



# Working Learners

Educating our entire workforce for success in the 21st century

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Louis Soares June 2009



Center for American Progress



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# Executive summary

On May 8 President Barack Obama encouraged those who have lost their jobs to “no longer just look for a new job, but also to prepare for a better job.” The administration quickly proposed changes to the primary college-tuition grant program—Pell Grants—and the unemployment insurance system to bring postsecondary education within the reach of greater numbers of working class Americans.

What the president proposes, however, is but a first step to address the nation’s need for a well-trained workforce and the needs of those who have entered the workforce but who require further education to get ahead. These “working learners” are now served by a system that is overly focused on crisis intervention at the point of unemployment and getting people back into jobs, and not focused sufficiently on the need for training and education.

Our nation’s existing postsecondary system is bifurcated, with no part adequately providing for the education of working learners. On the one hand are the tightly-structured, traditional college programs that serve the needs of full-time students who are ushered through the system toward completion of a college degree. This system, however, is ill-suited to workers who receive their education over longer periods during their work and family lives, and during occasional gaps in employment. On the other hand, there is a more flexible workforce development system, but it provides an unstructured hodge-podge of training that often fails to lead to a well-conceived career path and that produces little in the way of meaningful educational credentials for both the worker and the employer.

Change is clearly needed. The system’s hallmarks to bring the 75 million potential working learners the skills they and our economy need are:

- **Flexibility.** Very few working learners can take four years out of their lives to achieve a four-year college degree. Yet they can attend class as it fits in with the rest of their lives over longer periods of time. A system that provides for working learners must be flexible enough to accommodate this reality.
- **Credentials.** Many working learners who receive useful and relevant training fall short of receiving an actual degree or certificate. It often takes an extended period of time for working learners to achieve such a credential, leaving them with nothing to show for their educational achievements for many years. To provide a basis for employers

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to evaluate workers' skill levels—and working learners' evidence of their accomplishments—the system must offer credits and credentials for academic achievements short of traditional degrees.

- **Coaching.** For many working learners the career path is long and has many detours. They do not necessarily have a good sense of the opportunities available or the training needed to take advantage of those opportunities. Professional services with career coaches who are well versed in the staffing needs of employers, the skills required to fill those positions and the educational opportunities available are necessary intermediaries in the labor market.
- **Resources.** The existing workforce development resources are inadequate to provide education to working learners, most of whom have limited capacity to pay their own way and many of whom have financial obligations to their families.

To address these needs, changes are needed in our postsecondary education system and our workforce development system. Specifically, we need to:

- **Create a new Micro-Pell Grant.** The Pell Grant program is not currently designed well to get resources to those who want to take one course per semester or an occupational certificate. This inflexibility makes the program effectively less accessible for many working learners.<sup>1</sup> The Higher Education Act should be modified to create a special Pell Grant without this restriction funded with an additional \$2 billion available from other changes in the program.
- **Invest in community colleges.** Community colleges have strong academic standards and are in the business of offering credentials and credit for academic achievement. They are in a strong position within their communities to play a leadership role in meeting workforce needs of employers and the educational needs of working learners. They need to modify their programs to provide the greater flexibility these students require. To do this, however, will, it will require greater funding and incentives—some of which can be available through provisions of the American Recovery and Reinvestment Act and the Access and Completion Incentive Fund.
- **Modify workforce development programs.** Congress needs to modify Title I and II of the Workforce Investment Act to:
  - Align several funding streams under WIA to ensure that education does not take a back seat to crisis intervention and that the system is structured to best serve the common needs of all working learners instead of being splintered into several, separate, inadequate programs.

- Enhance the U.S. Employment Service and place it in charge of the existing WIA One Stop System to run it as a continuous service career coaching center.
- Set national postsecondary education goals for working learners that include less-than-college credit benchmarks for progress.
- Convert the local Workforce Investment Board network under WIA into a quality assurance overseer to ensure that the partners in the new system—the providers of education, training and coaching—adequately serve the needs of both the employer and worker communities.
- **Create a new Office of Community College Innovation.** This office would be a partnership between the Offices of Adult and Vocational Education and Postsecondary Education at the U.S. Department of Education and the Employment and Training Administration at the U.S. Department of Labor.

Helping millions of American participate in education and training that yields a postsecondary credential is crucial for both America’s economic competitiveness and a stable, growing middle class. This paper presents ways to build upon President Obama’s Pell Grant and unemployment insurance proposals so that government programs and services help “working learners” combine employment and education over their working lives so they may advance through successful careers, however circumstances in the economy may change, and contribute to our national economic success.

# Introduction

The U.S. economy is now 18 months into its worst recession since the Great Depression, prompting President Obama to encourage those losing their jobs to use this time to “no longer just look for a new job, but also to prepare for a better job.” The President then followed words with action by taking steps to help Americans who have lost their jobs prepare for new ones, announcing changes to the Pell Grants process to make it easier for low-income working Americans to receive these college-tuition grants and overhauling our unemployment insurance program so that our unemployment system—in the President’s words—is “not just a safety net, but a stepping stone to a new future.”

These important changes to our unemployment system and Pell grant process complement investments begun in the American Recovery and Reinvestment Act and 2010 proposed Federal Budget in furtherance of the President’s public call for every American to complete at least one year of college education and a national goal of raising America’s postsecondary completion rates to those already achieved by other developed countries. These goals, policies and practical solutions are a tremendous step in the right direction, putting Americans whose knowledge and skills will be the engine of our economic revival and future competitiveness at the center of public investments that will be better tailored to their needs and the needs of our economy.

