

# Workforce Development for TANF Populations

## East Coast TANF Directors' Meeting

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August 9, 2022



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1. Labor Market for Entry-Level/Disadvantaged Workers
2. “What Works” in Workforce Development
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# Northeastern Corridor Labor Market Picture

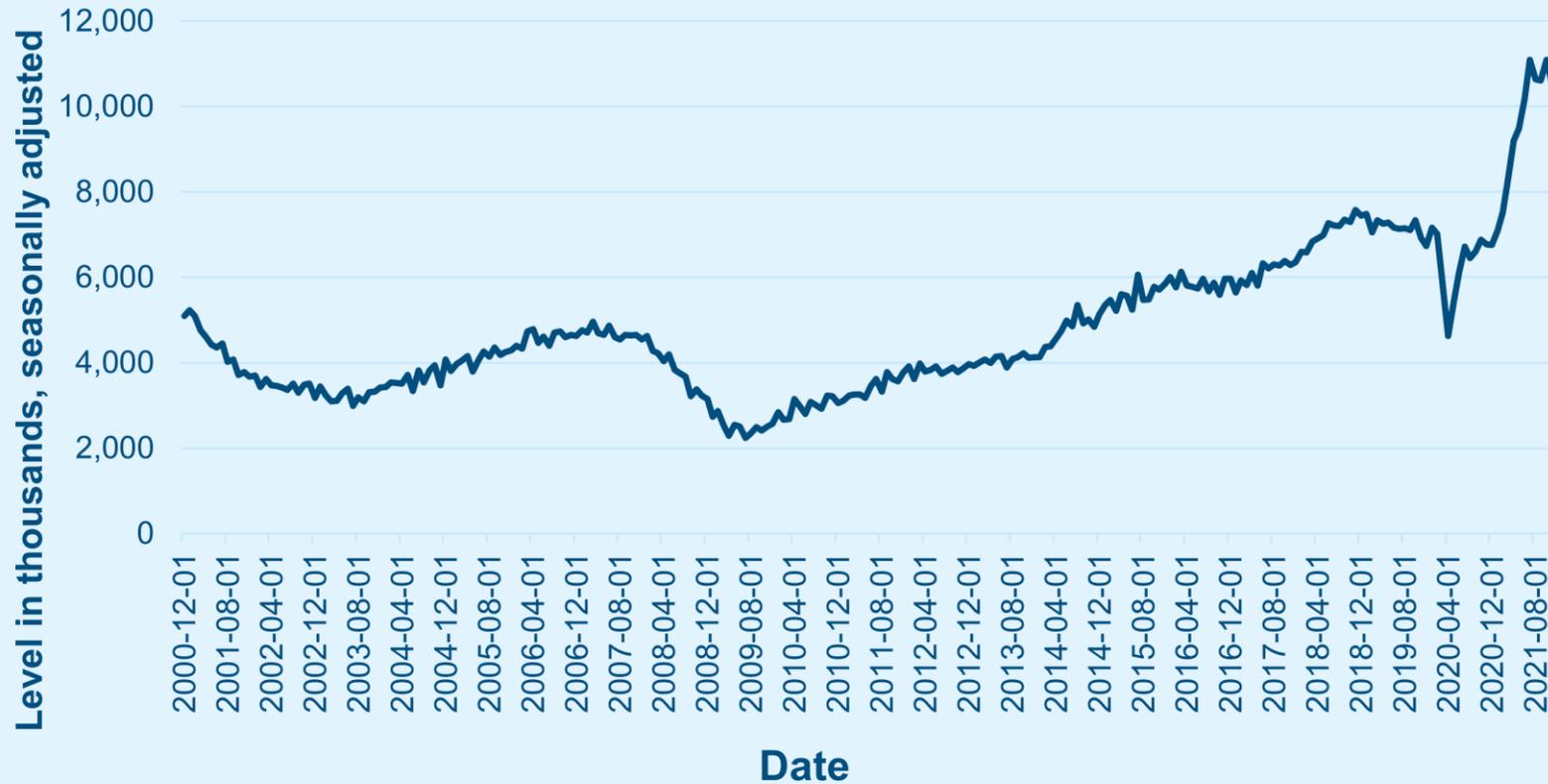
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- What jobs are available, and to whom?
- What constitutes job quality in 2022?
- What are high-quality jobs?
- How has buying power diminished over time?



