The U.S. response to the global skills challenge

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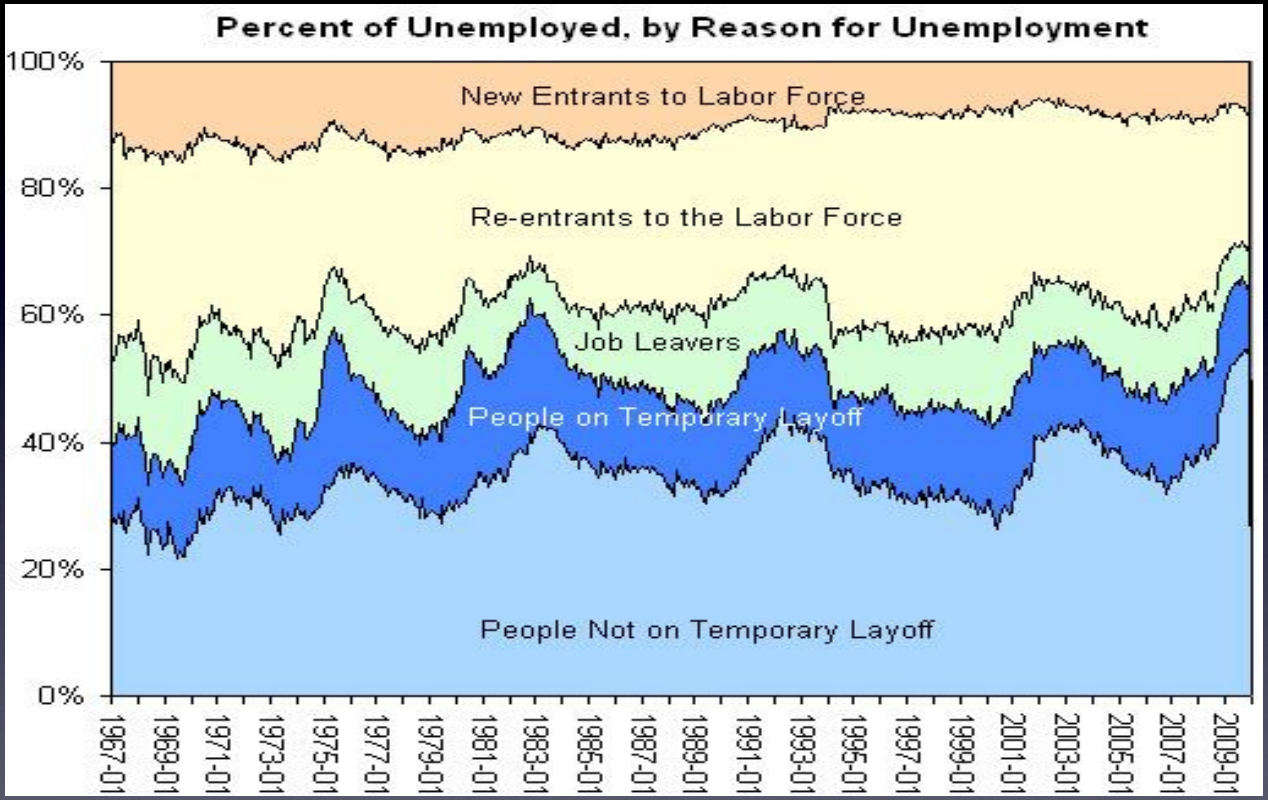
UKCES
UK COMMISSION FOR EMPLOYMENT AND SKILLS
Skills, Jobs, Growth
Convention 2010
8-9 February 2010, The Business Design Centre, London N1

Please graduate!
get a job!

Context

In December, both the number of unemployed persons, at 15.3 million, and the unemployment rate, at 10.0 percent, were unchanged.