Yet it is important to note that our current unemployment and workforce development systems under-invest in the millions of working Americans who need to attend college because these government programs are designed for crisis intervention rather than career development, as the President correctly points out. Indeed, neither our unemployment insurance system nor our many workforce development programs encourage working Americans to enroll in college or if enrolled to complete their studies.

The result: In an era when higher education is more important than ever to working Americans, many have only tenuous connections to a college education. Consider these facts:

- College graduates have higher incomes than those with lower educational attainment. In 2006, the average annual income for a bachelor’s degree was \$56,897; an associate degree averaged \$39,846; and a high school degree, \$30,072.<sup>2</sup>



- The typical bachelor's degree recipient can expect to earn about 61 percent more over a 40-year working life than a typical high school graduate. A typical associate degree recipient can expect to earn 28 percent more than a typical high school graduate over that same time period.<sup>3</sup>
- The unemployment rate is lower among college graduates. In March 2009, the unemployment rate for workers with a bachelor's degree was 4.3 percent and 7.2 percent for workers with an associate degree. In comparison, 9.0 percent of workers with a high school diploma were unemployed, as were 13.3 percent of workers with less than a high school education.<sup>4</sup>
- Among private sector workers, college graduates are more likely to be covered by employer-provided health insurance. In 2005, of private sector workers ages 18 to 64 working at least half-time, 67 percent of persons with a bachelor's degree or higher were covered by health insurance, compared to 51 percent of high school graduates in that year.<sup>5</sup>
- The poverty rate of 3.6 percent in 2005 for recipients of bachelor's degrees ages 25 and older was about one-third of the 10.8 percent poverty rate for high school graduates.<sup>6</sup>

Success in today's knowledge and innovation economy clearly depends on education and skills development beyond high school.<sup>7</sup> Postsecondary education is correlated with greater economic growth, productivity increases, higher incomes, and increased civic participation and quality of life.<sup>8</sup> There are 75 million Americans between the ages of 18 to 64 who still have no postsecondary credentials and who are not currently enrolled in a course of education. For the vast majority of these working Americans the path to being productive contributors to our economy with decent jobs is through further educational achievement.

The increasingly dynamic labor market that all Americans face is further complicating the educational prospects of working Americans, and it is particularly challenging for those without college credentials. First, there are a dizzying array of college credentials—from occupational certificates to associate's to bachelor's degrees—that are either required for jobs or simply necessary to get a job that pays a decent wage and benefits. Second, with long-term jobs in large companies a thing of past, workers are moving in and out of new jobs more often with little notion of how to get ahead.

What's more, our postsecondary education system of two-and four-year colleges is ill-equipped to address the needs of those who have already begun their working lives. In particular, the system is poorly designed to deal with the fact that, for most of these individuals, advancing their education will mean juggling work and learning over much of their working lives. These "working learners" face a college and university system designed for students entering a course of higher learning at a young age and completing a degree or other credential after a fixed, continuous, period of education.

Postsecondary education is correlated with greater economic growth, productivity increases, higher incomes, and increased civic participation and quality of life.

Working learners can't do that. They are older, independent students who attend school in non-traditional ways, are less likely to apply for financial aid, get less financial assistance when they do apply, and are less likely to complete any kind of degree within six years. They are also more likely to drop out because they are trying to do all this while earning a living for themselves and their families. That's no mean feat, especially in a college environment designed for young, full-time students.

The sad alternative today for working learners is a government workforce development system that is under-resourced, focused on short-term training and job placement, and usually fails to offer recognizable college credentials that provide meaningful benchmarks of achievement with value in the job market. Our workforce training efforts, which are funded each year under the Workforce Investment Act of 1998, are an amalgam of 16 different categories of programs housed in four different government agencies. At about \$4 billion a year, funding for these WIA training services is only about a third of that invested in college programs such as the Pell Grant, and it has decreased 40 percent since 1985.

Even this small amount is poorly deployed because only 40 percent is invested directly in training a little over 416,000 individuals. This is a tiny number considering the 75 million potential working learners in the United States needing college level credentials. WIA services also lack any real focus on long-term goal setting and career planning for individuals in these programs—planning that workers need to match evolving skills to the best opportunities.

Exacerbating the challenges faced by working learners in government higher education and workforce development systems is the lack of public policy debate that links these two systems. Today, few people question the efficacy of elite postsecondary education for some by the age of 24 and a failing 'second chance' system for those who have already entered their work lives. This outdated division remains even as the number of students engaged in non-traditional postsecondary education has grown to at least equal the number that completes postsecondary education by age 24.

This paper uses the term postsecondary education to unite the higher education and workforce development systems. Working together these systems can yield a continuum of valuable credentials for one year occupational certificates to associate's and bachelor's degrees and beyond. America's national economic competitiveness depends on bringing these two conversations together and investing in postsecondary education in a way that makes sense for all Americans. Despite myriad problems, there are bright spots in our higher education and WIA systems that could serve working learners well. Community colleges—publicly funded two-year institutions—have experiences with both academic and vocational education. The workforce system has 1,600 comprehensive one-stop centers that provide accessible retail locations for labor market services, 650 local workforce boards that help connect business, education and government partners and the U.S.

