

Expert's Corner: Adult Education and Workforce Development Can Be Key Assets in Local Economic Development

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Abstract

In the shift from a natural resource-based to a knowledge-based economy, there are winners and losers at the local level. Why do some communities manage to retain employers, and even attract new employers, while others seem to be left behind? This issue addresses the relationship between workforce development and economic development. The highlighted reports present findings about the role of adult education in workforce development and about how sector strategies are addressing worker and employer needs at local and regional levels.

Local Coordination: Adult Education and Workforce Development

A recently released study by Urban Institute researchers looks at the adult education and workforce development systems—how the two systems interrelate with respect to accountability and service delivery. While the initial impetus for the study came from national policy (the Workforce Investment Act of 1998, Titles I and II), the study also examined coordination between adult education and workforce development programs at the local level.

The adult education system serves adults who are 16 years of age or older, out of school, and lack a high school diploma or basic skills. Adult education programs are state administered and receive federal funding. The Workforce Investment Act (WIA) requires local workforce investment boards (WIBs) to establish at least one full-service physical one-stop center where a range of employment, training, education, and other support services is made available to the public. WIA established both required and voluntary one-stop partners (adult education and literacy are specified as *mandatory* partners). But the adult education system is very decentralized. States distribute funds to 3,500–4,000 local providers on a competitive basis. The providers include local school districts, community-based organizations, volunteer literacy organizations, community colleges, nonprofits, libraries, and public housing authorities. Our study included a mail survey of all state adult education directors, in-depth discussions with state adult education directors and workforce development directors in five states, and visits to nine local sites in the five states. The local sites were Los Angeles, CA; Riverside, CA; Hartford, CT; Bridgeport, CT; Des Moines, IA; Ottumwa, IA; Lexington, KY; Shelbyville, KY; and Tupelo, MS. Adult education enrollment in these sites ranged from 550 to over 150,000.

Our survey results and visits to nine localities in five states suggest that WIA has helped to support and expand linkages between adult education programs and the one-stop delivery system, but the role of adult education in one-stops varies across localities, and one-stops are only one of many locations for the provision of adult education and literacy services. Local level coordination is operationalized in several ways:

- **Providing information and referrals.** Information about availability of adult education services within the community is made available in some form at all of the one-stops we visited. All of the one-stop centers we visited have established procedures for referring individuals with basic skills deficiencies to programs provided directly at the one-stop center or at other community locations. However, this information was not routinely integrated into existing data systems, making it difficult to track referrals and report outcomes by source of referrals.
- **Co-locating or out-stationing of staff at the one-stop.** In most of the localities we visited, there is at least one staff person outstationed to work at the one-stop, often several days a week, primarily to provide information to one-stop users about adult education services, perform educational assessments, and provide referrals to adult education programs in the local community.
- **Providing adult education classes at the one-stop.** In 7 of the 9 one-stops we visited, the adult education program outstationed instructors on a full- or part-time basis to operate classrooms at one-stops. But even when adult education classrooms are at one-stops, these classes are only one of many

sites where adult education programs locate classrooms (e.g., at public schools, libraries, community colleges, etc.), and the number of students enrolled in adult education classes at one-stops usually represents a relatively small proportion of those enrolled in adult education services locally. For example, in Lexington, the adult education classroom located at the one-stop career center is one of about 20 classroom locations serving residents with basic skills deficiencies in the county, and it serves about 100 of the nearly 4,000 students attending adult education classes in the county.

- **Making financial and in-kind contributions from adult education to support the operations of the one-stop system.** In just 3 of the one-stops we visited were adult education programs making cash contributions to one-stop operations. Adult education administrators in several sites we visited noted that they are able to secure other classroom space within their community rent free or at little cost—and, hence, given stretched resources, they would likely move out of the one-stop to other community locations should their required contribution be raised. Seven of the 9 localities we visited made some form of in-kind contributions to one-stop operations, such as paying for outstationed staff at the one-stop center or paying for supplies and materials.

When state and local adult education program directors and staff were asked to identify common challenges to establishing an integrated one-stop delivery system, the leading challenge reported was limited resources. Often state and local adult education directors face difficult decisions about how far to go in supporting one-stop operations because they face already-tight budgets, as well as limitations on administrative costs, that require careful decisionmaking and trade-offs, especially with regard to making long-term commitments to the one-stop delivery system. In addition, in rural areas where adult education staff may be limited to just a few staff members (e.g., a program coordinator and a handful of part-time instructors), it may be impossible or very difficult to reassign staff from an existing classroom location to a one-stop even for few days a week.

In summary, while federal and state policies can promote coordination and reduce any disincentives to coordination that exist in the law, they must understand and respect local differences. There is no single best way to coordinate services, and legislation should encourage local flexibility. For example, an integrated service network that includes adult education and the one-stop need not require classes to be physically located at the one-stop. State and local agencies need to be reminded of this fact and offered alternative strategies based on best practices across the country.