Bureau of Labor Statistics


Percent of Unemployed, by Reason for Unemployment
100%
80%
60%
40%
20%
0%
New Entrants to Labor Force
Re-entrants to the Labor Force
Job Leavers
People on Temporary Layoff
People Not on Temporary Layoff
1967-01
1969-01
1971-01
1973-01
1975-01
1977-01
1979-01
1981-01
1983-01
1985-01
1987-01
1989-01
1991-01
1993-01
1995-01
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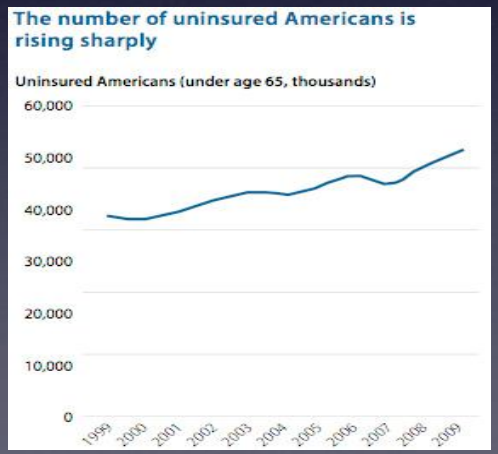
2003-01
2005-01
2007-01
2009-01

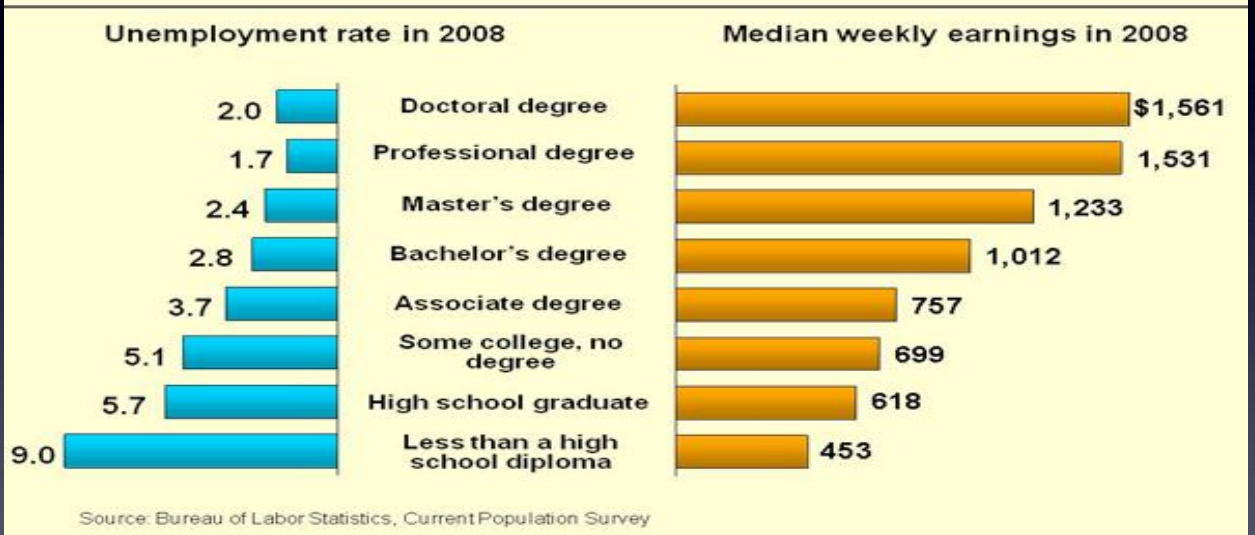
One out of three Americans under 65 were without health insurance at some point during 2007 and 2008



"This August, the teenage unemployment rate — that is, the percentage of teenagers who wanted a job who could not find one — was 25.5 percent, its highest level since the government began keeping track of such statistics in 1948. Likewise, the percentage of teenagers over all who were working was at its lowest level in recorded history."

Andrew M. Sum, Northeastern University

Education pays



SKILLS GAPS

What employers need and skills of workers

In California, 90 percent of those who graduate from high school entering community college need remedial education