# Labor Shortage Economy Wide

## Total Nonfarm Job Openings



## Takeaway

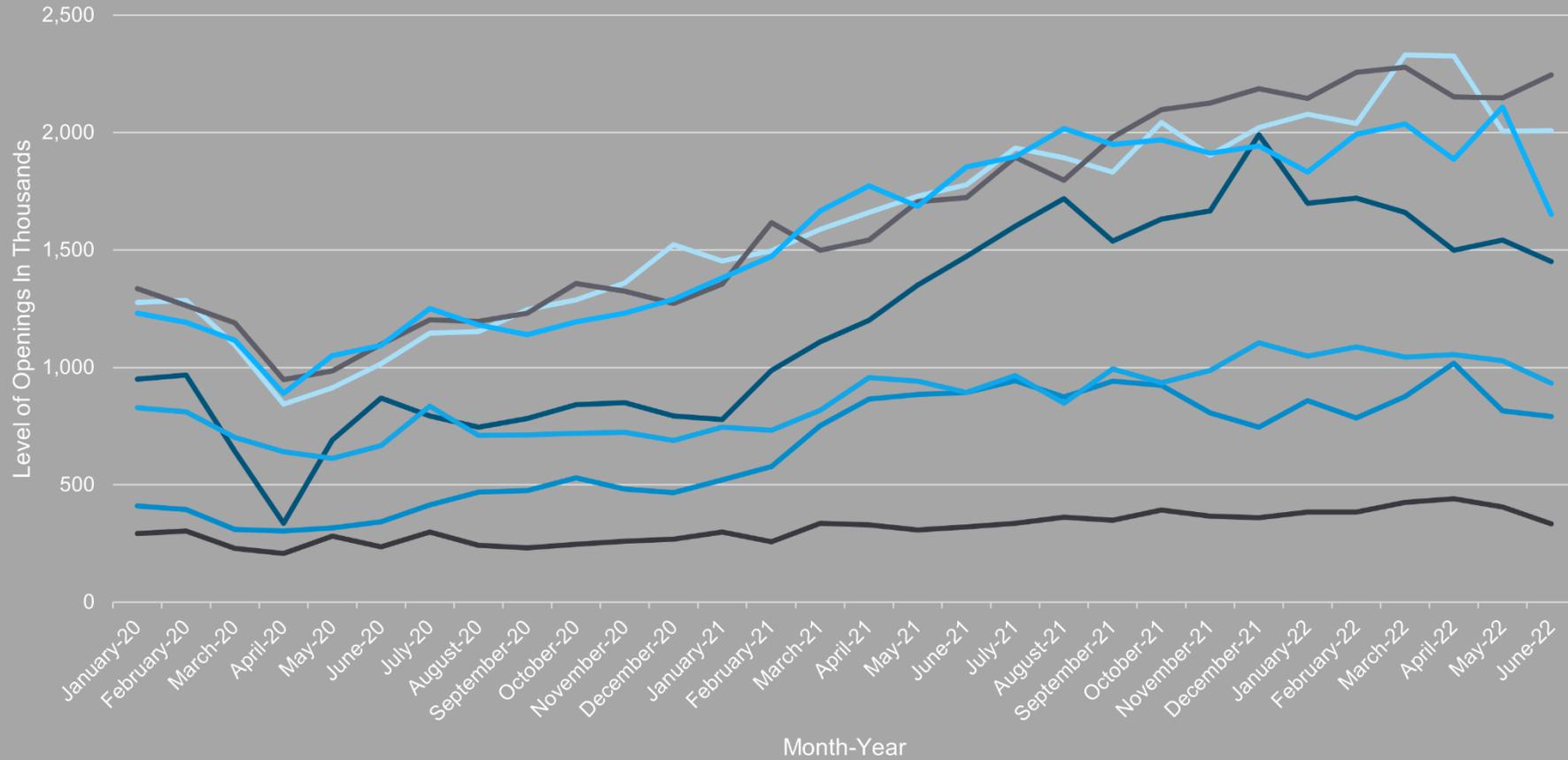
The labor shortage has been building since *before* the pandemic.