Employment Service, funded through the Wagner-Peyser Act of 1933, which has historically provided job placement and employment counseling across the country. These can be used as platforms for meeting the needs of working learners.

But what do working learners need? Empirical analysis and survey data indicate that working learners have four essential needs that must be met if they are to successfully participate in and complete a postsecondary education. They need:

- Flexible financial assistance that promotes getting college credit over time.
- Access to 21st century-career coaching to design a successful work-education path.
- Accurate information about education and training quality.
- Educational institutions able to adapt their service delivery to working learners needs.

These needs present both a challenge and an opportunity. The challenge is that they cut across many government agencies and often require partnerships with the private and non-profit sectors. Such cross-institution partnerships have tended to become very complex and thus difficult to scale beyond pilot projects because working learners find them difficult to understand and federal policy makers are reticent to invest in something with so many moving parts and little accountability.

The opportunity is that the United States has a rich set of partners upon which draw to help working learners obtain postsecondary credentials. These include federal and state governments, college and universities, community-based organizations, business and unions. To help working learners succeed, these partners must create policies and institutions that have the flexibility and labor market focus of the workforce development system aligned with the pedagogical and educational rigor of the higher education system.

The key to capitalizing on this opportunity is to build upon existing policies and institutions in a way that is easy to understand for working learners and provides federal policymakers with key partners with whom to invest on a national scale. We need programs whose brands are recognizable to working learners and unambiguously focused on postsecondary credential acquisition. We also need a means for federal policymakers and agencies to manage a highly decentralized and collaborative process in a way that assures accountability but allows for on-the-ground innovation.

Helping millions of Americans participate in, and successfully complete, education and training that yields a postsecondary credential is key to both America's economic competitiveness and a stable and growing middle class. This paper presents ways to build upon President Obama's Pell Grant and unemployment insurance proposals so that government programs and services help "working learners" combine employment and education over their working lives—rather than just when they lose a job—so they are better prepared at any given moment to adapt to change and contribute to our national economic competitiveness.

To help working learners succeed, these partners must create policies and institutions that have the flexibility and labor market focus of the workforce development system aligned with the pedagogical and educational rigor of the higher education system.

In the pages that follow, this paper will detail the demand in our economy for job skills that require some college or continuing education and the failure of our college education system and workforce development programs to deliver these job skills to tens of millions of Americans. The paper will then examine the everyday and work-a-day needs of working learners seeking to boost their educational qualifications. We then examine existing workforce training programs in detail before closing the paper with our detailed sets of recommendations. We're confident you'll agree that educating the entire American workforce through worker learner programs will boost our nation's economic competitiveness and broad-based prosperity.

# Matching job skills to market needs

Labor market trends in the United States detail the demand for skills associated with postsecondary credentials from accredited colleges and universities, community colleges and vocational schools. According to the Bureau of Labor Statistics, the U.S. economy will produce 15.6 million net new jobs between 2006 and 2016. Nearly half of those jobs will require postsecondary credentials. In fact, jobs requiring postsecondary education will grow by 17 percent—nearly double the rate of 8.8 percent for jobs that do not require such a credential.<sup>9</sup>

Recent studies also parse the demand for skills with more precision, dividing jobs into three categories: high skill, middle skill and low skill.<sup>10</sup> These studies demonstrate that the economy will be creating a significant number of middle-skills jobs,<sup>11</sup> or those that generally require some education and training beyond high school but less than a bachelor's degree.<sup>12</sup> Postsecondary credentials associated with these jobs include associate's degrees, vocational certificates and credentials for licensed occupations. The Bureau of Labor Statistics estimates that nearly half of all job openings in the next 10 years will be in this middle-skills category.<sup>13</sup> Interestingly, there is increasing evidence to show that some sub-baccalaureate and even sub-associate, degree certificates yield more labor market return than these traditional higher education degrees. For example, an individual with an engineering certificate will earn more on average than an individual with a bachelor's in education or an associate's in business.<sup>14</sup>

There is still some debate over how much postsecondary education is enough, but experts now generally agree that a minimum of one year is required to consistently get someone to skill levels that support a job with family sustaining wages. Research from a Washington state study, for example, found that an occupational credential and 45 credits was the “tipping point” for substantially increasing earnings—with the benefit varying depending on the prior education of the student.<sup>15</sup> The study also found that compared to students who earned fewer than 10 college credits, those who took at least one year's worth of college credit courses and earned a credential had an average annual earnings advantage of:

- \$1,700 for those entering with a high school diploma.
- \$2,700 for those entering with a General Educational Development, or GED high school-equivalency certificate.
- \$7,000 for students who started in an English-as-a-Second-Language program.

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The United States also ranks 10th in sub-bachelor's degree attainment among its 25-to 34-year-olds, a poor indication of the middle skills needed to begin a good career.

- \$8,500 for those who started in Adult Basic Education or GED preparation.<sup>16</sup>

Similarly, a recent study of students in Florida's postsecondary education system found that students with at least an occupational or technical certificate had median earnings that were 27 percent above those with no credential.<sup>17</sup> These and other studies illustrate just how important it is for working Americans to attain at least some college-level education.