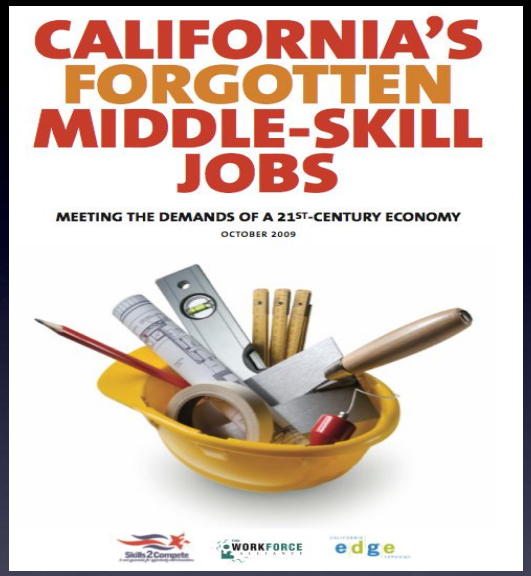
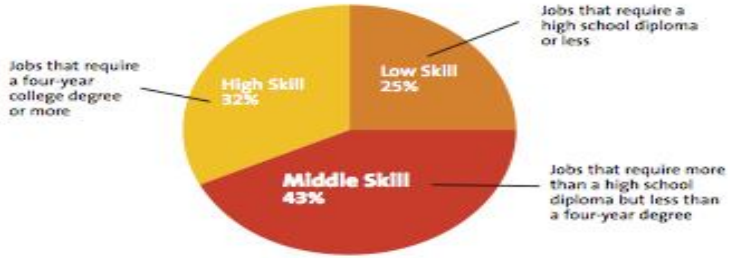
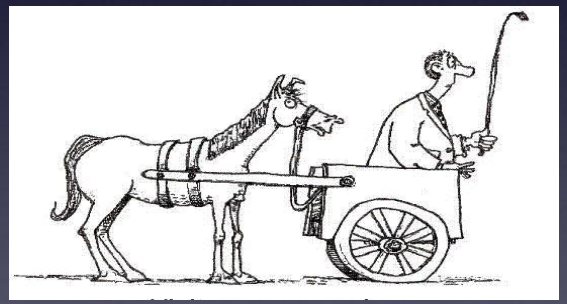


FIGURE 2. California's Total Job Openings by Skill Level, 2006-2016



Source: Calculated by TWA from California Employment Development Department data.

Programs and Funding...not Policy



Federal Investments

- Military
- NCLB (education)
- Basic Skills and ESL for Adults
- Almost all federal agencies: e.g. transportation, energy, prisons
- WIA (labor exchange and training)
- TANF (welfare)
- Voc. Ed. (community colleges)
- Programs for targeted populations

KEY BEST PRACTICES

Contextualized Basic Education

WIRED

Transitional and Subsidized Jobs

Layoff Aversion

Regional Industry Sector Strategies

Entrepreneurship

317,000 youth in Summer Jobs
Doubled funding for WIA
House Weatherization
Energy Efficiency ~ training
Infrastructure
Trade Act
Unemployment Insurance
American Recovery and Reinvestment Act

Glimmers of Policy

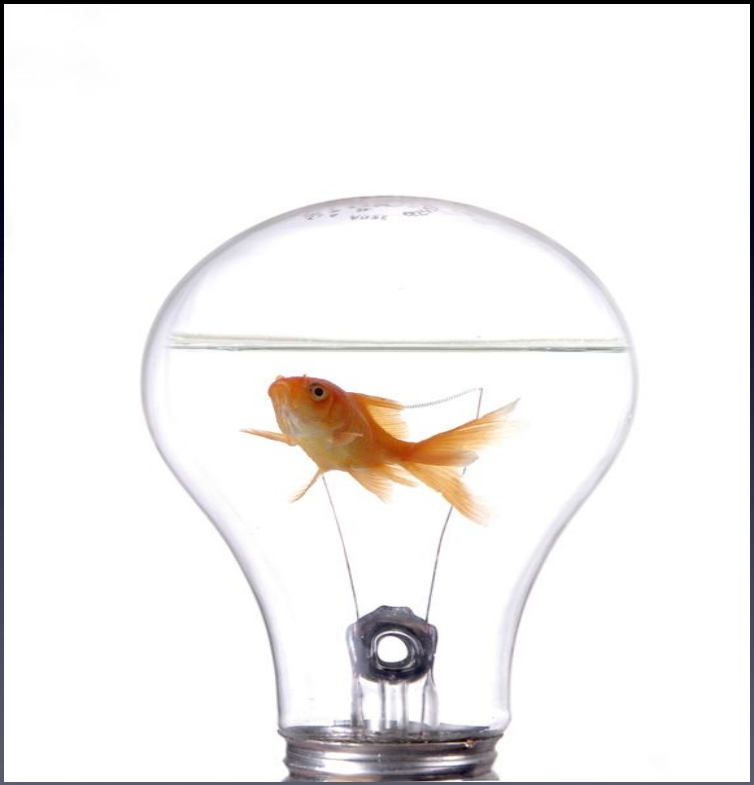
Jobs Bill: Congress

Investments in small businesses including a tax credit to hire new workers or raise wages

Investments in road, bridge, rail and port projects

Investments in clean energy, which develop a clean energy economy and a skilled workforce

Summer Youth and Dislocated Workers



Innovation and Competition

"I'll be happy to give you innovative thinking. What are the guidelines?"

