

October 15-17, 2014

TRANSFORMING U.S. WORKFORCE DEVELOPMENT POLICIES FOR THE 21ST CENTURY CONFERENCE



In October 2014, the Federal Reserve Banks of Atlanta and Kansas City and the Heldrich Center for Workforce Development at Rutgers University hosted a national conference titled, Transforming U.S. Workforce Development Policies for the 21st Century. The goal of the conference was to provide a forum for policymakers, practitioners, and researchers to share perspectives on transformative education and workforce development policies.

Over 250 people, including business and labor leaders, scholars, educators, policy advocates, researchers, and workforce development professionals, attended the conference. More than 60 national and international experts shared recommendations for developing policies and programs that will meet the nation's needs for talented workers. This publication, the fifth in a series of nine reports, highlights the discussions and recommendations that were offered during the panel, "Workforce Policies for Disadvantaged Populations."

Panel Summary Report #5

Workforce Policies for Disadvantaged Populations

by Laurie Harrington

In the recovery from the Great Recession, several segments of the U.S. workforce continue to struggle in the labor market, including individuals with disabilities and youth and young adults. This session, moderated by **Edwin Melendez**, Professor and Director of the Center for Puerto Rican Studies at Hunter College, addressed the current labor market realities of these workers and the promising practices and programs aimed at overcoming the barriers that exist for these individuals.

Paul Harrington, Professor at Drexel University, described a study conducted by the Commonwealth Corporation aimed at

understanding employers' reticence to hiring youth and the reason why youth are not employed at the rate they had been in the past. To address the low employment rates of youth, the Commonwealth Corporation in Massachusetts designed an initiative for youth that participate in its summer jobs program. The main goal of the program is to ensure that participants find unsubsidized jobs after program completion. Program participants must complete 120 hours of classroom activities, before job placement, that teach them about the job search process, the hiring process, employer expectations, and employment screening and competency tests. Employers and career and technical education schools nurture strong, trusted relationships where employers have a connection to the

learning that youth participate in and can feel more confident in the quality of the young workers that they hire.

Melendez asked Harrington about the extent to which the Commonwealth Corporation program has been integrated into the daily operations of schools in Massachusetts and become a standard operation across districts. According to Harrington, Massachusetts has an established, integrated vocational and academic education system and maintains close, collaborative relationships between employers and vocational-technical high schools so scalability was not an issue at the vocational-technical schools. The breakdown in replicability was seen at the comprehensive high schools where the employers and the schools do not have that trusted relationship.

Mala Thakur, Senior Advisor to the National Youth Employment Coalition, talked about her desire to see more year-round paid and subsidized opportunities for young people. She also discussed year-round service learning opportunities. Young people who are involved in these types of experiences are likely connected to some network or connection, particularly a school. In addition, Thakur emphasized the need for wraparound services, or extra supports, for young people who lack family or school connections.

Thakur was asked to elaborate on the “disconnectedness” of youth and to discuss her ideas for integrating institutions, outside of schools and families, that can work together to serve youth. She emphasized that the K-12 education system is failing to meet the needs of all youth and while many young people are disconnected from schools and families, many may still be connected to their peers or religious communities. She recommended an expansion to creative learning environments, which exist in some areas around the nation. These environments are created in conjunction

with community-based agencies and meet the young people where they are, offer more creative programming to help youth build their educational skills, and set high standards for achievement.

Elaine Katz, Senior Vice President of Grants and Communications at the Kessler Foundation, discussed strategies that are being used to help workers with disabilities. She described the Kessler Foundation’s support of social enterprise, or a business that is both revenue-generating and has a social mission. Katz described how many nonprofit organizations are launching social enterprises because they do not have enough jobs to serve the population they are mandated to serve, and they can also generate revenue that can be used to expand the services they offer. According to Katz, the problem is not simply helping disadvantaged workers find a job, but offering wraparound services to help workers keep their jobs and stay employed. Katz described Hudson Community Enterprises (HCE), a \$50,000 Kessler Foundation grant that has transformed into a \$4 million business with more than 130 employees, 70% of whom have some form of a disability. Last year, HCE generated nearly \$500,000 in revenue, which was used to fund long-term follow-along services for workers with disabilities.

Melendez asked Katz to discuss the scalability of social enterprise as a viable, and promising, strategy for employing workers with disadvantages. Katz explained that a social enterprise could work with many different types of populations but the key is that a social enterprise must be cognizant of the market in which it exists. She cited an example of one of the programs the Kessler Foundation supports, Destination Desserts. Initially, the grantee proposed starting a delivery, homemade cookie business. However, after conducting a market analysis of the greater St. Louis area, Destination Desserts launched a mobile food

truck bakery business that allowed it to take advantage of local corporate parks, stadiums, and recreational areas where baked goods could be brought to market. By being acutely aware of its market, Destination Desserts was able to be more successful. That type of due diligence is needed for successful social enterprise with any worker population.

William M. Rodgers III, Professor at Rutgers University, then discussed the plight of part-time workers who desire full-time employment. He described the U-6 unemployment rate, or the real unemployment rate, if it included workers who were working part time and wanted full-time work, and those who have stopped looking for employment. He also discussed how high that unemployment rate actually is, particularly for African Americans, Hispanics, and youth. He went on to describe how changes in federal monetary policy, and an increase in interest rates, would have a negative effect on typical workers but the effect on the

already high U-6 unemployment rate would be devastating. Rodgers pointed out the low government investments in people today in terms of training and social supports and how that is a significant barrier to workers with disadvantages.

The session concluded with remarks from the panelists. Thakur stressed that the elements of a quality internship for disadvantaged workers include connecting an entry-level job experience to a career ladder and occupational advancement. It also includes responsible supervision and quality instruction so the young person actually learns something meaningful from the job experience. Rodgers used the phrase “you can pay me now, or you can pay me later” to describe the decision making of our policymakers today. He explained that the public policy choices today to balance national and state budgets are generating additional societal costs down the road that will be more difficult to pay.

About the Author

Laurie Harrington is a researcher at the Heldrich Center for Workforce Development at Rutgers University. Click here for her [bio](#).

Conference Video

View an interview with a member of this panel at the link below.

[Elaine Katz](#)

New Book Coming this Spring!

Look for the release of *Transforming U.S. Workforce Development Policies for the 21st Century* this spring. The book was edited by Dr. Carl Van Horn, Tammy Edwards, and Todd Greene, and will be published by Upjohn Institute Press. If you would like to receive a free copy of this book, email your name and mailing address to hcwd@rci.rutgers.edu