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### America's lackluster postsecondary system

Our postsecondary education system does not match the needs of working Americans with suitable educational opportunities. America is falling behind despite the growing importance of postsecondary education to our economic well-being. The proportion of individuals enrolling in college in the United States has grown since the 1970s, but the proportion of students receiving diplomas has declined slightly over the same period.<sup>18</sup> Currently, fewer than 60 percent of students entering four-year institutions earn bachelor's degrees and barely one-fourth of community college students complete any degree within six years of college entry.<sup>19</sup> The United States ranked sixth in bachelor's degree attained by its 25- to 34 year-olds out of the 30 wealthy member nations of the Organization for Economic Cooperation and Development, down from third in 1991.<sup>20</sup> The United States also ranks 10th in sub-bachelor's degree attainment among its 25- to 34-year-olds, a poor indication of the middle skills needed to begin a good career.<sup>21</sup>

In addition to stagnating college degree completion, America's workforce training system, as funded through the Workforce Investment Act, is severely under-resourced and focused on crisis intervention rather than career development. WIA, which is setup to provide one-stop service centers for the training needs of working Americans, is funded at less than a third of the Pell Grant funding that serves low-income college students. WIA received \$2.8 billion in the 2007 program year for serving adults and dislocated workers, a figure that has decreased by 40 percent from what its predecessor program under the Job Training Partnership Act received in 1985 in inflation-adjusted terms.

Data show that 80-to-90 percent of participants in WIA programs are unemployed,<sup>22</sup> which means they are getting help when they are already in a precarious situation in terms of income to support themselves and their families. This is not the ideal time to construct a long-term plan for career success and development. What's worse, this crisis intervention mindset results in a transaction-based approach that seeks to move individuals in and out of discrete job-placement services rather than a more relationship-based approach that emphasizes the development of medium-to long-term career competencies. Exacerbating this transactional problem: WIA programs have statutory limits on how long they can work with participants once they are back at work, which all but locks in the job placement mentality of those running and staffing WIA programs.

These are problems enough, but evaluating the effectiveness of existing WIA programs is also challenging. The WIA system lacks good quality performance measures for what it does, and those performance measures they have do not examine postsecondary credential attainment among working Americans that turn to the programs for help. This lack of quality information on WIA programs is in part the result of the nature of the programs, which are managed by 650 local Workforce Investment Boards throughout the country. A 2005 report by the Government Accountability Office examining data from 2003 found that local boards had approximately \$2.4 billion in WIA funds that were available to serve adults and dislocated workers but used only about \$929 million for training activities.<sup>23</sup> The remaining funds paid for other program expenses such as the overhead for One Stop Centers and administrative costs.

According to the GAO report, an estimated 416,000 individuals enrolled in training, of which 323,000 enrolled in occupational programs—that is, programs that teach skills for specific jobs. The workforce development providers of these occupational programs ranged from community colleges and high school vocational centers to community-based organizations, private training firms and proprietary schools—for-profit institutions that teach skills specific to an industry or product.<sup>24</sup> The upshot of the study: WIA is only using about 40 percent of its funds to provide training.

This research reveals the depth of problems at WIA programs. What it doesn't reveal is how many individuals received academic degrees or certificates or industry-recognized certifications, according to the GAO. But based on the kinds of training provided and the time limits frequently imposed by state and local boards, it seems unlikely that more than a third of the participants gained a degree or a nationally portable credential.<sup>25</sup> This network of WIA program providers is indeed a poorly understood “underground postsecondary system” with inadequate resources to achieve WIA's goals and little evidence of return on the investment that has been made.

A key element of this failure is that so many of the programs do not lead to any kind of postsecondary credential, which have become increasingly important as a bridge between education and work requirement for several reasons. First, increases in the general education requirement for jobs are driving demand for students with traditional associate's degrees and bachelor's degrees. In addition, there is an increasing share of occupations in fields such as information technology, public safety and health care that require proficiency standards.<sup>26</sup>

Furthermore, employment relationships in today's economy are shorter in duration, with businesses now altering their hiring practices more often, which in turn makes reliable credentials more important for matching individual skills to job requirements. For working learners beginning with literacy challenges or English-language limitations, some form of credential that demonstrates newly gained capacities is vital to move onto the next level of education.

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In addition to lackluster credential attainment, employers are reporting that neither high school graduates nor college graduates are ready with the requisite skills for their roles in a knowledge-intensive, innovation economy. Particularly lacking are applied skills such as technology use, thinking critically, working in teams, and communicating with others. Employers report that over 64 percent of high school graduates and 40 percent of college graduates don't have the necessary applied skills for success.<sup>27</sup> A 2005 National Association of Manufacturers study reports that 90 percent of manufacturers are experiencing a shortage of qualified skilled production employees, including machinists, operators, craft workers, distributors and technicians.<sup>28</sup>

Given this poor performance in postsecondary credential output and quality it is not surprising that a recent Brookings Institution analysis projects that demand for both middle skills and high skills are likely to grow more rapidly than their supply over the next decade and beyond.<sup>29</sup> As the next section of this paper will demonstrate, there is a hunger in our country among workers to learn those skills—a hunger that often goes unfed because of the nature of our educational system (including education finance) and our work schedules. To this we now turn.



# The rise of the working learner

New technologies, technology services, globalization and changes in the way businesses organize work are driving the increase in demand for postsecondary level skills and credentials.<sup>30</sup> Americans already in the workforce need to pursue education and training beyond high school. And most of those not pursuing further education and training should be. This new type of student—the “working learner”—is changing the nature of the postsecondary educational experience, with education stretched out over longer periods of episodic attendance and more varied paths to degree completion.<sup>31</sup>

Working learners are individuals already in the workforce who currently lack a postsecondary credential and are needed wage earners for themselves or their families. A working learner can be married or single, male or female, or a child living with a parent whose earnings are critical to family income. If these working Americans are to obtain a postsecondary credential they will have to combine learning, employment and family responsibilities over their working lives. Among those in the workforce between the ages of 18 and 64, the potential pool of working learners is an estimated 75 million Americans.<sup>32</sup> This is 60 percent of the workforce. The table below provides a breakdown of working learners.