## Causes:

- Demographic shifts
- Early retirements
- Disability
- Shift in work culture shifts

# National Labor Market

## Job Openings By Industry

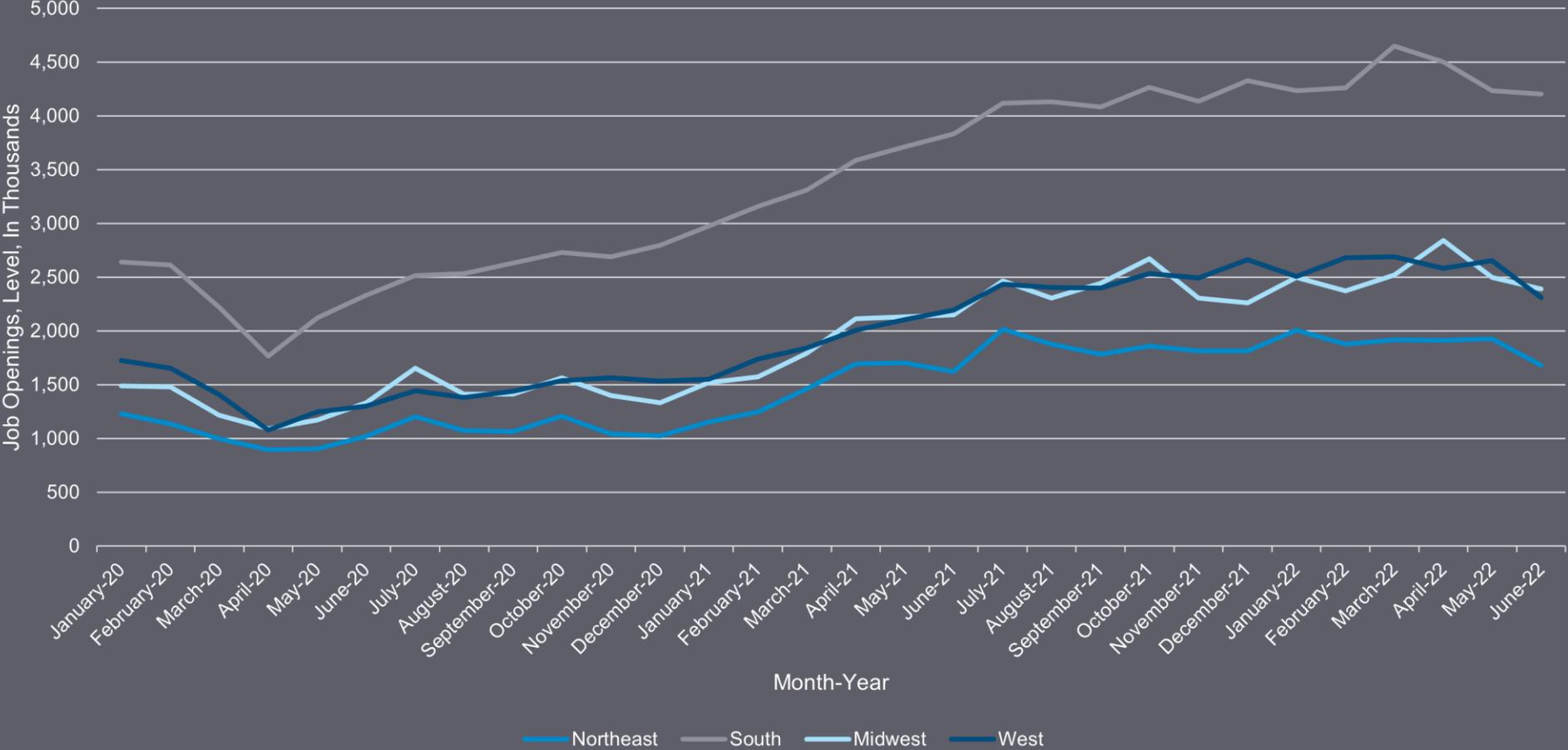


- Manufacturing Job Openings
- Professional and Business Services
- Education and Health Services
- Leisure and Hospitality
- Government
- Construction
- Trade, Transportation and Utilities



