Older Workers, Rising Skill Requirements, and the Need for a Re-envisioning of the Public Workforce System

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Demographic and other trends indicate that the U.S. will be seeing more mature workers actively engaged in the labor market, whether out of financial need or out of continued ability and preference. These workers are, and will continue to be, an important part of the labor force upon which our economy depends. Yet many of these mature workers will need help navigating a complex labor market, identifying career pathway opportunities, and determining needed education and training for greater employability and contributions to the workplace.

Recognizing these challenges, the U.S. Department of Labor supported a three-year Aging Worker Initiative (AWI) between 2009 and 2012. This initiative acknowledged the importance of mature workers to the economy and the need to provide them with help in preparing for new jobs and careers. The AWI funded 10 sites to test new models of serving mature workers (see box).

Over the course of this three-year initiative, the Council for Adult and Experiential Learning (CAEL) has overseen technical assistance to these sites under a grant from The Atlantic Philanthropies. The experiences of the 10 sites have underscored for us the importance of supporting the labor force participation of mature individuals in a deliberate way.

As this initiative comes to a close, CAEL invited leading experts on the mature workforce to help us showcase the work of the AWI grantees alongside their own research findings. Collectively, the papers contributed by these experts address the factors that are causing more mature individuals to continue working, the range of occupations currently held by mature workers, the value of the mature workforce to our economy, the factors that most influence employer retention and hiring as they face changing workforce demographics, the difficulties workers face as they make often irreversible decisions about when to retire, and public sector strategies that support mature workers. In addition, the conclusions reached by the authors help to inform a set of recommendations for policy makers and employers.

This publication presents the fifth in a five-part series of papers we are calling Tapping Mature Talent: Policies for a 21st Century Workforce. In “Older Workers, Rising Skill Requirements and the Need for a Re-envisioning of the Public Workforce System,” Maria Heidkamp of the John J. Heldrich Center for Workforce Development at Rutgers University reviews demographic trends regarding the aging workforce, recent labor market experiences of older job seekers, demand- and supply-side factors contributing to these experiences, and recent recommendations for improving the public workforce system.

The full series is as follows:

1. New Approaches for Supporting the Mature Worker: The Experiences of the U.S. Department of Labor’s Aging Workforce Initiative Grantees, by Rebecca Klein-Collins, Council for Adult and Experiential Learning


5. Older Workers, Rising Skill Requirements and the Need for a Re-envisioning of the Public Workforce System, by Maria Heidkamp, John J. Heldrich Center for Workforce Development, Rutgers University

The five papers suggest several new policy ideas to consider, both for employers and for public policy leaders, that can support the mature worker in the U.S. At a national summit on May 3, 2012 held at the National Press Club and co-sponsored by CAEL and the National Governors Association, these and other policy ideas were discussed by more than 120 attendees representing organizations focused on aging issues, workforce development organizations, federal agencies, workforce investment boards, economists, and other advocates for the mature worker. These discussions helped to identify priority areas for policy change and other action at the national, state and local levels.

To read a summary of all the papers in this series, please see http://www.cael.org/pdfs/TMT-Executive-Summary

To read a summary of the policy recommendations from this paper series, please see http://www.cael.org/pdfs/TMT_Summary_Policy_Recs_2012

For additional TMT publications, please visit http://www.cael.org/How-We-Help/Older-Workers
This chapter reviews demographic trends regarding the aging workforce, recent labor market experiences of older job seekers, demand- and supply-side factors contributing to these experiences, and recent recommendations for improving the public workforce system. The author makes the case for new legislation that establishes a more flexible, more robust lifelong learning, education, and training delivery system in alignment with the country’s postsecondary education institutions and local/regional economic development efforts—a system that also makes ample use of new technologies and social web tools to improve the efficiency and effectiveness of the labor exchange process to meet the demands of today’s employers and job seekers.

Older Workers, Rising Skill Requirements, and the Need for a Re-envisioning of the Public Workforce System

By Maria Heidkamp, John J. Heldrich Center for Workforce Development, Rutgers University

Introduction

The lingering aftermath of the Great Recession that commenced in December 2007 has shown that despite the efforts of the traditionally under-resourced public workforce system to serve more job seekers than ever before, far too many job seekers have been unable to reconnect to the labor market. Though the economic news is slowly improving, unprecedented and extreme long-term unemployment has become a reality for many individuals, including many low-skill and older workers. Slack employer demand for workers is undoubtedly a primary cause; in a booming economy, these low-skill and older job seekers might have stood a better chance, with or without the services of the public workforce system. At the same time, the post-Great Recession economy has illuminated a number of trends that have been underway for some time, especially regarding older workers and rising skill requirements, and points to a need to re-envision the public workforce system as we know it.