**Table 1. Postsecondary Pool of Working Learners**  
(no postsecondary credential and not enrolled)

	Number
18 to 24-year-olds with less than high school education	3.2 million
18- to 24-year-olds who are high school graduates with no college education	6.8 million
18- to 24-year-olds with a high school degree and some college	2.8 million
25 to 64 year-olds who are not high school grads	11.8 million
25 to 64 year-olds who are high school grads with no college	36.2 million
25 to 64 year-olds who have a high school diploma, and some college	14.2 million
<b>Total</b>	<b>75 million<sup>1</sup></b>

US Census Bureau, Current Population Survey, 2007

Working learners are individuals already in the workforce who currently lack a postsecondary credential and are needed wage earners for themselves or their families.

Working learners are diverse. They include high school graduates and dropouts, those with low literacy and limited English speakers, and those with some college or training but with no postsecondary degree or credential. This diversity, however, belies three key commonalities:

- To obtain a postsecondary education these students will most likely need to work and learn at the same time or move between work and learning frequently.
- Because these working learners are already active in the workforce they are seeking to build skills and offer credentials that employers will recognize and compensate.
- To be successful in college-level courses, working learners will need developmental education to shore up literacy, numeracy, technology, English-language skills and college-success skills.

75 percent  
of college  
undergraduates  
in the 1999-2000  
school year were  
in some way  
nontraditional.

A recent report, “Reach Higher America,” by the National Commission on Adult Literacy, estimates that almost all working learners do not receive help in at least one of these areas when pursuing further education, especially college.<sup>33</sup> These similarities play a role in circumscribing the time spent in college by working learners and the effectiveness of the learning while there.

The rise of the working learner is clearly evident. According to the U.S. Department of Education, 75 percent of college undergraduates in the 1999-2000 school year were in some way nontraditional in that they do not meet the definition of a “traditional” student—a high school graduate that attends college immediately, is full-time, and is financially dependent on parents. During the early 1970s nearly three-fourths of undergraduate students fell into the 18-to-21 age bracket, but today only about 56 percent fit into that description.

It is not just the age of college participants that has changed but also the boundaries that define college attendance today alongside other adult activities such as employment, marriage, and childrearing.<sup>34</sup> Case in point: About 43 percent of undergraduates who were enrolled in postsecondary education in the 2003–2004 academic year were age 24 or older—up from 27 percent in 1970. Eighty-two percent of these older undergraduates worked while enrolled in postsecondary education in 2003-2004, the last year in which complete data are available.<sup>35</sup> This is up from 27 percent in 1970.

Similar trends are apparent in Pell Grant recipients. The share of Pell grant recipients who are financially independent rose to 58 percent in the 2007-2008 academic year—the last year in which complete data are available—from 30 percent in 1975.<sup>36</sup> Postsecondary students are also more mobile. Data from national longitudinal studies that looked at how students actually attended college over the 1990-2000 decade indicate high levels of transfer among postsecondary institutions, with two-thirds of all students who eventually earn baccalaureate degrees having attended two or more colleges or universities.<sup>37</sup>

Community college enrollment provides more evidence of the growth of working learners. Community college students tend to be older, work full- or part-time and be first-time college students from minority communities.<sup>38</sup> Fifty-one percent of community college students are enrolled in occupational credential programs.<sup>39</sup> Further, demand for sub-bachelor's certificates is growing faster than associate degrees at so-called Title IV postsecondary institutions, those that are eligible to receive federal student financial aid funds.<sup>40</sup>

Community colleges enrollment has risen to include about 40 percent of all postsecondary students. In fact, from 1963 to 2005 enrollment at two-year colleges has increased over 600 percent, eclipsing the increase in four-year enrollment which was only 200 percent.<sup>41</sup>

Finally, the growth in demand for online learning provides evidence for the growth of working learners. Over 3.9 million students were taking at least one online course during the fall 2007 term; a 12 percent increase over the number reported the previous year.<sup>42</sup> This growing trend, evident since 2002, is especially prominent in the number of students seeking associate's degrees at community colleges, which enroll the lion's share working learners. Half of all online students seeking these two-year degrees are enrolled in community colleges. Further, almost 70 percent of postsecondary institutions that offer online education report that to a "major extent" they provide this service to give access to students who would not otherwise attend due to geographic, family or work-related reasons.<sup>43</sup>

In short, the demand for postsecondary education has changed as other demands on students attending college have changed. Older working learners combine work and learning, seeking college credentials that are relevant to their working careers. They attend more schools at different times, and have added family responsibilities to their lives. All this is now the norm.

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## Key challenges of working learners

Working learners face particular challenges when they attempt to pursue postsecondary credentials.

