasing labor participation and attracting mid- and high-wage jobs to their states. According to the U.S. Department of Labor, apprenticeship programs provide significant benefits to both businesses and employees. Apprentices are able to earn on average $50,000 per year while in employer-paid training programs that allow the apprentice to earn a two- or four-year degree. Over their lifetime, apprentices earn an average of $300,000 more than their non-apprentice peers. For businesses, there is typically a return of $1.47 for every dollar invested in apprenticeship programs. The programs also correlate with lower turnover rates and improved productivity, and provide custom-trained, experienced workers for businesses. Apprenticeships are now used to train more than 400,000 Americans.

Workforce Innovation and Opportunity Act Implementation

The Workforce Innovation and Opportunity Act, also known as WIOA, was signed into law by President Barack Obama in July 2014 and is a major reform of the public workforce system. The WIOA requires states to strategically align workforce development programs with employment-training services so that job seekers acquire the skills necessary to meet employer needs. The governor of each state was required to submit either a Unified or Combined State Plan to the U.S. Department of Labor outlining the state’s four-year WIOA strategy. The WIOA state plans were reviewed and approved by the departments of Labor, Education, Health and Human Services, Housing and Urban Development, and Agriculture based on federal programs included in the plans. In December 2016, the U.S. Department of Education provided a web link [5] to each state’s approved plan. WIOA also requires states to
submit performance accountability reports on program outcomes including participant employment, earnings, credential attainment, measurable skill gains and effectiveness in serving employers. States must submit their first state annual performance report in October 2017.

**Wages and Benefits**
Average wages and benefits have grown slowly for most Americans since the Great Recession. The lack of real wage growth has been cited as a contributing factor to the difficulty employers are having attracting and hiring workers, who may incur employment-related costs such as transportation, childcare and retraining. Recent data released by the Bureau of Labor Statistics show that real monthly earnings across the country are finally beginning to show growth, with average growth up 1.2 percent from October 2015 to October 2016. Continued real earnings growth would help support increased consumer spending, which can help contribute to sustained economic and revenue growth in the states. The latest wages and salary data available at the state level is based on the Quarterly Census of Employment and Wages, or QCEW, published by the Bureau of Labor Statistics, which shows that while quarterly earnings grew by 3.9 percent between the first and second quarters of 2016, there were significant differences across the states.

**Occupational Licensure**
Licensure helps ensure that professionals have the qualifications to meet quality, health and safety standards of their industry. It can also help encourage a higher level of skill and professionalism, which often translates into higher wages for employees. However, licensure can present obstacles to workers attempting to enter a profession by increasing the training requirements and associated costs or when workers move across state lines and have to comply with a different set of state licensing requirements. While licensure can increase individual wages, it can also increase the prices consumers pay for the services provided by the licensed professional. Unfortunately, there is a lack of information on each state’s licensure requirements or the benefits and costs of licensure. CSG, in partnership with the National Conference of State Legislature and the National Governors Association, recently was awarded a $7.5 million grant to research ways to make it easier for people with occupational licenses to work in multiple states.

**Workforce Re-entry**
Workforce re-entry can be difficult for Americans who have been out of work due to involuntary job loss or disability, voluntary exit from the workforce, or incarceration, and who often face challenges such as a bias against people who have large gaps in their work history, outdated skills, a loss of professional connections and networks, and unfamiliarity with effective work-search processes. New tools and resources from the U.S. Department of Labor for state unemployment insurance agencies and workforce systems to support re-employment may help state governments reduce these barriers. A study recently released by CSG provided critical insight into workforce re-entry for people with disabilities. The Work Matters report was the result of a collaborative effort with the National Conference of State Legislatures to help state legislators effectively address policy barriers that may hinder disability employment.

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