This paper will review demographic trends regarding the aging workforce; recent labor market experiences of older job seekers; demand- and supply-side factors contributing to these experiences; and recent recommendations for improving the public workforce system. It will conclude with broad recommendations for re-thinking, rather than tweaking, the Workforce Investment Act.

Demographics: The Aging Workforce

In the years ahead, demographic trends predict a U.S. population that is made up of a much greater proportion of older adults than in the population today, thanks largely to the size of the baby boom generation—those individuals born between 1946 and 1964—relative to younger cohorts. According to the 2010 U.S. Census, 13% of the U.S. population in 2010 was age 65 or older. By 2030, the Census Bureau projects that the percentage of the population age 65 or older will have risen to 19.3%—or nearly one in five individuals (U.S. Bureau of the Census, 2008).

It is not surprising that as the population ages, so does the labor force. Participation rates for older workers have been rising in recent years. According to the U.S. Bureau of Labor Statistics (BLS), in 2010 there were 30 million workers who were 55 years and older in the labor force, representing 19.3% of the total (Toossi, 2012). BLS projects there will be 41.4 million in 2020, with their share of the total labor force reaching 25.2% that year, or one in four workers. The Bureau of Labor Statistics (2011) also estimates that currently there are roughly seven million people 65 or older in the labor force. By the year 2050, BLS projects that number will have almost tripled to 19.6 million. Over the next 10 years, the number of individuals in the labor force who are at least 65 years old will grow by 75%, compared to the number of workers ages 25 to 54, which will grow by only 2% (U.S. Bureau of Labor Statistics [BLS], 2011).

Aside from the sheer numbers of baby boomers, certain factors are influencing the need and desire of older workers to stay in the workforce past the traditional retirement age. For example, changes in retirement plans, with the shift away from employer-provided defined benefit plans, combined with the impact of the Great Recession on retirement and other savings, is forcing many older individuals to...
work longer than they might have anticipated for economic reasons. Though designed to stimulate the economy overall, the Federal Reserve’s policy of maintaining low interest rates has hurt the retirement savings of many older individuals (Whitehouse, 2011), who may choose to continue to work or to return to work to make up for their losses. Federal policy changes in Social Security rules are also having an impact, with the full retirement age, traditionally 65, increasing to 67 for people born after 1959 (U.S. Social Security Association, 2012). In addition, Social Security benefits increase for those who delay retirement beyond the normal retirement age, potentially providing an incentive to continue to work. Further, fewer employers are offering health insurance to retirees—only half as many as two decades ago—encouraging those too young for Medicare to stay in the workforce (Greenhouse, 2009). On the positive side, better overall health and longer life spans, combined with more options for less physically demanding labor, are also shaping the working lives of older, retirement-age Americans.

And while there have been fears of labor shortages due to the eventual exodus of the baby boomers from the labor market, it is worth noting that even as the oldest members of the baby boom generation are nearing retirement age, large numbers of baby boomers are likely to be in the labor force for several decades yet. The 4.6 million youngest baby boomers born in 1964 are currently 48 years old and could easily be working two decades from now, especially if trends of working past typical retirement age continue. They greatly outnumber the 2.7 million oldest baby boomers turning 66 this year (Sloan Center on Aging and Work, 2012).

Recent Labor Market Experience of Older Job Seekers

With older individuals making up an increasingly significant portion of the workforce, it is worth considering their recent labor market experience. Though their unemployment rate is lower than the rate for younger, prime-age adults (age 25–54), currently 5.9% compared to 7.4% as of January 2012 (BLS, 2012), there is substantial evidence that once older workers do lose a job, they have a more difficult time rejoining the labor market than younger job seekers do. In December 2011, the average period of unemployment for older job seekers (55 and up) was 52.2 weeks, compared to 37.5 weeks for younger job seekers (Rix, 2012). According to a study by Pew Charitable Trusts (2012), unemployed older workers (55+) were the most likely of any age category to have been without a job for a year or longer. As there is considerable evidence that long spells of unemployment make it difficult for individuals to get reemployed, the labor market experience of older job seekers today does not bode well for their long-term employment prospects.

Recent studies have found that only half of older workers who lost jobs and were seeking to go back to work were successful at getting reemployed (Maestas & Li, 2006, Li, 2010). Older workers (ages 50 to 61) who lost their jobs between mid-2008 and 2009 were a third less likely to find work within 12 months when compared with those age 25 to 34, and those 62 or older were half as likely to find work within 12 months (Johnson & Park, 2011).