Longitudinal research has found that six years after students began their postsecondary education, 62 percent of adult "employees who study"—working learners who put their work before their studies, or in economic parlance have a high labor market attachment—had not completed a degree or certificate and were no longer enrolled, while 37 percent had achieved a degree or certificate. Among the adult "students who work"—working learners who put their studies before their work, or have less labor market attachment the rate of attrition was 39 percent, with 44 percent of them achieving their credential within six years.<sup>44</sup>

The reasons for the higher level of attrition among working learners seeking postsecondary degrees or certificates is straightforward: Many have rusty basic skills and struggle academically. They work in low-paying jobs and lack resources to invest in education. They lack

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good information about labor market opportunities and become frustrated at what their education is getting them. They have little scheduling flexibility because of work and family obligations and thus pursue postsecondary credentials at a slower pace.

Most postsecondary institutions, however, ask working learners to get their education the same way that traditional students do. Programs are typically available over 16-week semesters, with each course usually requiring multiple campus visits each week—very often during the day. There is a great emphasis on hours in the classroom rather than on allowing students to demonstrate proficiency on a topic and move on to the next topic or course.

Working learners' time also is subject to regimens beyond school—with their schedules dictated by work and family as well. Thus, they prefer courses that allow them to move at their own pace as they demonstrate that they have mastered material rather than sit in a required course for a semester.

A national survey of 1,500 adult students conducted by the Lumina Foundation revealed key factors that support their postsecondary success. They include:

- Convenience to work and home.
- Affordability.
- Good information regarding programs and processes.
- Child care supports.
- More convenient course delivery systems.<sup>45</sup>

Most postsecondary institutions fall short in most of these areas.

Then there's the complexity of applying for financial aid for working adults. There is strong evidence to show that despite likely eligibility low-income students and first-generation American college students—working learners are significantly represented in both groups—are less likely to file the federal application for student aid known as Free Application for Federal Student Aid, or FAFSA, which is required for them to receive grants or loans.<sup>46</sup>

Furthermore, financial planning is critical to the educational and career success of working learners as they try to balance education and employment. The current model—requiring a year-to-year application process—makes financial assistance difficult for working learners to arrange as they plan their education and employment load. This complexity greatly hinders the persistence required to succeed in college and at work.

There are programs and training institutions that directly address these challenges—mostly available through WIA programs. But they do not typically offer useful credentials at the end of their programs and are of uncertain quality, as we will examine in detail on page 19.

In addition to the misfit between the way postsecondary institutions provide their educational services and the lives of working learners, working learners need additional guidance in pursuing further education and training. Many working learners with the lowest education and literacy levels are not well-equipped to make good decisions about what courses of study to pursue or what their employment objectives should be. They need help to decide the type of training that best matches their skill level as they meet local labor market needs—help that includes information on job openings, comprehensive skills assessments and individual counseling.<sup>47</sup>

Help with goal setting is also important. Among working adults categorized as “employees who study,” those who had set specific degree goals were significantly more likely to complete credential than those who reported no goal.<sup>48</sup> Unfortunately, this type of career planning support is spotty and at best offered by overwhelmed guidance counselors with too many students to support at many colleges and universities.

The need for career coaching and planning support, however, is undeniable. Gone are the days when workers were hired by big, vertically integrated companies and then climbed identifiable company career ladders. Today’s labor market is far more dynamic. Workers are highly mobile—moving more than ever before from company to company—with upward mobility linked to applying existing and new skills to different workplaces. In 2007, for example, 54.6 million workers—39.6 percent of the labor force—left their jobs. More than half voluntarily quit their jobs, while slightly more than a third were laid off or fired. At the same time, there were 57.7 million new hires, absorbing 42 percent of the labor force.<sup>49</sup> Excluding data related to the current downturn, research suggests a trend toward increased “job churn” in every quarter, with an estimated 8 million jobs added and 7 million jobs lost.<sup>50</sup>

Two factors driving this dynamism are the demise of larger companies and the emergence of small- and mid-size companies as job-creation engines. The ranks of the Fortune 100 companies turned over only twice between 1940 and 1980, and five times between 1980 and 2004.<sup>51</sup> The upshot: Large blue-chip corporations are no longer a ticket to stable employment.

Further complicating the development of stable career paths is the emergence of fast growing “high impact” companies—or those that have 20 percent revenue and employment growth for at least four years—as job creation engines. These new companies are hard for workers to identify and target for career opportunities—even though high-impact companies with fewer than 500 employees created 58 percent of all new jobs between 1994 and 2006.<sup>52</sup> Research indicates that these high-impact companies account for almost all private-sector employment and revenue growth in the economy.

While there are an estimated 375,000 of these companies operating in the U.S. economy, many have fewer than 20 employees and most have fewer than 100.<sup>53</sup> By virtue of their size and speed of growth they are simply hard to find. Many job seekers have never even

Many working learners with the lowest education and literacy levels are not well-equipped to make good decisions about what courses of study to pursue or what their employment objectives should be.

heard of them until they are already larger with employment opportunities stabilizing. The diagrams below illustrate this change in labor markets from the stable, industrial era of post-War American to the dynamic knowledge economy of the 21st century.

## Change from industrial to dynamic labor market

Industrial economy	Knowledge economy
Stable	Dynamic
Dominated by large corporations	fast-growing, high-impact company
most workers need high school diploma	most workers need postsecondary credentials
job promotions follow linear career ladder	Job promotions require continuous episodic education and coaching and career planning
Lifetime employment with one company	Many careers with multiple companies

Today's dynamic labor market demonstrates that career coaching and planning skills and services are as important if not more important than education and training for working learners.

