

THE CAREER OPPORTUNITY PLAN

SUPPORT FOR GROWTH, JOB CREATION, AND CAREER DEVELOPMENT

Widely shared middle-class prosperity has made the United States the most hopeful and dynamic country on earth and is a foundation of strong democracy. Yet today, America's middle class is in trouble: the traditional routes into the middle class have become more difficult to travel and security has eroded for those already in the middle class. Major economic and policy changes over the past three decades have widened economic inequality and reduced mobility in ways that go far beyond the impact of the recent recession. Too many people who play by the rules and do everything right find that they cannot climb into the middle class—or stay there. To meet this challenge, Millions to the Middle offers dramatic public policy initiatives to rebuild and grow the nation's middle class.

POLICY IN FOCUS

THE CAREER OPPORTUNITY PLAN

Establish a grant program that connects multiple businesses and educational institutions in order to tailor job training programs to labor demand and support state efforts to establish career pathways.

We aim to accomplish two broad interrelated goals: to ensure that all Americans have a chance to move into the middle class and, second, to ensure greater security for those in the middle class. The 14 policies we offer are rooted in mainstream American values and able to command strong public support over the long term. Together, they go beyond the confines of the current policy debates and are of sufficient scale to firmly establish a middle-class America.

Our policy agenda is based on the three broad pillars of middle-class opportunity and security: investments in human capital and education; support for growth, job creation, and career development; and helping Americans build assets. This policy is part of the **Support for Growth, Job Creation, and Career Development**.

POLICY: THE CAREER OPPORTUNITY PLAN

Offer job training and career ladders to boost economic mobility.

POLICY RATIONALE

Investing in a skilled workforce is vital to America's long-term economic growth and global competitiveness. Even as the Zero-16 Contract for Education proposed earlier would enable young people graduating from high school to pursue college or career training, the Career Opportunity Plan would increase opportunities for those who have already begun their working lives, particularly low-wage workers and the unemployed, to qualify for jobs that can support a middle-class standard of living. While worker retraining will not, by itself, solve America's unemployment problem or transform the nation's low-wage workforce, access to training is nevertheless critical for expanding economic mobility. Access to job training is particularly important for the growing number of long-term unemployed (5.4 million Americans have been out of work for 27 weeks or longer as of February 2012)¹ as their skills become increasingly disused or outdated.

OPINION SNAPSHOT

- 75 percent of Americans—including a majority of Republicans, Democrats, and Independents—support increasing federal government spending for job training and education for the long-term unemployed.⁵

In the coming decades, a large proportion of new jobs are projected in fields like health care that require education and training beyond high school, but not necessarily a four-year college degree.² Enabling adults to retrain for these largely middle-class jobs provides an important mechanism for individuals to improve their economic prospects.

Investment in workforce development has traditionally been strongly bipartisan. With support from both major political parties, the Workforce Investment Act of 1998 streamlined the array of federal job training programs to create a decentralized network of “one-stop career centers” where jobseekers could access local employment and training opportunities and support programs under one roof.

In response to the mass unemployment and worker displacement of the Great Recession, the American Recovery and Reinvestment Act provided a \$4 billion boost in funding for job training programs in 2009, including grants earmarked to support training in the most rapidly growing sectors of the economy. These extra resources enabled a substantial increase in the number of citizens participating in occupational training and other workforce development programs—more than 8 million Americans accessed such services under the Workforce Investment Act in the 2009 program year.³ But the temporary increase failed to reverse the long-term shortfall in federal job training resources: funding for the Workforce Investment Act has fallen almost 30 percent over the past decade in real dollars, while funding for other adult education and workforce preparedness programs has also declined.⁴

In addition to greater investment in workforce development, it is also critical that job training programs correspond to the workforce needs of local and regional employers so that jobseekers are trained for positions that

actually exist in their area. Our proposal is modeled on the Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act, passed unanimously by the House of Representatives in 2010 but never taken up by the Senate. The legislation would provide grants under the Workforce Investment Act to promote partnerships between employers and postsecondary educational institutions in order to tailor job training programs to labor demand in a region's growing industries.

Just as the Zero-16 Contract for Education encourages states to create an integrated educational system with clearly marked pathways for each educational stage, the nation's workforce development system should also align programs and institutions to streamline career pathways for working adults. Finally, the Workforce Investment Act should shift its focus from short-term training and swift reemployment to also allow for longer-term training and certificate programs that will enable workers to qualify for middle class jobs.

POLICY DESIGN

This policy is based on recommendations developed by National Skills Coalition.

- To respond to the continuing demand for worker retraining produced by high unemployment, the Workforce Investment Act formula funding for adult, youth, and dislocated worker programs should be increased to match its peak level under the American Recovery and Reinvestment Act.
- Establish a grant program, along the lines of the SECTORS Act, to invest in industry partnerships that connect multiple businesses and educational institutions in order to tailor job training programs to labor demand in a region's growing industries.
- Support state efforts to establish career pathways by encouraging states to maximize the number of participants taking advantage of both job training and basic adult education programs and allowing states greater flexibility to blend various job training funding streams.
- Make the attainment of industry-recognized credentials a core performance indicator for the Workforce Investment Act in order to assist workers in qualifying for jobs with the potential to lift them into the middle class.

ENDNOTES

1. Bureau of Labor Statistics, "Employment Situation Summary" February 2012. <http://www.bls.gov/news.release/emp.sit.nr0.htm>
2. Ibid. <http://www.bls.gov/news.release/ccopro.nr0.htm>
3. "Workforce System Results," Employment and Training Administration, United States Department of Labor (June 2010). http://www.doleta.gov/Performance/results/quarterly_report/June_30_2010/WSR_June_30_2010.pdf#page=1
4. "Workforce System Results," June 2010. http://www.doleta.gov/Performance/results/quarterly_report/June_30_2010/WSR_June_30_2010.pdf#page=1
5. Lynmari Morales, "Republicans, Democrats Favor Tax Breaks to Win Back U.S. Jobs," Gallup, February 1 2012. <http://www.gallup.com/poll/152396/Republicans-Democrats-Favor-Tax-Breaks-Win-Back-Jobs.aspx>

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