Industry Sector Initiatives

Harnessing adult education and postsecondary education resources in combination with the local labor market knowledge and employer relationships of the workforce development system can be an effective approach to economic development. Our work on sectoral employment initiatives offers additional insights about how combining these community assets can make a difference.

Sector initiatives are industry-specific workforce development approaches. They share four common elements that distinguish them from conventional employment programs.

- They are targeted to a specific industry, crafting solutions tailored to that industry in that region.
- They offer the presence of a strategic partner with deep knowledge of the targeted industry and its companies, linking them with organizations that may include community-based nonprofits, employer organizations, organized labor, community colleges, and others.
- They provide training strategies that benefit low-income individuals, including the unemployed, nontraditional labor pools, and low-wage incumbent workers.
- They promote systemic change that cultivates a win-win environment by restructuring internal and external employment practices to achieve changes beneficial to employers, low-wage workers, and low-income job seekers.

The Sector approach is a long-term strategy with dual objectives. Such efforts operate by directly serving a constituent group and by changing the way an industry operates (systemic change). In order to achieve these dual ends, interventions must work on both the supply and demand sides of the labor market. Urban Institute and Aspen Institute researchers evaluated the Sectoral Employment Demonstration Program, funded by the Employment and Training Administration (ETA) of the U.S. Department of Labor (USDOL). We reviewed the experiences and accomplishments of 38 local WIBs, consisting of 26 formation grantees that received one-year planning grants and 12 organizations that were awarded 15-month implementation grants to undertake specific sectoral interventions. We found that formation grantees formed broad stakeholder groups that included employers, community colleges, unions, and industry associations. More than three-quarters of the formation grantees established ongoing coalitions that planned to continue to meet after the end of the grant period. Sixty-five percent of the formation grantees leveraged additional resources to continue their planning efforts and stakeholder meetings, and/or to begin implementing their plans. The implementation grantees were successful as well: 10 of the 12 implementation grantees increased training options available in their community or region; 7 of the 12 facilitated career ladders or advancement opportunities; and the same number established new pipelines for workers in an industry, most often targeting youth. All but one of the implementation grantees undertook projects that enrolled students in training, serving from 24 to almost 350 individuals.

USDOL was particularly interested in examining the potential for successful involvement in sectoral initiatives by local WIBs, chiefly because the goals of these activities paralleled the role envisioned for the boards under WIA in such areas as developing employer linkages; coordinating with economic development; promoting private-sector involvement in the workforce investment system; and developing workforce investment plans as part of a comprehensive workforce investment system focusing on individual employment goals and the

needs of firms for skilled workers. Some of the key findings highlighted here have been incorporated in subsequent DOL-sponsored initiatives such as the High-Growth Job Training Initiative.

The vast majority of grantees chose a target industry that was experiencing a labor shortage. Specific issues addressed included improving the image of the industry in order to attract workers and facilitating relationships between employers and public training providers, such as community colleges. Some sectoral grantees worked with industries that were having difficulty meeting a higher skill need. Grantees designed incumbent worker training programs to develop more advanced skills needed by the industry in order to remain competitive.

Most of the grantees indicated that they built on prior efforts undertaken in the selected sector. They used labor market data, employer surveys and focus groups, and worked with industry associations to gain an understanding of employer needs. There were three distinct approaches to designating a target industry and set of occupations: (1) targeting the firms of an identified industry; (2) targeting a specific occupational area that crosses a range of industries; and (3) working with a single large employer. The first of these is the most common approach, taken by 29 of the 38 grantees.

Challenges faced by sectoral grantees in working with employers included limited knowledge about the industry sector on the part of the WIB; employer mistrust or negative impressions about government workforce development initiatives; and employer reticence to share information with other employers. These challenges were successfully addressed by many grantees. Nine of the 38 grantees were able to attract direct employer financial contributions, while 13 received in-kind contributions from employers.

Effective WIB roles ranged from a high level of WIB board member involvement in promoting support of the business community, to day-to-day involvement of one-stop staff in recruiting and orienting participants, to primarily conducting contract monitoring activities and overseeing implementation by another community organization. While different organizational settings can offer varying sets of resources, there was clearly no one "best" organizational structure for initiating and operating a sector project.

Respondents from 21 sites stated that the sector initiative helped improve the WIB's relationship with employers. The same number stated that they plan to continue with sector work and expand the approach to other sectors. Several promising practices were identified, including building in frequent opportunities to solicit feedback from employers and program participants; making "midcourse" corrections as needed; leveraging training resources and building training capacity; coordinating resources to address target population needs; employer involvement for continuous improvement; and developing and supporting career ladders, retention, and advancement. These lessons are being carried forward as a vibrant information exchange continues to promote sector strategies for improving regional economies and providing opportunities for advancement of low-wage workers.

Other Publications by the Authors

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