Today's dynamic labor market demonstrates that career coaching and planning skills and services are as important if not more important than education and training for working learners. Unfortunately, lessons from WIA's focus on job placement and short-term training indicates that while these programs helped millions of workers find jobs and stay in the labor market they do little to build the skills needed by working learners to boost their wages as they move from company to company. Instead, workers cycle in and out of low-wage jobs.<sup>54</sup>

This reality is addressed by a new approach to workforce development that aims to help workers achieve wage and career upgrades. Urban Institute Researcher Karin Martinson, who studied career advancement programs designed to address these issues, notes: "What we found in all these programs was the importance of a career counselor or case manager—someone who's focused on helping you navigate the system as well as other barriers."<sup>55</sup>

These new career advancement programs teach participants to plan a career that complements other newly acquired skills as well as help participants find their first jobs, and then offer ongoing support to these new "employee clients" in navigating workplace challenges.<sup>56</sup> An Aspen Institute survey of graduates of six so called advancement-focused programs found that working participants' earnings raised an average of \$8,580 before the program to \$14,040 in the following year and \$17,752 in the second year after completion.<sup>57</sup>

This kind of research is very encouraging. But before we can present ways to change federal policies for working learners to spark more results such as those revealed in the Aspen Institute study, we need to first understand in more detail how current federal policies work. The reason: There are some parts of current programs that could serve as a foundation for reform.

# Federal policies for working learners

There are two sets of federal policies that are most central to working learners: Pell Grants and the workforce development system. Let's examine them each in turn.

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## Pell Grants

Federal higher education policy is guided by the Higher Education Act and its amendments. The most widely known of the HEA programs is the Pell Grant, which provides non-merit-based<sup>58</sup> aid to low-income students to help them pay for college. This key program treats working learners, most of whom pursue postsecondary credentials as non-traditional students,<sup>59</sup> less favorably than traditional students. A nontraditional student has at least one of the following characteristics:

- Delayed college enrollment for one or more years after graduating from high school.
- Attends college part time for a least some of the academic year.
- Works more than 35 hours weekly while enrolled in college courses.
- Is financially independent for purposes of determining eligibility for financial aid.
- Has dependents other than a spouse.
- Is a single parent.
- Does not have a high-school diploma, though may have a GED equivalency certificate.

The financially independent category is the key measure of non-traditional students and working learners. Out of more than 5 million low-income students who received a Pell Grant in the 2007-08 academic year, almost 60 percent of these students were independent undergraduates over the age of 24.<sup>60</sup> Yet for single independent students, the statutorily mandated federal needs analysis that determines the amount of federal aid puts far more burden on these older students than on their dependent peers.

A single, working learner Pell Grant recipient earning \$30,000 or less can be required to pay at least 30 percent of their gross earnings for postsecondary education.<sup>61</sup> It is true that working learners with children receive more favorable treatment, but other Pell Grant restrictions make it difficult for them to participate in education while juggling work and family responsibilities. The Pell Grant program, for example, provides limited aid for students who attend college less than half-time. The grant also penalizes students for work.

Pell Grant  
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postsecondary  
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traditional students,  
less favorably than  
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Much of the financial aid structure was first designed for families with children going directly from high school to college full time for four years.

Each of these conditions is a barrier to working learners getting this needed financial assistance. A recent study by the Institute for Higher Education Policy demonstrated that among working poor adults those who enrolled in college faced more than \$4,000 in unmet financial needs after accounting for all forms of financial aid.<sup>62</sup> Nor are the Pell Grant and the needs analysis unique among student aid programs in being ill-suited to working learners. Much of the financial aid structure was first designed for families with children going directly from high school to college full time for four years. Our financial aid structure today is inadequate to accommodate the different circumstances of working learners.<sup>63</sup>

What's more, the average total grant aid awarded to working learners was also lower than for traditional college students.<sup>64</sup> In 2007-08, total grant aid for financially independent students was \$5,200 compared to \$7,800 for students who were still financially dependent upon their families.<sup>65</sup> For the same academic year, part-time students received \$2,700 while the full-time peers received \$7,100. Even after controlling for enrollment intensity levels working learners from similar income levels do not receive the same grant aid as their peers.

For working learners the financial barrier to postsecondary education is substantial. Paying \$2,000 for a full-time semester at a community college or even \$300 to \$500 in tuition and fees for one course at a community college has to compete with paying for living expenses and raising a family. Courses for sub-associate degrees or occupational certificates can cost between \$5,000 and \$9,000. Costs for books, transportation and childcare add to the bills.<sup>66</sup>

Working learners need flexible financial assistance that is guaranteed over a number of years so they can plan their work and learning and find an educational program that allows them to meet their employment and family responsibilities. Working learners can no longer be an after thought but must be recognized as a significant presence in postsecondary financial aid policy. It is time for distinct policy solution to look at how to help them pay for their education.

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## Workforce development system

In the 21st century, workforce development should not be about skills training alone but also the attainment of postsecondary credentials to improve working learners' ability to participate in today's dynamic knowledge economy. Working learners must accrue postsecondary credentials that employers recognize and value in order to be competitive for good-paying jobs that can help support a family. Given that working learners must follow nontraditional pathways to achieve a credential, they require career coaching and support services that can help them build a successful work-learning pathway and navigate the choices and challenges of pursuing postsecondary education while balancing family responsibilities.

