

Investing in Skills to Improve Worker Outcomes: Lessons from the South

October 31, 2019

Organized by the Federal Reserve Bank of St. Louis

The **Connecting Communities**[®] audio conference series is a Federal Reserve System initiative intended to provide timely information on emerging and important community and economic development topics with a national audience. The audio conference series complements existing Federal Reserve Community Development outreach initiatives that are conducted through our regional Reserve Bank offices and at the Federal Reserve Board of Governors in Washington, D.C.

Welcome

Thank you for attending today's session. How to join (remember, this session is being recorded):

- Call-in number: 888-625-5230
- Conference code: 7440 5273#
- Webinar link: <https://www.webcaster4.com/Webcast/Page/584/31618>

You have two options to ask questions today:

**These questions may be part of the recorded archive for this session.*

- Email us at: communities@stls.frb.org.
- Type your question into the chat box of the webinar.

An archived recording of this session will be available on the **Connecting Communities**[®] website shortly after the session ends. Please visit <https://bsr.stlouisfed.org/connectingCommunities>

In connection with this session, you can find a variety of additional resources on this topic available at www.fedcommunities.org. We encourage you to browse through this site and to contact your regional office if you would like additional information on any of these items.

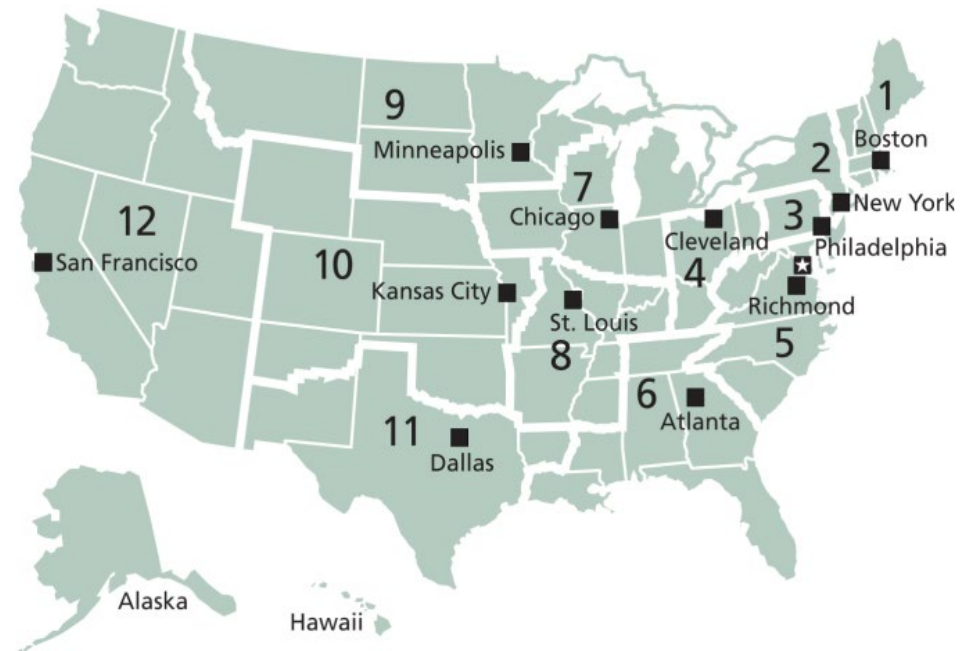
Legal Notices and Disclaimer

The information, analyses, and conclusions set forth are those of the presenters and do not necessarily indicate concurrence by the Board of Governors of the Federal Reserve System, the Federal Reserve Banks, or members of their staffs.

