

Investing in Workers Remarks
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Making the Grade in Ohio
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Introduction

- Thank you Senator Miller and thanks to all of you—sponsors, speakers and participants—for joining Community Research Partners and KnowledgeWorks Foundation in this important dialogue.
- At CRP, we think of ourselves as the “connecting the dots” people, working across program and policy areas to inform positive community change. We had a great opportunity to do that when, in 2004, we were selected as the lead Ohio researchers for the national Working Poor Families Project, funded by the Annie E. Casey, Ford, Joyce and Mott foundations.
- That project linked us with the Center for Community Solutions and KnowledgeWorks Foundation, who partnered with us, along with the John Glenn Institute, on the project report, *Average Isn't Enough: Advancing Working Families to Create an Outstanding Ohio Economy*. The report examines the conditions of the 1-in-4 Ohio working families who are low income, and state programs and policies that impact these families. It identifies areas where Ohio has assets to build upon, and lays out an agenda for change, in education and training, economic development, and worker supports.
- We examined data and met with staff across state agencies—Education, Board of Regents, Development, and Job and Family Services. We talked to advocacy and interest group to learn about their issues and policy recommendations. We found groups were working independently on similar issues, and found many parallel initiatives underway.
- *Average Isn't Enough* struck a chord across the state. It was widely distributed and cited. We were asked to make presentations to foundations, educators, chambers of commerce, elected officials, and human services organizations.

Purpose of the Conference

- We asked a number of you about the best next step. There was consensus that the 2006 gubernatorial race provides an opportunity to bring people together to reexamine how state, regional, and local systems address these issues. We thought it was particularly important to have the involvement of business and economic development organizations.
- So here we are. Represented in this room are many sectors, geographies, and political persuasions. But I think we can all agree that there is work to be done if Ohio is to have a strong, sustainable economy that works for all—for businesses and employers, for workers and families, and for our communities and our state.
- There are troubling statistics about Ohio's economy. The recent Columbus Dispatch, Cleveland Plain Dealer and Dayton Daily News series, "Setting Ohio's Course" reported that the Ohio is "near the bottom", compared to other states over the past five years, in total jobs, unemployment, and personal income. "Reviving higher education" was identified as the key to the state's economic recovery.
- The underlying problem is that too many employers cannot find workers who are well trained and ready for the world of work. Steve Gunderson spoke to us yesterday about the skills gap and notes in his book, *The Jobs Revolution*:

"Today we have too many people willing to work in America. Tomorrow we will not have enough people to fill the available jobs, and the people who are available will not have the right skills—unless we do something today."
- "Tomorrow" is already here for a number of economic sectors, notably the health care industry. But we will hear today that even the manufacturing industry, which is most frequently cited for its large job losses, is facing a skilled labor shortage.
- There are not enough Ohio workers prepared to meet the needs Ohio's employers. From 2002-2012, jobs requiring an associate degree will grow by 22%, compared to 5% for jobs requiring only moderate on-the-job training. But Ohio ranks 34th among all states in the percent of adults with an associate degree or higher.
- We know too well about these challenges and problems. This conference is about solutions. And there are many solutions out there—in Ohio and across that nation.
- It is also about creating a common frame of reference around a simple concept: In the 21st century we won't get far relying only on 20th century economic development

incentives—tax breaks, low-interest loans, infrastructure, and sites. An educated and trained workforce is now the most important tool in our economic development toolkit. We saw that with the recent competition for the Honda plant.

- Ohio has work to do if we want to be #1 in the nation, not just on the football field, but in the classroom, the workplace, and the jobs race. Where we are today—average, or worse—isn't good enough.
- I would like to suggest five "A's" that should be on Ohio's report card if we are to be at the top of the class:

1. **Adult-focused**

While it is important to improve our entire education system, from pre-school through college, it is not possible to fill the skilled labor needs of Ohio's employers without increasing the education and training of adults.

- **Today's adults are the workforce of the future:** The workforce of the future will be made up of overwhelmingly of people already in the workforce today. About 80% of those in Ohio's labor force in 2002 will still be in the labor force in 2012.
- **Low post-secondary attainment:** 45% of Ohio's adults age 25-54—2.2 million people—have no post-secondary education. Ohio ranks near the bottom—47th among all states—in the percent of adults with only a high school diploma or GED and no post secondary education.
- **K-12 system improvement isn't the short-term answer:** To what extent can we solve the skills-gap problem by improving our K-12 system? Even if 100% of the over 2 million students currently enrolled in a public or private K-12 school in Ohio stayed in school, graduated and immediately went on to get a two-year degree or credential, it would take over 15 years for all of them to enter the work force and fill the skills gap.
- **The other higher education:** When we think about higher education, we need to expand our thinking beyond the traditional post-high school 4-year degree-granting institutions. In Ohio, there as many people enrolled in the "other higher education"—community colleges; adult career-technical centers, regional branch campuses, and Adult Basic Literacy Education—as are enrolled in public and private college and university main campuses. These other programs and institutions serve many of our adult students.