Older displaced workers have also less favorable employment rates when compared to their non-displaced older peers. A 2001 report found evidence that two years after losing a job at 55 years of age, only 64% of men and 55% of women were employed, in contrast to 80% employment rates for their same-age peers who had not been displaced from jobs (Chan & Stevens, 2001). The same study found that even four years after the loss of a job, the different employment rates for older displaced workers and older workers who had not been displaced continued.

Further evidence of the travails of older job seekers was found in the 2007 to 2009 study of displaced workers done by the U.S. Bureau of Labor Statistics. The reemployment rate for displaced workers who were between the ages of 55 and 64 was 39%; and for displaced workers 65 years of age and older, it was 23%. This compares to reemployment rates for younger workers age 20 to 24 of 55%, and for prime-age displaced workers (25-54) of 53% (BLS, 2010).

Therefore, based on these recent labor market experiences of older and younger job seekers, it seems that older job seekers need greater, and more effective, assistance than they are currently receiving to facilitate their return to work.

Demand- and Supply-Side Challenges to the Hiring and Retention of Older Workers

What accounts for the different reemployment experiences of older and younger job seekers? A number of challenges appear to impede the ability of older job seekers to reconnect to the labor market. These include both demand-side challenges, based on evidence of employer reluctance to hire them, and supply-side challenges, where the skills, qualifications, health, and other characteristics of older workers seem to interfere with their success in the labor market.

Demand-Side Challenges

The Great Recession has left a legacy of high unemployment and a reduced willingness or necessity of firms to hire new workers, limiting demand for workers of all ages. Older workers who have jobs are also in many cases electing to work longer and postpone retirement, further tamping down the number of job openings that might be filled by unemployed job seekers. At the same time, older workers appear to face genuine challenges that make their quest for employment more difficult than for younger job seekers.

Reluctance of employers to hire older workers seems to be foremost among the obstacles that older job seekers confront. At a 2006 employer forum on older workers held by the U.S. Government Accountability Office (GAO), employers shared a number of negative perceptions about older workers that color their reluctance to hire and retain them, including:

1. Older workers are more expensive, including their wages, health insurance, and the cost to train them.
2. Older workers are less productive than younger workers and deliver lower-quality work.
3. Older workers are less flexible about adapting to change in the workplace (Walker, 2007).

Employers at the same forum also described their fear of facing age discrimination lawsuits if they needed to lay off recently hired older workers (Walker, 2007). Other research has reported employers referencing concerns based on stereotypes of older workers: that they lack energy, that they may have obsolete skills and knowledge, that they have limited time remaining in their careers, and that hiring and retaining them blocks career opportunities for younger workers (Rhine, 1984). Although most of these concerns have been addressed by such reports as AARP’s The Business Case for Workers Age 50+ (Feinsock, Davenport, & Arthurs, 2005), which counter with positive portraits of older workers based on such attributes as experience, emotional maturity, perseverance, and work habits, the negative perceptions seem to linger in the minds of many employers. Research studies have documented hiring
Limited Access to Training

While it is possible that older workers need (re)training as much, if not more, than younger workers, especially for those job seekers who need to make mid-career transitions to new industries or occupations, it appears that they have less access to employer-supported as well as to publicly funded training programs when compared to younger workers. Research has found that employers may be averse to making the investment in training older workers because they are concerned they will not have sufficient time to recoup the training costs before the older workers retire (U.S. Department of Labor [USDOL], 2008). Further, it seems that the number of hours of employer-sponsored training received decline with age, with employees over 55 participating in 9 hours of training per year, in contrast to 37 hours per year for employees aged 25 and 34 (USDOL, 2008). Other research has found that employers are more likely to provide training and cross-training for younger workers than for later career employees, which may reflect employer age biases (Dobbs, Healey, Kane, Mak, & McNamara, 2007). A 2008 Urban Institute paper cites evidence from the 1990s suggesting employers are less likely to provide training for older workers than for younger workers. The report includes 1995 survey data showing that 51% of workers ages 55 and older in large and medium-sized firms received formal employer-sponsored training during the previous year, as compared to 79% of those ages 25 to 34, 75% of those ages 35 to 44, and 65% of those ages 45 to 54. The same study found that older workers also receive less intensive training; workers ages 55 and older averaged 17 hours of informal on-the-job training between May and October, 1995, compared with 30 hours for those ages 35 to 44, and 39 hours for those ages 44 to 54 (Gordon, Mermin, Johnson, & Toder, 2008).