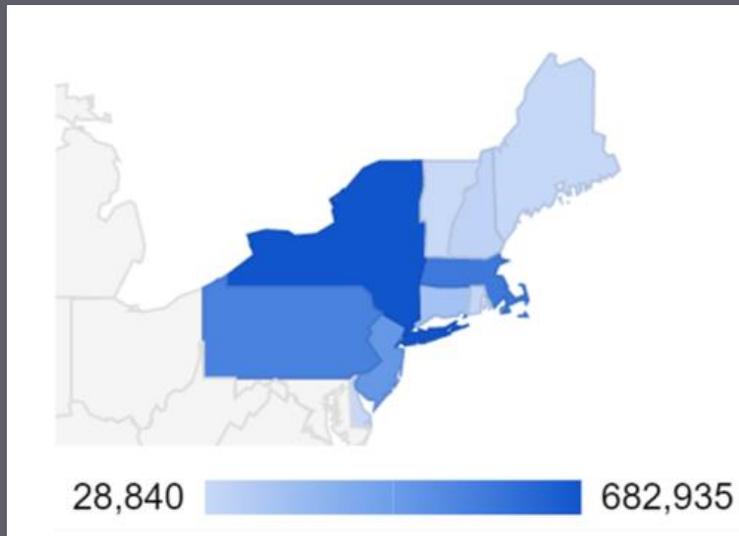
# Job Openings By Region

Job Openings, Level by Region

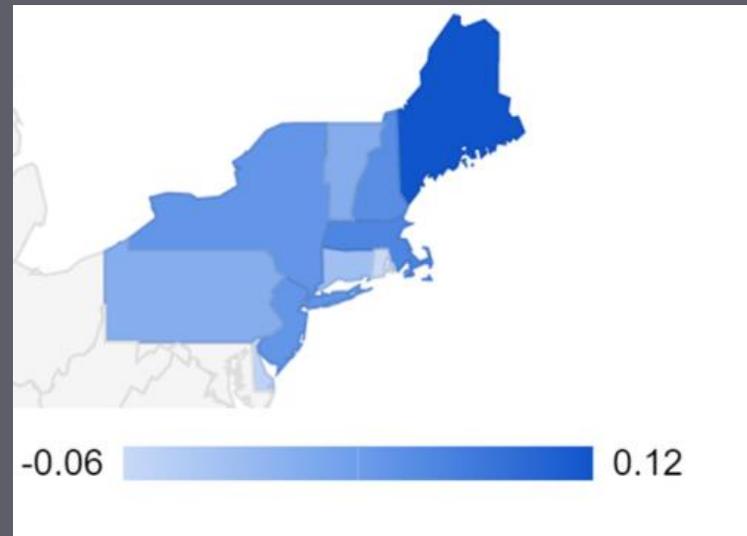


# Northeast Job Openings Trends, By State, July 2022

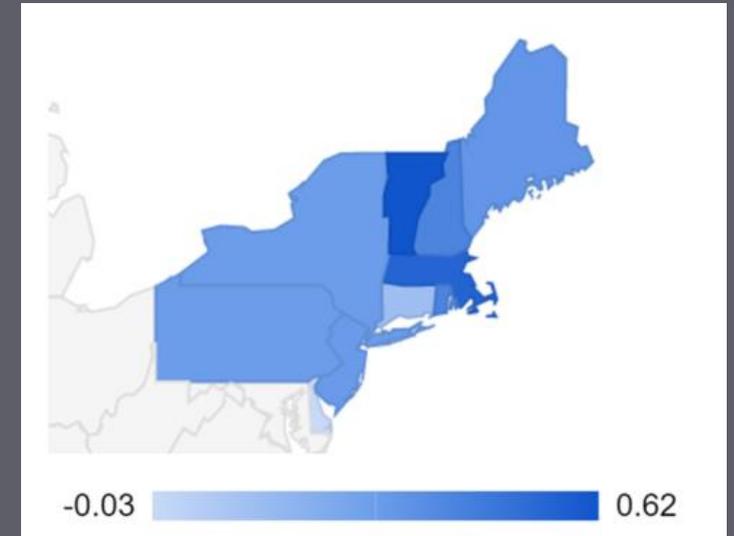