2. Aligned

The issue of alignment has been a focus of KnowledgeWorks, as we heard from Chad Wick yesterday, and is the focus of the Ohio Workforce Education and Training Advisory Council. In Ohio, alignment is needed:

- **Across state agencies:** The workforce education and training resource inventory included in your packet includes 28 different programs, in 5 separate state agencies. The key components of the adult education system are split between the Ohio Department of Education and the Ohio Board of Regents. The programs that provide training funds for employers are not aligned with those that provide education and training for students.
- **Through the “pipeline”:** Students need to be able to easily move in, out, and through the postsecondary system in a way that enables them to efficiently advance toward a degree or credential. This includes smooth transitions from one part of the system to another through clear career pathways, beginning with adult basic and developmental education.
- **With the needs of employers:** Employers express the need for a “just-in-time” workforce training system with minimal red tape that can quickly adjust to rapidly changing training needs. They are looking for employees with industry-recognized credentials and workplace skills who are ready to work.

3. Accessible

Education and training needs to be accessible:

- **Throughout the state:** Ohio has a tradition of being a strong “home rule” state, with state government devolving policymaking and program design to localities. This allows programs to be tailored to meet local needs, but also produces wide variation across the state in the type, quality and accessibility of education and training available to Ohio residents. Access to education and training in Ohio shouldn’t be dependent on where you live.
- **To all types of students:** If we are to meet the skilled labor shortage we need everyone. The state’s education and training system must be accessible to a variety of adult learners: those without a high school diploma, with limited English skills, moving off public assistance, or leaving the prison system, as well as older workers requiring retraining. Accessibility for these students includes non-traditional instructional settings and methods and integrated supportive services.

4. Affordable

While Ohio may be average in many areas, affordability is where we fall off the wagon:

- Measuring Up 2006, The State Report Card of Higher Education, gave Ohio an “F” in affordability. Even at the lowest price colleges, the state’s poorest families pay 25% percent of their income for tuition, compared to only 7% for families in the top states.
- The “Setting the Course” series noted that from 1996-2004, adjusted for inflation, state funding per full-time college student dropped by 14%, while funding per corrections inmate increased by 31%.

The solution: a combination of: 1) increasing state funding, 2) refocusing existing funding streams on adults; and 3) identifying new funding sources. Here are some examples of what other states are doing:

- **Spending more on adult basic education:** Ohio ranks 36th in state resources spent on adult basic and literacy education—spending about \$15 per adult without a high school diploma or GED, compared to a national average of \$47.
- **Using more federal career-technical funds for adults:** Ohio allocates only 18% of its federal Perkins Career/Technical Education Funds to adult training, compared to the national average of 36%.
- **Providing financial aid for short-term, non-degree classes:** Several other states provide this type of financial aid.
- **Focusing some TANF and WIA resources on adult education and training that leads to a credential or degree:** All states have far to go in this area. Ohio is 4th in the nation in the percent of TANF participants enrolled in education and training, but the enrollment rate is still only 15%.

In addition, the business community must step up to the plate to invest in workforce education and training and encourage our state leaders to do the same.

5. Accountable

We won't know if we are making the grade without clear performance targets and a good measurement system. The system should:

- **Measure the right things:** For example: Do workers have the skills needed by Ohio's employers? Are jobs benefiting workers across a range of income levels? Is education and training resulting in individuals obtaining and maintaining employment with incomes above the self-sufficiency level?
- **Track across agencies:** The multiple data collection and reporting systems in Ohio are reflective of the overall lack of system alignment. We need data systems that enable the state and communities to track persons as they move through programs and allow agencies to share data for quality improvement.
- **Guide investment:** The Governor's Workforce Policy Board, which includes private sector members, has stressed the need to identify a few clear metrics to guide state investment in workforce development.

Closing: Action

So those are the five "A's" that need to be on Ohio's report card. Well, maybe there is a final "A"—**action**. I think that we can all agree that we have had plenty of research, studies and plans in Ohio. These have been helpful in understanding the issues and needs and identifying a vision for change. But it is time to move forward.

- **Models of best practices:** If you are thinking, "How the heck are we going to do all of this?" you have come to the right place. This conference is a crash course in specific models, programs, and methods—some in Ohio; some from outside of Ohio—that represent all of the "As"—adult-focus, alignment, accessibility, affordability, and accountability.
- **The role of the state:** Another focus, as we look ahead to the administration of the next governor, is the important role that the state can play in bringing models and best practices to scale in order to benefit all Ohioans.
- **Momentum for change:** We purposely "mixed it up" in terms of audience, sponsors, and speakers to increase the momentum and partners for change—and connect more dots. I know we are not all going to agree on the methods to achieve change. In our post-conference phone calls with workshop speakers we

heard different approaches from our private sector and public and non-profit sector speakers. What is important is that we are having the dialogue.

- As we planned the conference, we continued to discover more good models and best practices. We wish we could have included them all. But this is a great beginning.
- Enjoy rest of the conference! I encourage you to actively participate in the discussion that is a part of each session. We are very interested in your feedback at the end of the day.

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