The public workforce investment system similarly seems to provide less access to training for older job seekers than for younger ones. Several potential reasons for this were outlined in the Report of the Taskforce on the Aging of the American Workforce (2008), including:

- Older worker reluctance to use the system
- A tendency of some One-Stop Career Centers to refer older workers to the Senior Community Service Employment Program (SCSEP) instead of serving them under federal Workforce Investment Act (WIA) Adult and Dislocated Worker programs
- Disincentives to serving older job seekers that result from federally mandated WIA performance measures (U.S. Government Accountability Office [GAO], 2003).

In a recent report from the Heldrich Center, older worker reluctance to participate in training was also noted in interviews with several public workforce system experts, who commented that older workers may be uncomfortable in training classes with younger students who may be better with new technology and able to learn material more quickly (Heidkamp, Mabe, & DeGraff, 2012, in press). It was also noted that they may be reluctant to start over with training for a new career.

The Public Workforce System and Older Job Seekers

The Government Accountability Office describes a federal public workforce system made up of more than 47 separate programs under the administration of nine federal agencies (GAO, 2011). Former Michigan Workforce Office Chief Andrew Levin describes it as a patchwork, ‘comprised of a maze of overlapping and often conflicting statutes born from the 1930s to the 2000s’ (2010, p. 1).
The primary vehicle of the public workforce development system is the Workforce Investment Act (WIA) of 1998, with its network of One-Stop Career Centers. Under WIA are the Adult and Dislocated Worker Program and the Wagner-Peyser Program, which includes the Employment Service and its reemployment and labor exchange services, adult education, and programs directed to specific populations (youth, veterans, Native Americans, migrant workers, and people with disabilities).

Only two highly restricted programs of the public workforce system are dedicated to serving older workers: the Senior Community Service Employment Program (SCSEP), which is authorized by Title V of the Older Americans Act, and the Alternative Trade Adjustment Assistance (ATAA) Program under Trade Adjustment Assistance. SCSEP provides part-time, subsidized community service employment opportunities to roughly 100,000 very low-income older workers (55+) per year. It has been estimated by GAO (2008) that SCSEP serves approximately 1% of the eligible population. Some observers have questioned whether SCSEP is a viable model that is appropriate for a broader population of today’s older job seekers, especially given its focus on very low-income (92% of poverty) older people.

ATAA provides older workers (50+) who have been displaced by foreign trade with a temporary wage subsidy for those who find a job in 26 weeks or less at a wage that is lower than what they earned previously (and under $50,000 per year) and who agree to forgo training. In calendar year 2006, the latest year for which data are available, only 6,352 individuals participated in ATAA (U.S. Department of Labor, Employment and Training Administration, n.d.).

The Workforce Investment Act (WIA) was designed with the intent to provide services for job seekers of all ages. Since the start of the Great Recession, WIA has seen a vast increase in the number of adults served. In 2009, adults 55 and older make up about 12.6% of clients served under WIA, representing a little more than 200,000 individuals. This compares to the approximately 2.1 million unemployed older adults at the beginning of 2011 (BLS, 2011). To determine whether older adults are receiving WIA services at rates different from younger adults, Heldrich Center researchers analyzed data from 2000–2009 comparing the number of older adults (55+) served under WIA relative to the number of unemployed older adults, with the number of younger adults served under WIA relative to the number of unemployed younger adults. The Heldrich Center found that WIA slightly underserves older workers compared to younger ones. In 2009, 11.5% of unemployed younger adults received WIA services, compared to 10.1% of unemployed older adults; a similar gap was evident in each of the years 2006–2009. Although the difference is small, it is statistically significant and indicates that WIA appears to routinely underserve older workers (Heidkamp, Mabe, & DeGraaf, 2012, in press).

Prior to WIA, the Job Training Partnership Act actually had a special set-aside to serve older workers, but this program was not included in the WIA legislation. In a 2003 report, the GAO noted that, as a consequence of ending the older worker set-aside, One-Stop staff observed that the number of programs targeted to older workers declined despite the increasing age of the American population. Perhaps more significant is that in today’s public workforce system, older workers are likely to be served differently by One- Stops, with WIA performance data demonstrating that older workers are less likely to receive training under WIA-funded programs than younger clients. From April 2000 through March 2010, older job seekers made up 11.6% of all WIA adult exits, yet they represented only 6.8% of training recipients (Heidkamp, Mabe, & DeGraaf, 2012, in press).