Job Posting Totals



Month over Month Change

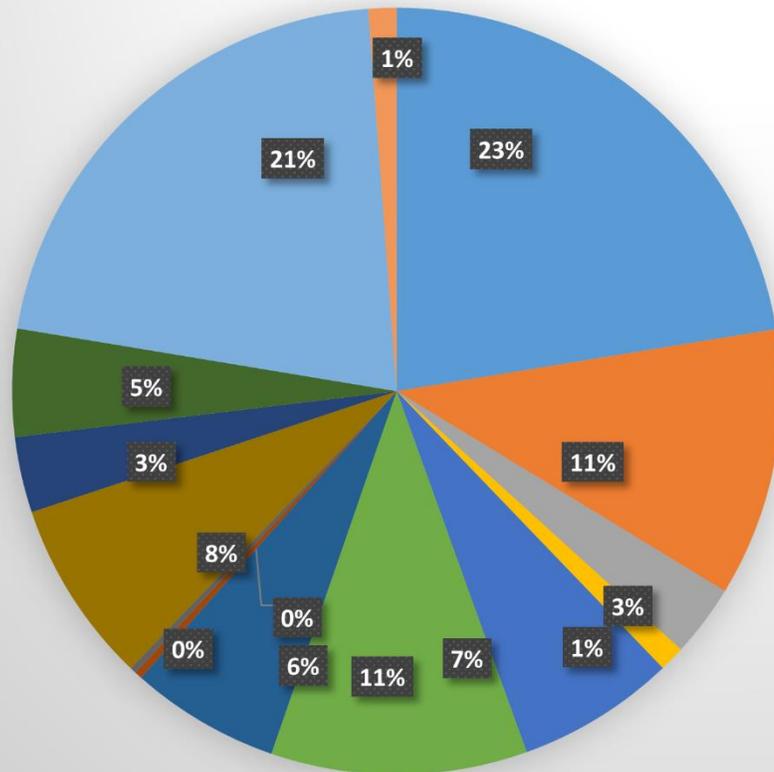


Change from Last Year



# Northeast Job Openings, By Sector, July 2022

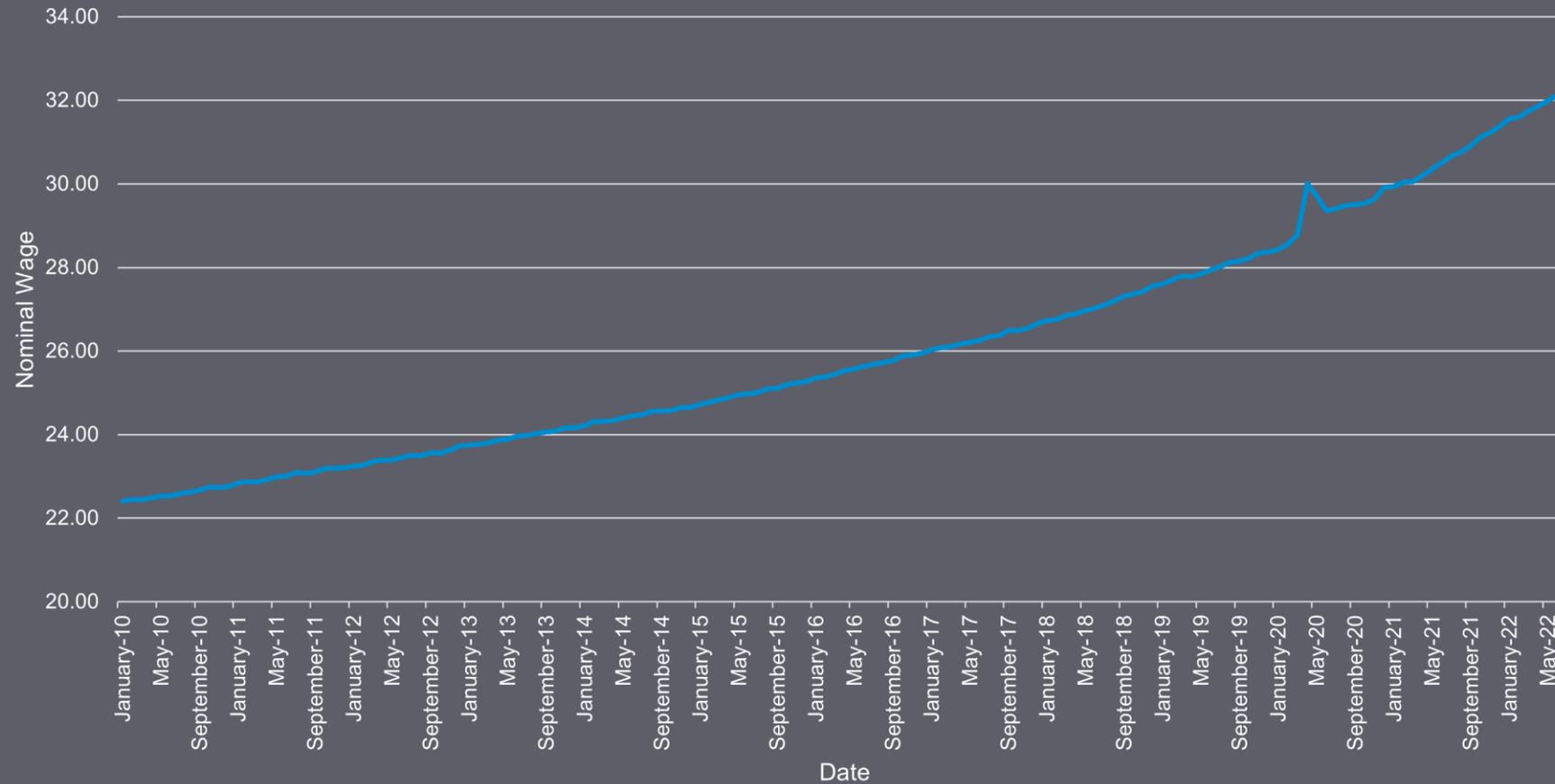
Northeastern Job Postings (by Sector)