Innovation and Competition

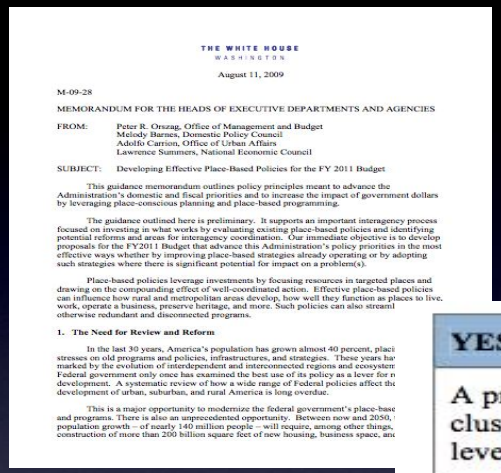
President's 2011 Budget

"Good Jobs for All"

low-income workers, unemployed youth and adults, high school dropouts, communities of color, areas of high poverty, and other underserved sectors and vulnerable members of the workforce.

...workers who were hardest hit by restructuring of the automotive industry.

Place



THE WHITE HOUSE
WASHINGTON

August 11, 2009

M-09-28

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

FROM: Peter R. Orszag, Office of Management and Budget
Melody Barnes, Domestic Policy Council
Adolfo Carrion, Office of Urban Affairs
Lawrence Summers, National Economic Council

SUBJECT: Developing Effective Place-Based Policies for the FY 2011 Budget

This guidance memorandum outlines policy principles meant to advance the Administration's domestic and fiscal priorities and to increase the impact of government dollars by leveraging place-conscious planning and place-based programming.

The guidance outlined here is preliminary. It supports an important interagency process focused on investing in what works by evaluating existing place-based policies and identifying potential reforms and areas for interagency coordination. Our immediate objective is to develop proposals for the FY2011 Budget that advance this Administration's policy priorities in the most effective ways whether by improving place-based strategies already operating or by adopting such strategies where there is significant potential for impact on a problem(s).

Place-based policies leverage investments by focusing resources in targeted places and drawing on the compounding effect of well-coordinated action. Effective place-based policies can influence how rural and metropolitan areas develop, how well they function as places to live, work, operate a business, preserve heritage, and more. Such policies can also streaml otherwise redundant and disconnected programs.

1. The Need for Review and Reform

In the last 30 years, America's population has grown almost 40 percent, plac stresses on old programs and policies, infrastructures, and strategies. These years ha marked by the evolution of interdependent and interconnected regions and ecosystem Federal government only once has examined the best use of its policy as a lever for n development. A systematic review of how a wide range of Federal policies affect the development of urban, suburban, and rural America is long overdue.

This is a major opportunity to modernize the federal government's place-base and programs. There is also an unprecedented opportunity. Between now and 2050, population growth -- of nearly 140 million people -- will require, among other things, construction of more than 200 billion square feet of new housing, business space, an

YES: Place-based policy	NO: Not a place-based policy
A program to foster successful networks or clusters of businesses at the local or regional level	A Federal program to make credit available to small businesses *generally*.
A Federal program to foster homeownership through a neighborhood-based approach to financing, redevelopment, and financial literacy development	A program to make mortgage credit available to qualified borrowers *generally*.
A Federal program that targets local workforce development organizations (which help supply skilled labor) and connects them to efforts to generate jobs (local demand for labor)	A program to provide unemployment insurance to the unemployed *as a category*.

From Feb.3 Testimony Hilda Solis:

Streamlining service delivery - easy access and clear information

One-stop shopping for high quality services - comprehensive employment and training services and better utilize technology

Engaging employers on a regional and sectoral basis - focusing on a particular industry of the economy;

Improving accountability - accountable for better results, without creating incentives to deny services to those most in need of assistance, and transparent

Promoting innovation - new and creative practices and support replication

"... So tonight I ask every American to commit to at least one year or more of higher education or career training. This can be a community college or a four-year school, vocational training or an apprenticeship. But whatever the training may be, every American will need to get more than a high school diploma."

President Barack Obama

Reauthorize legislation!
Find the funding!

California Workforce Association

www.calworkforce.org

California's 49 Workforce Investment Boards

Advocacy, Technical Assistance, Training, Conferences

Special grant-funded projects