In addition to looking at access to training, Heldrich Center researchers also studied the labor market outcomes of older adults who received WIA-funded services, finding that older workers who exit from WIA services are less likely to become employed than younger exits. However, while older adults exiting from WIA services have weaker employment outcomes and are less likely to receive training than younger WIA participants, those older WIA exits who do receive training appear to be successful in both earning a credential and getting a job. According to the data, older adults age 55 and up who accessed training through WIA earned a credential of some sort—high school diploma or equivalency, college degree, occupational certificate, or other credential—at about the same rate, and in some years at a slightly higher rate, than younger WIA exits. In addition, the data show that older adults who do receive training also have some success in attaining employment after training relative to individuals from other age groups. Based on the USDOL’s calculated credential and employment rate, measuring the number of WIA exits who were employed in the first quarter after exit and who obtained a credential by the third quarter after exit, outcomes for older adults are about the same as those of younger adults, except for in 2009, when they were a few percentage points lower. In other words, it is possible that increased access to training for older adults may reduce the gap in the employment rates between WIA exits 55 and older and those who are younger (Heidkamp, Mabe, & DeGraaf, 2012, in press).

In recognition of the challenges facing older job seekers in WIA-funded programs, the U.S. Department of Labor launched an Aging Worker Initiative in 2009. Under this initiative, 10 pilot areas are currently experimenting with various strategies to improve the public workforce system’s ability to serve older workers. Pilot sites are making use of dedicated career navigators, offering short-term training for high-demand industries, providing computer training and internships, offering reverse job fairs, developing interactive websites, and engaging in public messaging and employer dialogues around the value of mature workers (Council for Adult and Experiential Learning, 2011). An evaluation of the Aging Worker Initiative is underway, but results are not yet available.

Community Colleges and Older Jobseekers

Community colleges are becoming an increasingly important partner in the public workforce system, training workers through both degree and credential—“credit”—programs and “non-credit” programs that help job seekers and incumbent workers learn basic and/or occupational skills. Heldrich Center research found that, as with WIA, older workers are less likely to engage in training at community colleges than younger workers, and they enroll at lower rates in credential or degree-granting programs at two- and four-year colleges. The research also found that even accounting for older workers being underrepresented in higher education credit programs, an even lower percentage of them receive federal Pell Grants, needs-based financial aid awards (Heidkamp, Mabe, & DeGraaf, 2012, in press). In spite of the important role played by non-credit community college workforce programs, very little data on participation in these programs is available.

In an effort to expand the capacity of community colleges to develop programming to address the needs of older learners, the American Association of Community Colleges (AACC), with funding from The Atlantic Philanthropies, launched its Plus 50 Initiative in 2008 with 13 colleges, later adding 11 more. With support from Lumina Foundation, AACC subsequently added a completion phase to its Plus 50 Initiative, which will encourage Plus 50 students to attain certificates and degrees to enhance their employability. This effort will also emphasize prior learning and experience credit for older students and include the use of “completion coaches.” In early 2012, AACC announced that it had received a $3.2 million grant to expand the Plus 50 Initiative, with plans to reach 10,000 additional older students at 100 community colleges who will participate in job training and work to complete degrees or certificates in health care, education, or social service occupations. An evaluation of the Plus 50 Initiative is underway, but results are not yet available.

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A Vision for the U.S. Public Workforce System

Multiple reports in recent years have discussed the increasing importance of postsecondary credentials and the projected increase in middle-skill jobs, which are typically defined as jobs requiring some postsecondary education and training beyond a high school degree, including associate degrees; vocational certificates; substantial on-the-job training; prior work experience; or some college, but less than a four-year degree (Holzer & Lerman, 2007; Carnevale, Smith, & Strohl, 2010). Middle-skill occupations might include clerical and legal assistants; sales; construction; engineering technicians; health care support jobs, such as dental hygienists and radiation therapists; installation/repair; production; and transportation/material moving jobs (Holzer & Lerman, 2009).

In addition, ongoing advances in technology are resulting in constantly evolving new skill requirements. As New York Times columnist Thomas Friedman (2011) put it: “This is not your parents’ job market.” He notes that employers are increasingly seeking individuals with critical thinking skills who can add more value than a computer, a robot, or an off-shore worker, and who can adapt to changing conditions and reinvent themselves as needed. Thanks to both globalization and the information technology revolution, new products come and go more quickly than ever before, resulting in the trend among some Silicon Valley employers to review employee performance quarterly rather than annually to keep current with the changing nature of jobs. Even if Friedman is talking primarily about college educated employees, for all job seekers, inadequate access to training and lifelong learning opportunities is most likely to leave individuals economically behind in the labor market. For the growing population of older job seekers, the lack of access, resources, or reluctance to engage in midlife and midcareer training remains a chronic disadvantage in today’s changing labor market.