- Administrative and Support Services
- Ambulatory Health Care Services
- Chemical Manufacturing
- Computer and Electronic Product Manufacturing
- Credit Intermediation and Related Activities
- Educational Services
- Food Services and Drinking Places
- General Merchandise Stores
- Health and Personal Care Stores
- Hospitals
- Insurance Carriers and Related Activities
- Nursing and Residential Care Facilities
- Professional, Scientific, and Technical Services
- Social Assistance

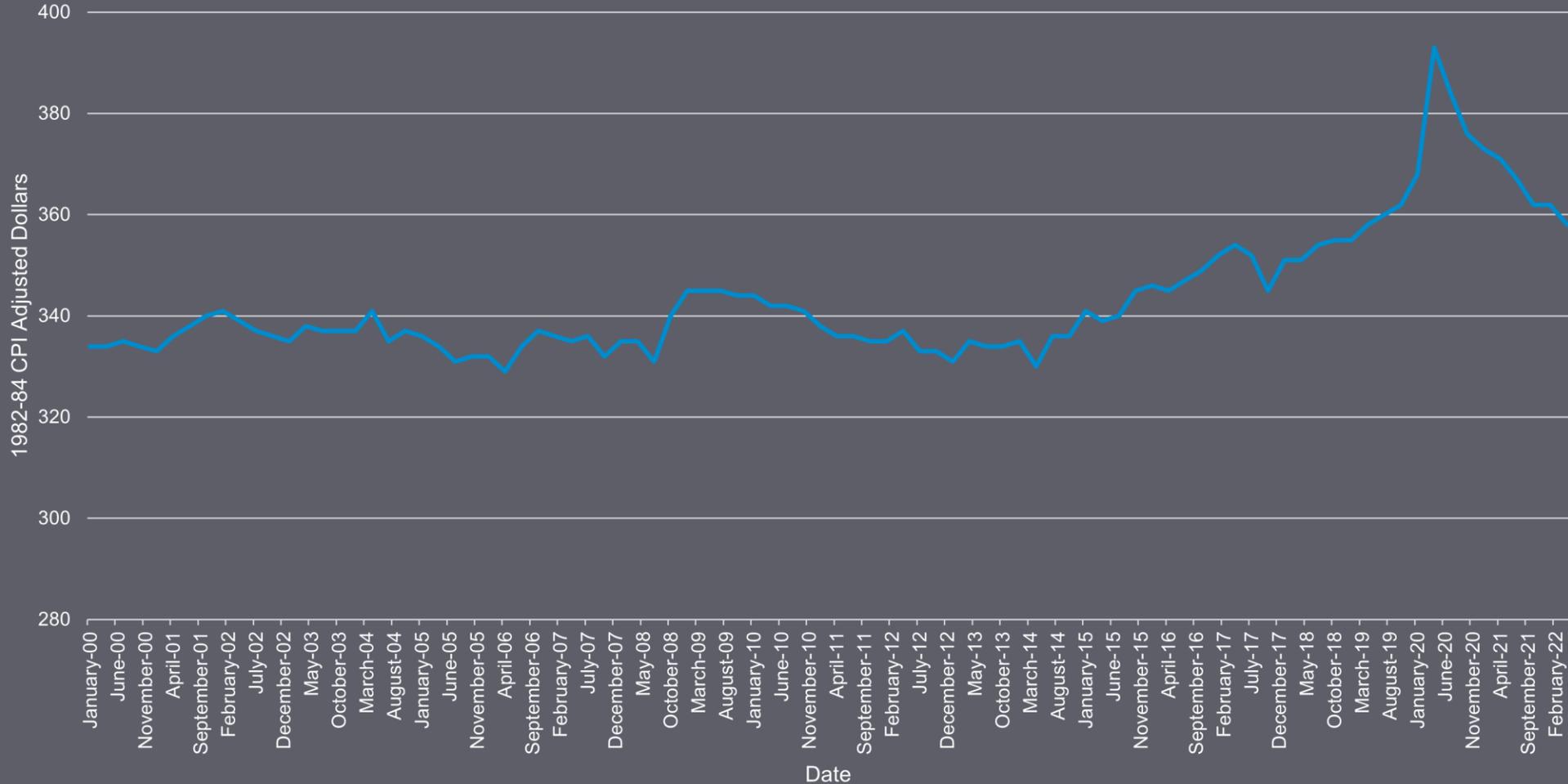
# Nominal Wage Increase

Average Hourly Earnings of All Employees, Dollars per Hour, Seasonally Adjusted (Nominal)



# Decline in Purchasing Power (Real Wage Decline)

Median Real Weekly Earnings, Full time wage and salary workers



# “What works” – Evidence from the Workforce Futures Initiative

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## AEI/Harvard/Brookings Working Group Findings

- What can we say with relative certainty about how to improve workforce development programming?
- **WIOA**
  - Works – but the benefits are not large
    - Needs better service and funding integration
  - Case management improves results
- **Sector-based Training Programs**
  - “Crown jewel” of workforce development



## “What works” – WIOA

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- Training and intensive services *are* effective at improving placement rates and increasing wages
  - Hollenbeck (2009): For adult workers 10% employment effects; \$450 earnings effects for training services
  - Anderson, Holzer, Lane, et al (2018) found corroborating evidence
- Individual community-level training programs do *not* demonstrate effectiveness



# “What Works” – Sector-Based Training

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## STRENGTHS:

- **Strong evidence-base for effectiveness**
- **Success Factors:**
  - Motivation/readiness screening
  - Recruitment of multiple firms from single sector
  - Industry-recognized certifications/credentials