Community Development

The Community Development (CD) function within the Federal Reserve System – consisting of individual departments at each of the twelve Federal Reserve Banks as well as at the Board of Governors – promotes economic growth and financial stability for low- and moderate-income (LMI) communities and individuals through a range of activities, including:

- **Convening stakeholders**, including practitioners, financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors,
- **Conducting and sharing research** to examine economic challenges facing low- and moderate-income communities and attendant policy implications; and,
- **Identifying emerging issues.**



Today's Presenters and Agenda

- **Presenters:**
 - Meredith Covington, Community Affairs Manager, Federal Reserve Bank of St. Louis (moderator)
 - Sam Evans, Senior Community Affairs Specialist, Federal Reserve Bank of St. Louis
 - Allison Gerber, Senior Associate, the Annie E. Casey Foundation
 - Melissa Johnson, State Policy Director, National Skills Coalition
- The following will be discussed:
 - “Building a Skilled Workforce For a Stronger Southern Economy” Report: How funders and grant makers can support quality middle-skill jobs and opportunities for partnership
 - The Annie E. Casey Foundation’s efforts to connect young people – particularly youth of color – with the knowledge and experience necessary to succeed in today’s job market.
 - National Skills Coalition’s Southern Skills Policy Initiative

Building a Skilled Workforce For a Stronger Southern Economy

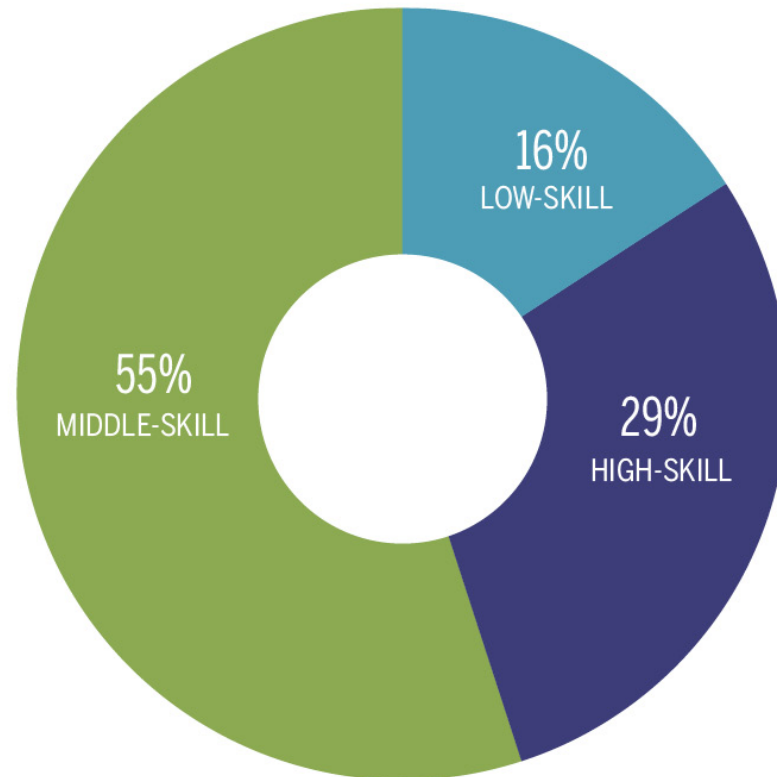
Sam Evans

**Senior Community Affairs Specialist
Federal Reserve Bank of St. Louis
samantha.evans@stls.frb.org**



WHY A SKILLS AGENDA FOR THE SOUTH?