How can the broader U.S. public workforce system better respond to the demographic changes of an aging labor force? How might limited public workforce system resources be reallocated to better serve the growing number of older job seekers, trying to reconcile the unique needs of older and midcareer job seekers with the need for a universally designed system that must serve a wide range of clients at different points throughout their careers? There has always been tension between the need for a system that can serve a wide range of clients in an integrated setting, including people with disabilities, veterans, TANF recipients, older workers, younger workers, high school dropouts, non English speakers, ex-offenders, and others, and the recognition that one size does not fit all. In an era of scarce resources, how can or should the public workforce system balance these potentially conflicting needs? What would a re-envisioned public workforce system consist of that would better align the needs of the growing number of older job seekers with the reality of today’s labor market?

Based on the post-Great Recession labor market experiences of many older and other job seekers, the WIA service delivery system model is no longer the most appropriate to address the ongoing career, education, and skill needs of today's wide range of unemployed, underemployed, and incumbent workers, especially older workers. Many of the thoughtful recommendations made in recent years as part of WIA reauthorization efforts to address perceived shortcomings of WIA—such as the incorporation of career pathway efforts and sector strategies—are likely to result in a marginally improved system, but do not go far enough. What is needed is new legislation that establishes a more flexible, more robust lifelong learning, education, and training delivery system in alignment with the country’s postsecondary education institutions and local/regional economic development efforts—a system that also makes ample use of new technologies and social web tools to improve the efficiency and effectiveness of the labor exchange process to meet the demands of today’s employers and job seekers.

Today’s public workforce system has to play a dual role—serving as both a safety net for individuals who require income support, literacy, and vocational education and retraining as a result of unemployment, poverty, and long spells out of the labor market—as well as an ongoing support system that provides access to high quality, affordable, and labor market driven education and training to help adults of all ages prepare for and remain in the labor market. A new national education and workforce development strategy should be flexible and eliminate decades-old program and funding silos, and more fully integrate the current patchwork of programs, including unemployment insurance, the employment service, adult education, vocational rehabilitation, and others into a more seamless system of resources that can better respond to local needs.

Though not specific to the needs of older workers, a number of recent reports have offered suggestions for reforming the current WIA framed public workforce system or have made recommendations that might be incorporated into a re-envisioned system. Noteworthy among these are reports published by the Center for Law and Social Policy (CLASP), the National Skills Coalition, Georgetown Center on Poverty, Inequality and Public Policy, Brookings’ Hamilton Project, and the Center for American Progress. As mentioned earlier, there have also been several pilot projects targeting older job seekers, including the U.S. Department of Labor’s Aging Worker Initiative (AWI) and the AACC’s Plus 50 Initiative, which offer some preliminary lessons for consideration. However, in order to provide a better system to address the needs of older workers, a new re-envisioned workforce system should include the following:

- **Better alignment, especially with employers and the needs of regional economies, with strategies deeply grounded in state and local labor market intelligence and data.**

  Several research organization reports note that sector strategies have demonstrated successful outcomes, especially for low-skill job seekers. Some version of sector strategies is currently in use in at least 25 states (Good & Woolsey, 2010). This alignment should include a “cradle-through-careers” view of elementary, secondary, and postsecondary education and training. Several states have begun to develop such broad strategic plans, better aligning their workforce and economic development systems, and holding postsecondary educational institutions accountable for being responsive partners, including tying funding to outcomes (National Governors Association Center for Best Practices, 2011).

- **A focus on education, training, and skill attainment, not short term interventions and job placement.**

  Access to and financial support for more robust training is needed, including training lasting a year or more, in place of the current national focus on short-term interventions that made sense in the tight labor market for which WIA was originally developed. It has been noted in several reports that older workers and older dislocated workers especially require more intensive training to transition to new occupations. WIA has been described as a “training as a last resort” program (Mangum, 2008), and it is no longer an appropriate vehicle for today’s education and training needs.

- **More creative delivery of training is needed, focusing on career pathways models, as well as other flexible, blended, integrated, and accelerated education and training approaches, with an emphasis on programs that lead to credentials.**

  Creative approaches to training should take into account the learning styles of older and working learners and recognize and award credit where appropriate for prior learning and
Stronger career advising, navigating, and counseling available to job seekers by well-trained workforce professionals, based on labor market data as well as information about the costs and benefits of different training programs, demands for different credentials by employers in the labor market, and prospects for entrepreneurship.

Career advisors need to understand the varying needs of individual job seekers, including having a deeper understanding of the skills, requirements, and needs of various high-growth local industries. Resources should be used that not only connect job seekers with in-person “high touch” assistance but also makes use of advances in technology that can virtually connect job seekers with high-quality industry advisors via the computer and social media.