  - Integration of technical and job-readiness skill development
  - Wrap-around services (e.g., financial stipends, social work, transportation, child care) and post-placement support
  - Community college integration
- **Workforce Diversity, Equity, & Inclusion**

## CHALLENGES & OPPORTUNITIES:

- **Disadvantaged workers don't clear initial screening**
  - Sector-based training preparation
  - Noncognitive skill development
- **Replication & Scaling**
  - National intermediaries
  - Fund through policy at programmatic level
  - Coordinate with Community Colleges



# “What Works” - Case Management, Intensive & Supportive Services

- **Case management and wrap-around services appear to boost effectiveness of job training/workforce development services**
  - Outreach
  - DEI
  - Completion
    - Tailored training and work-related supports (e.g., stipends, transportation, childcare)



# “What Works” – System Integration

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- **Need:** Integration across WIOA, community colleges, and non-WIOA social and human services programs at the state and/or sub-state level
- Section 1115 of the Social Security Act – enables experimentation planning and delivery of anti-poverty services
- Utah example
  - One federal agency oversees distribution of multiple programs to a single state agency (Department of Workforce Services)
    - WIOA, housing, Medicaid, et. al.
  - Streamlined state agencies, service coordination, administrative reform



# Incentivizing Innovation Built on the Sec. 1115 Waiver

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How can we incentivize 1115 Innovation?

- The next reauthorization period for WIOA, Congress and the President could explicitly encourage (not require) states to submit plans to HHS and DOL for service integration to simplify the workforce, social/human services, and educational programs
- The federal government could provide training and technical assistance to help states develop and execute plans