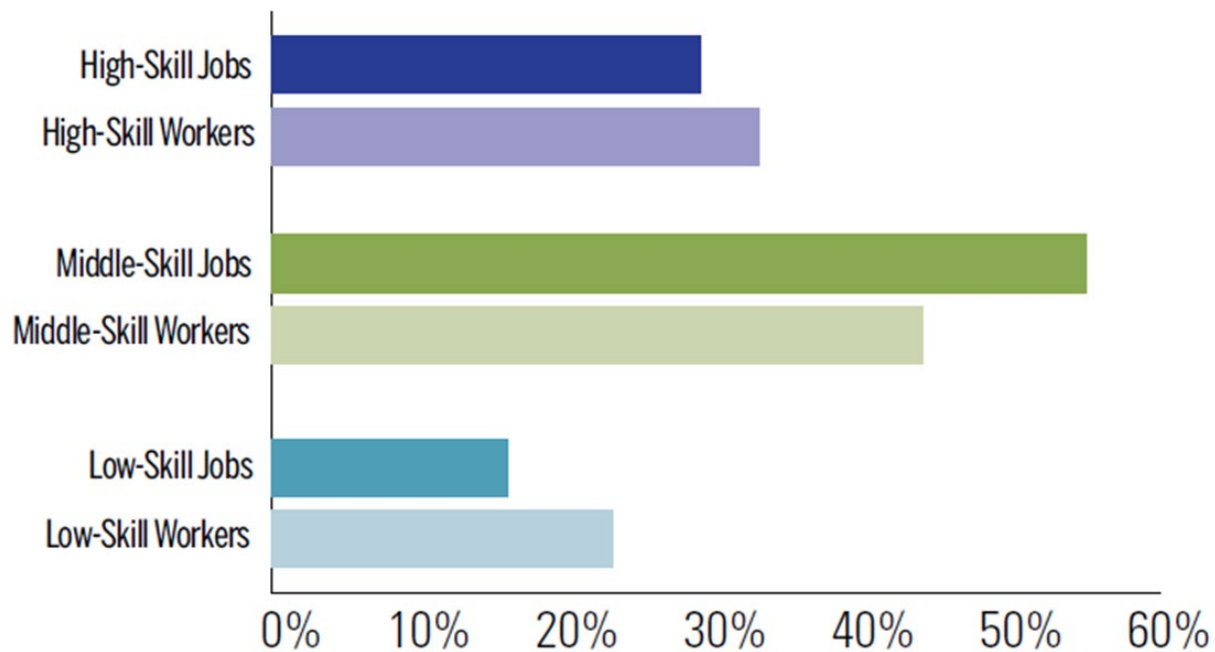
**Most jobs
in the
South are
middle-skill
jobs.**



Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics

THE MIDDLE-SKILL GAP ISN'T INSURMOUNTABLE

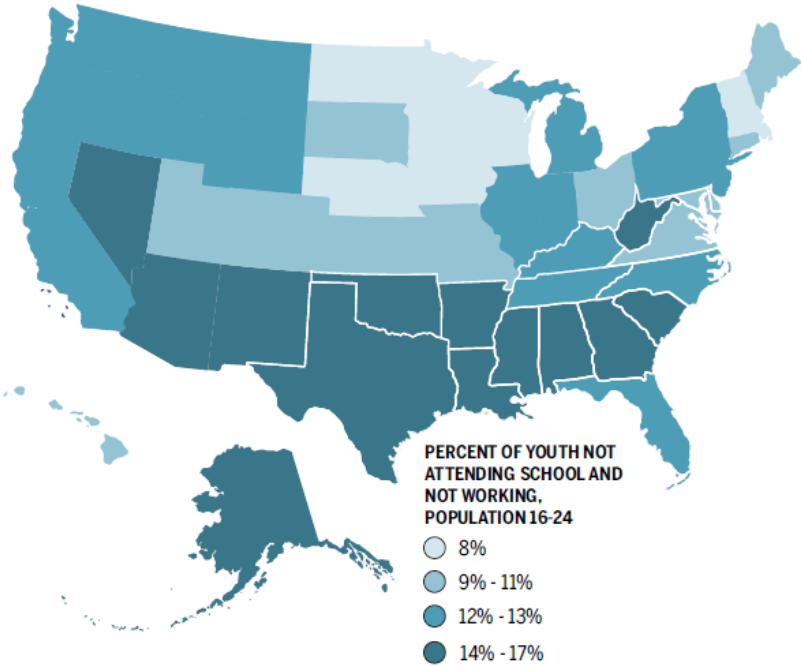
MOST SOUTHERN JOBS ARE MIDDLE-SKILL JOBS, BUT NOT ENOUGH WORKERS ARE TRAINED TO THE MIDDLE-SKILL LEVEL



Source: NSC Analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American Community Survey data, 2015.