Access to and financial support for an array of flexible supports for other wrap-around services necessary for all individuals in training regardless of whether they are tied to any particular income support program such as TANF or Unemployment Insurance.

Services, either available through direct assistance or voucher, may include short-term income support; transportation, including car repair; child or elder care; food and housing assistance; legal assistance; support for educational materials; and access to mental health services.

CLASP and AACC are currently launching a Benefits Access project that will encourage students to access a wide range of existing public support they may be entitled to as a strategy to help bolster the odds of their successful completion of education and training. Another effort to marry supportive services to community college programs is the Community College/Career Collaboration, which was launched in 2009. Known as the C4 project, it is a partnership between Goodwill Industries International, AACC, the Aspen Institute, Jobs for the Future, and three local pilot projects involving community college/Goodwill partnerships in northern Virginia; San Antonio, TX; and Winston-Salem, NC. The goal of the C4 project is to increase college and career prospects for individuals who lack a college or career credential by providing them with access to education, job-specific training, and supportive services. The current models involve a mix of efforts to pool resources and assets in creative ways, including co-enrolling individuals and co-locating services. Each student gets a case manager to help them along the way.

Expand and support the use of technology and social media to improve the efficiency and effectiveness of the service delivery system and access to quality assistance for jobseekers.

The public workforce system is just beginning to grapple with how to use social media and virtual platforms for delivering employment services, education, and training, and it should be assumed that a re-envisioned public workforce system will want and need to make substantial use of these tools. Among the examples of recent online systems targeted to older workers is the AARP Foundation’s WorkSearch Assessment System, a web-based system that assesses skills, interests, aptitudes, and skill and training gaps and connects users to training virtually or in the community as well as to job opportunities. Launched in 2007, the model includes “virtual job coaches”—trained peer volunteers who work with clients virtually via discussion groups, e-mail, and phone. This hybrid approach allows an efficient use of technology and self-directed activity blended with access to more personalized assistance as needed.

There have been several efforts to develop basic computer skills training programs for older job seekers, including a Digital Inclusion Program, developed by Senior Service America, Inc., a national SCSEP grantee. Targeted to adult learners over the age of 55, the model includes an online computer tutorial designed for older adults who may be using a computer for the first time, with SCSEP participant “peer coaches” on hand to provide support and technical assistance. The program has been available at libraries, senior centers, and other public and community settings. Another example is a 30-hour Mature Worker Technology Program that has been developed by the Workforce Development Council of Seattle-King County in Washington State in partnership with the AARP Foundation and Microsoft. This training includes segments on using social networking to assist with the job search.

Though not targeted to older job seekers, the American Association of Community Colleges (AACC) recently launched a Healthcare Virtual Careers Platform (HCVP), supported by the U.S. Department of Labor. HCVP will provide job seekers with information on health care careers and will help them find and enroll in training. The program will include free online remedial courses as well as information about online and classroom courses leading to healthcare credentials. The pilots are being run in conjunction with several national nonprofit partners, including the International Association of Jewish Vocational Services (IAJVS), Goodwill Industries International, and SER-Jobs for Progress.

The Facebook Social Jobs Partnership is another recently launched pilot to expand the use of social media in the public workforce system, with partners including Facebook, the National Association of Colleges and Employers (NACE), Direct Employers Association, the National Association of State Workforce Agencies (NASWA), and the U.S. Department of Labor. The project will study how job seekers are using social media, support a centralized Facebook page for job seekers and employers, and promote available employment programs.

In late 2011, USDOL awarded grants to Idaho, Minnesota, and New York to develop plans to use social media to help connect job seekers with jobs as part of an effort to improve access to reemployment services for Unemployment Insurance claimants.

Provide consistent, adequate formula funding to support the system.

The public workforce system has struggled with limited resources for years. The American Recovery and Reinvestment Act (ARRA) provided a temporary boost in funding, combined with clear policy guidelines and increased flexibility in the provision of training that, according to the Center for Law and Social Policy, resulted in greater emphasis on training and support services, including for low-income adults, and more innovative training design and delivery (Ridley & Ganzglass, 2011). However, as ARRA funds dried up, the challenge of maintaining these training investments returned.