OPPORTUNITY YOUTH

SOUTHERN STATES LEAD IN THE SHARE OF YOUTH 16 TO 24 YEARS NOT ATTENDING SCHOOL OR WORKING

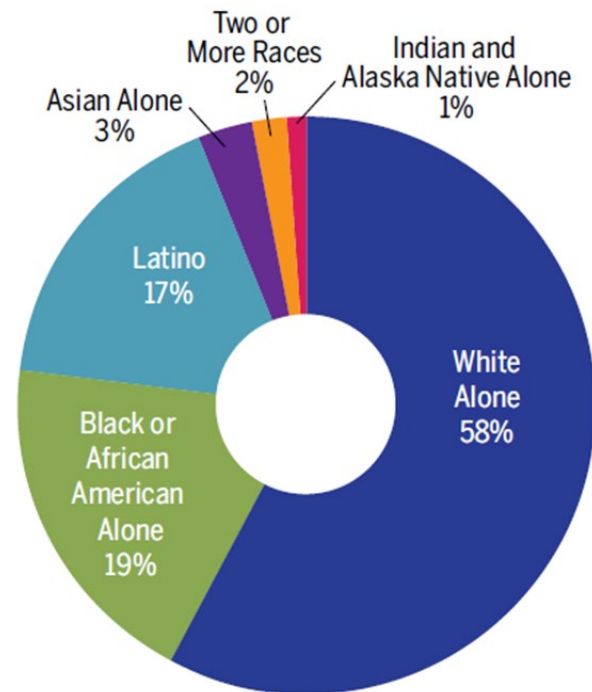


National KIDS COUNT

BUILDING AN INCLUSIVE ECONOMY

A skilled and thriving economy must be an inclusive economy.

MORE THAN 4 IN 10 SOUTHERNERS ARE PEOPLE OF COLOR



Source: U.S. Census Bureau (Population); 2015 ERS County Typology Codes. USDA Economic Research Service using data from Bureau of Economic Analysis and U.S. Census Bureau (Metro/Nonmetro).

A ROADMAP TO SOUTHERN SKILL-BUILDING

1. Use workforce development strategies, such as **sector partnerships** and **work-based learning** as economic development tools
2. Invest in **communities** to implement high-quality workforce development strategies at the local level
3. Establish **job-driven financial aid** programs available to a wide range of students
4. Form **middle-skill training pathways** and include comprehensive **supportive services**
5. Create **state data systems** that provide accountability

VEHICLES FOR IMPLEMENTING THE ROADMAP

- ✓ Set a bold goal for increasing the number of skilled adults
- ✓ Create a cross-agency “Skills Cabinet”

Connecting Policy & Practice

Allison Gerber

Senior Associate

The Annie E. Casey Foundation

agerber@aecf.org



About the Annie E. Casey Foundation

The Annie E. Casey Foundation is a private philanthropy that creates a brighter future for the nation's children by developing solutions to **strengthen families**, build **paths to economic opportunity** and **transform struggling communities** into safer and healthier places to live, work and grow.

FAMILY



OPPORTUNITY



COMMUNITY



Population Focus

Young people most likely to become disconnected from opportunity, family and community:

10 million

Young People of Color
in Low-Income Families

7 million

Young People in High-Poverty
Communities

4.6 million

Young People Who Are Parents

703,000

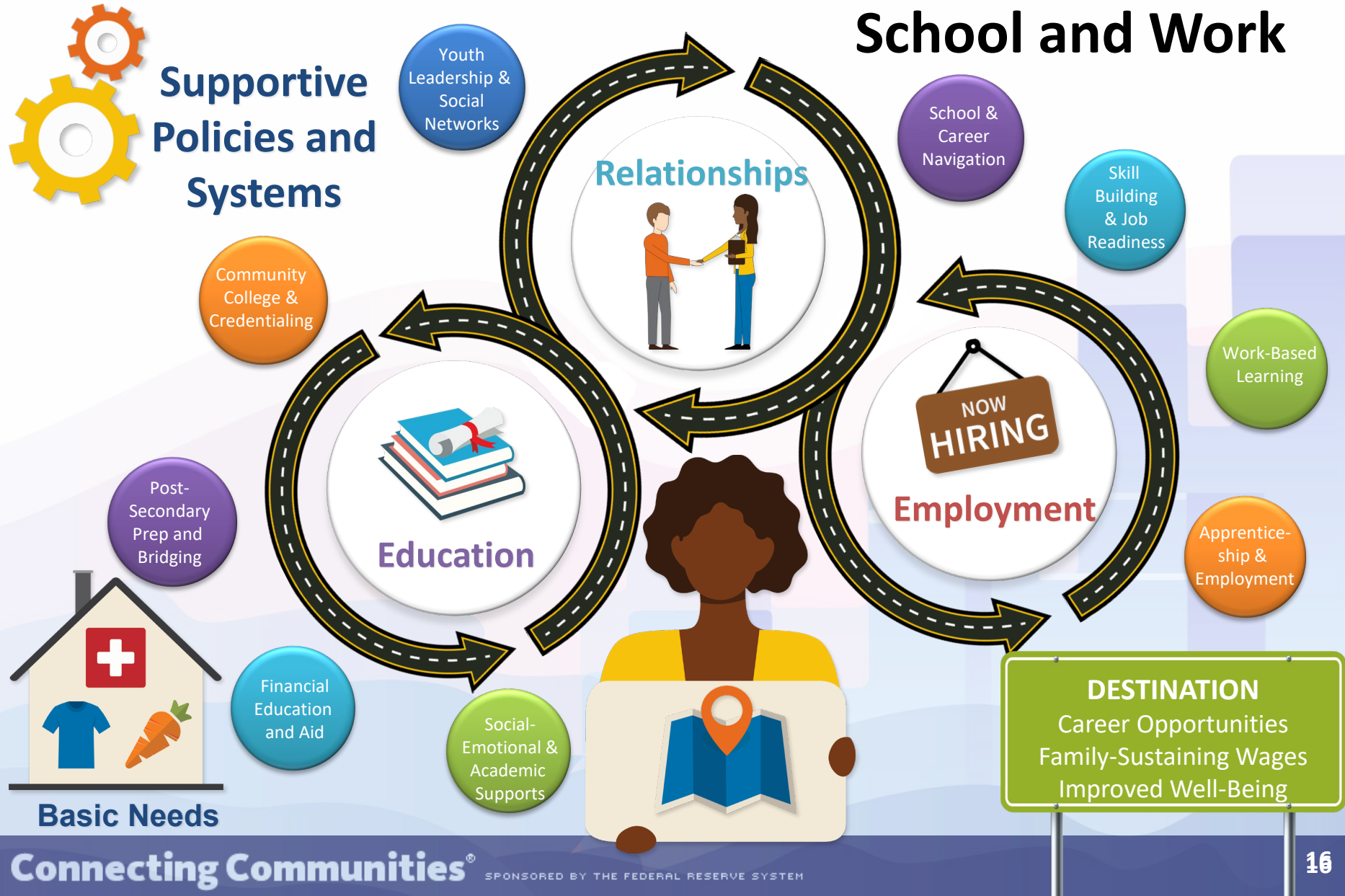
Young People Involved
in the Child Welfare System

3.4 million

Young People Involved
in the Justice System

Goal: **prevent** youth from becoming disconnected
and support the **4.9 million** who already are.

Young People Need Multiple Pathways to School and Work



Southern Skills Policy Initiative

Melissa Johnson

State Policy Director

National Skills Coalition

melissaj@nationalskillscoalition.org



Southern Skills Policy Initiative

- **Overview:** One-year assistance effort with teams in 5 states to advance policies to build a skilled workforce
- **States**
 - Georgia
 - Mississippi
 - North Carolina
 - Tennessee
 - Texas

- **Policy Focus:**
 - Policies that prepare more residents for skilled jobs by making it easier for people with low incomes to **afford postsecondary training**
- **Policy Advancement:**
 - Georgia’s General Assembly **extended the time** that college students can earn the HOPE scholarship from 7 to 10 years after high school



Georgia has a middle skills gap. Most jobs in Georgia’s labor market – 55 percent – are middle-skill jobs, which require more than a high school education but less than a four-year degree. Middle-skill jobs include paralegals, computer network support specialists, and dental hygienists. However, only 43 percent of Georgia workers are trained to the middle-skill level. This “skills gap” threatens the state’s economic competitiveness now and in the future.

Producing more workers with associate’s degrees in high-demand fields is particularly important to closing Georgia’s middle-skills gap and helping the state’s workers secure good jobs. Currently Georgia does not produce enough associate’s degree graduates to meet employer demand. Between July 2016 and June 2017, Georgia produced about 19,000 associate’s degree holders while there are nearly 34,000 job postings requiring an associate’s degree.

Meanwhile Georgia’s associate’s degree students face significant financial need. Financial aid can help these students complete college but Georgia’s largest and most well-known college financial aid program is not largely available to associate’s degree students in need because of program limitations.

To help close its middle-skills gap by supporting more students in securing associate’s degrees, Georgia should make two policy changes:

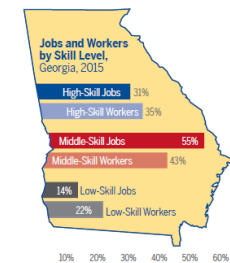
◆ **Extend the time to earn the HOPE scholarship.**

Associate’s degree students who are more than seven years removed from high school graduation are ineligible for the HOPE scholarship. More than two in five of Georgia’s associate’s degree students are older than twenty-five, making them likely ineligible for this crucial form of financial aid that can help them complete their associate’s degree and secure a well-paying job.

If all in-state associate’s degree students over the age of twenty-five were otherwise eligible for HOPE, removing the seven-year time limit

A MIDDLE SKILL GAP

Middle-skill jobs account for 55 percent of Georgia’s labor market, but only 43 percent of the state’s workers are trained to the middle-skill level.



Source: NSC analysis of Bureau of Labor Statistics Occupational Employment Statistics by State, May 2015 and American Community Survey data, 2015.

Mississippi

- **Policy Focus:**
 - Policies that help more parents build their skills while supporting their families by providing **childcare** assistance to workers in **pre-apprenticeship** and **apprenticeship programs**
- **Policy Advancement:**
 - Mississippi Low-Income Child Care Initiative **convened workforce development and human services leaders** to discuss how childcare and skills training can grow the state's skilled workforce
 - **Mississippi agencies are now planning to ask workers about childcare needs** when they're pursuing training at the state's American Jobs Centers

North Carolina

- **Policy Focus:**
 - More equitable pathways and **work-based learning opportunities** for skilled careers for students and workers of color and other underserved populations
- **Policy Advancement:**
 - North Carolina Justice Center **released a report**, *“Making Youth Apprenticeships Equitable and Effective: Lessons From North Carolina,”* which will serve as the **basis for outreach to coalition partners** around further advancing at least one skills policy proposal

Tennessee

- **Policy Focus:**
 - Policies that address the **non-academic and advising needs** of working students so they can succeed in postsecondary training, as well as opportunities to promote **apprenticeship, work-based learning**, and postsecondary training that **responds to industry needs**
- **Policy Advancement:**
 - State **quadrupled its investment** in the Tennessee Higher Education Initiative to \$1 million
 - Increased investment will **expand career and technical education and postsecondary education in correctional facilities**

- **Policy Focus:**
 - Policies that **expand apprenticeship** and **work-based learning** opportunities for both adults and young people
- **Policy Advancement:**
 - Texas **legislature created the Commission on Texas Workforce of the Future**, which will develop recommendations to ensure that the state is developing a qualified and skilled workforce, including ways to increase work-based learning opportunities for underrepresented workers and small and midsize companies

Questions?

You have two options to ask questions today:

1. Email us at: communities@stls.frb.org.
2. Click the “Ask Question” button in the webinar.

Wrap-Up/Closing

Thank you to today's presenters and to all participants for joining this session.

Next steps:

- All session materials are available on our web site and in the next few days we will post an audio file of today's session.
- If you have topical suggestions for future sessions, or any questions about this program, please feel free to contact us at communities@stls.frb.org
- Information about future sessions will be posted on our website along with archived materials from past sessions:
<https://bsr.stlouisfed.org/connectingCommunities>

Related Resources



In connection with this session, you can find a variety of additional resources on this topic, available at **www.fedcommunities.org**.

It provides an array of practical resources to help you in your role as a community development professional, whether your work involves supporting people, places, the policy and practice of community development, or small business development.