While formula funds have decreased, some funding has been made available to the system through grants, such as $500 million under the Trade Adjustment Assistance Community College Career Training Initiative and $98.5 million for the Workforce Innovation Fund. While these initiatives may result in innovation for those grantees that are successful, they may also result in projects that are difficult to sustain when the competitive funding is spent. A stable base of formula funding is needed.
Conclusion

Though replete with lingering high unemployment, and especially long-term unemployment for many job seekers, the post-Great Recession labor market provides an opportunity to re-think today’s public workforce system. Access to training and education, including vocational and other postsecondary education, is increasingly important to all workers, and particularly vital to older individuals who need to change industries and occupations or gain new skills because of job loss, age-related health issues, family and personal circumstances, and/or geographic displacement.

But just improving access to training for older workers is not enough. The current public workforce service delivery system can be made more productive and more efficient by making better use of advanced communication and computer technologies and social media; by providing all older workers access to a wide array of flexible support services, not just to those by virtue of poverty, family size, or disability; by uniting andaligning income support (e.g., Unemployment Insurance), reemployment services, and education and training programmatically; and by ending decades-long fiscal silos.

Current federal reform efforts have been characterized by “Race to the Top” style, one-time grant solicitations and pilot opportunities and for granting states waivers to develop integrated and aligned workforce systems of the future. These efforts alone, however, are unlikely to transform or make more efficient poorly performing or under resourced local One-Stop Centers or Workforce Investment Boards. Today’s reform efforts reward high performers and leaders who understand the need for close connections to employers and critical high-growth sectors; who are investing in advanced technology and using social media; and who are looking to integrate unemployment benefits, employment services, and education and training for all job seekers. A re-envisioned public workforce development system, reinforced by new legislation, backed by ample formula funding, and not one-time grants, is needed to provide the ability of all older job seekers and incumbent workers to gain the education and training employers increasingly need them to have today, and to help them stay working as long as they desire.

The new legislation should recognize the greatly changed labor market circumstances including demographics, rising skill needs, and the global economy. Given the pace of change in the labor market and different regional needs across the country, few parameters should be spelled out, and funding silos removed, providing a streamlined, single funding stream that allows states the flexibility to craft programs and policies that reflect their own populations and their mix of industries and educational institutions. Efforts are currently underway to forge stronger partnerships between employers and community colleges around developing responsive education and training tied to labor market needs and jobs; this coalition could be expanded to incorporate broader workforce development issues and to help create the buy-in and champion the vision for the new system.

In a new system, far more sophisticated use of data is needed to target appropriate job search, education, and training services as well as job prospects to clients of the system; drawing on techniques used by private sector marketers as well as a growing number of public programs. Using data on various economic, demographic, and employment variables, the public workforce system can develop the capacity for what is being called data-guided management or data-driven decision making, fine-tuning its offerings and measuring their effectiveness (Lohr, 2012). According to a recent New York Times story, the “predictive power of Big Data is being explored—and shows promise—in fields like public health, economic development and economic forecasting,” and companies using these techniques are finding significant gains in productivity (Lohr, 2012). The public workforce system can do the same. In addition, also relying on technological innovation, many services can be delivered virtually rather than at physical locations; providing information is both “pushed” and “pulled.”

Formula funding for the new system should reflect the efficiencies that are likely to be achieved by redirecting or reducing the administrative costs associated with the current siloed programs, as well as the productivity and cost savings that may result from moving from bricks and mortar into the provision of more virtual service options and making more sophisticated use of technology. The higher costs of providing more robust support services and training could be offset by these savings. For example, New York State is currently experimenting with Virtual One-Stop Career Centers that will offer career services to customers who do not require in-person assistance. While results remain to be seen, this and similar efforts should provide a basis for estimating potential cost savings.

In the end, learning from the experiences of a growing number of older job seekers under WIA, and recognizing the changed environment that exists today versus when WIA was enacted in 1998, it is time for new legislation that can move towards a holistic public workforce system that can help people at different points in their careers, whether they are dislocated workers, the working poor, the long-term unemployed, or the growing number of older workers who need reemployment, transition assistance, or skills upgrading.

References


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Additional CAEL Resources for Tapping Mature Talent

For Employers:

For State Policy Leaders:

For Those Interested in the Direct Experience of Mature Workers:

Earlier Publications from Tapping Mature Talent:
Developing the Workforce as It Matures - by CAEL and the Council on Competitiveness (supported by The Atlantic Philanthropies), 2011. This monograph describes the work of the U.S. Department of Labor’s Aging Worker Initiative grantees and emerging practices at the mid-point of the project. http://www.cael.org/pdfs/TMT-Monograph

We advocate and innovate on behalf of adult learners to increase access to education and economic security. We provide adults with career guidance and help them earn college credit for what they already know. We equip colleges and universities to attract, retain, and graduate more adult students. We provide employers with smart strategies for employee development. We build workforce organizations’ capacity to connect worker skills to employer demands.