The good news is that the United States has a workforce development system. The Workforce Investment Act of 1998 provided policymakers with programs that provide flexibility and proximity to labor market opportunities through which working learners



can manage their educational and working careers. The bad news is that WIA programs were intended neither to increase postsecondary educational attainment nor to provide the continuous career counseling services over long periods of time required to help working learners succeed in postsecondary educational programs

WIA programs are designed to unify a fragmented set of employment and training programs and create a single, universal system—a one-stop system with local one-stop centers that could serve the needs of all job seekers and employers. This WIA one-stop system brought together 16 categories of programs from four separate federal entities: the Departments of Labor, Health and Human Services, Education, and Housing and Urban Development. These one-stop centers also help workers connect with other government programs that may be of assistance to them, such as the Temporary Assistance to Needy Families, a federal program designed to help poor families attain financial self sufficiency. Through the one-stop system, WIA seeks to:

- Streamline the delivery of federally funded employment and training services.
- Strengthen performance accountability of training providers.
- Enable job seekers to make informed choices among training services.
- Enable job seekers to make informed choices among training providers and course offerings.
- Enhance the private-sector role in the workforce system.

The Department of Labor distributes WIA funding through state and local workforce investment boards, or WIBs, which include businesses, unions, postsecondary educational institutions, community-based organizations, and government agencies. Local WIBs must be led by businesses (51 percent business membership is required) to promote employer engagement with the system. Currently 650 local WIBs operate over 1,600 one-stop-service centers that deliver employment and training services.

Services are delivered to three eligible participant categories: adults, dislocated workers, and at-risk youth. Services are also divided into three types: core (job search and labor market information); intensive (assessment, case management, literacy, conflict resolution, work skills, GED); and training (occupational skills and on-the-job training). A fourth service category, supportive services, is underused. Supportive services include transportation, child care, and housing if they are necessary to enable WIA participants to take part in WIA activities.

All of these services must be offered sequentially—from core to intensive to training—with participants required to show that they need the next level of assistance. Training services are outsourced to certified vendors and paid for through vouchers called Individual Training Accounts, or ITAs. The system is designed to promote accountability through a series of performance measures that include job placement, retention, earnings, skill attainment, and customer satisfaction.

WIA programs are designed to unify a fragmented set of employment and training programs and create a single, universal system—a one-stop system with local one-stop centers that could serve the needs of all job seekers and employers.

In practice WIA programs focus on job placement and are unfortunately a very cumbersome mechanism to deliver postsecondary educational credentials over an extended period of time and thus meet the needs of working learners.

This is a brief description about how the WIA programs are supposed to work. In practice WIA programs focus on job placement and are unfortunately a very cumbersome mechanism to deliver postsecondary educational credentials over an extended period of time and thus meet the needs of working learners. Training services, for example, are difficult to manage through Individual Training Accounts because it is difficult to find ITA vendors who can design programs to meet the needs of working learners. This disconnect between the needs of working learners and the capabilities of ITA vendors is evident in the 700 requests to waive WIA rules submitted by states to the Department of Labor since 2000. A majority have been requests to change services allowable for an eligible participant category—adult, dislocated worker, and youth noted above.<sup>67</sup>

Indeed, CAP’s own analysis of successful programs that serve at-risk youth and working adults<sup>68</sup> indicate remarkable similarities between the programs and policies necessary for helping these groups—from developmental education to career development to financial aid. These pilot programs usually occur at the state and regional level at the margins of the current workforce system either by using other sources of funding or by bending current federal rules formally, through waivers, and informally by implementing ideas on the ground, with federal funds, and dealing with audit rules later.

Indicative of the failure of most WIA programs to help working learners is that government funds that could be used for other key services such as career coaching are being used instead to maintain one-stop centers and other program costs—with this spending actually exceeding the amounts spent on actual training.

Here’s one telling example. Funding for the U.S. Employment Service, a federal-state partnership created by the Wagner-Peyser Act of 1933 that is supposed to provide for a public labor exchange, job placement, and counseling services to workers and employers, is instead used to fund one-stop infrastructure (nonpersonnel) costs.<sup>69</sup> Historically these funds paid for professional career guidance and labor market information services, but beginning in the 1980s this move to fund infrastructure as the labor market became more complex couldn’t have happened at a worse time. Not only have funds been used for other purposes but they have also been decreasing, in real terms, with the Employment Service budget falling by 50 percent since 1984.<sup>70</sup>

What’s worse, our nation’s workforce development system faces little accountability. This is due in part to the spread of responsibilities among different government agencies working through hundreds of individual workforce investment boards, and in part due to a lack of focus on long-term employment outcomes for working learners participating in these programs alongside the lack of clear goals for postsecondary attainment. According to GAO testimony in 2007, little is known about what the WIA system is achieving because:

- Only a small minority of participants are captured by performance measures.
- There is not enough information regarding credentials or certificates earned by participants.

- There is no information regarding ITA vendor quality.
- There is no comparability of data across states to measure national performance.<sup>71</sup>

This type of data is critical for creating a customer-focused system that delivers quality education and training with labor market value to working learners and for providing policymakers with information about what works so that it can be scaled responsibly.

The selection of data and its uses are also critical to balancing the challenges of accountability and innovation. The diverse sets of partnerships at the core of the workforce development system are highly decentralized. The system's decentralization creates formidable political, managerial, and technical challenges in practice. Federal officials have long argued that investments require the highest standards for accountability. In response state and local officials routinely argue that federal program regulations, including accountability measures, limit flexibility and impede adaptation of programs to local circumstances, especially the integration of employment and workforce development programs funded from multiple sources.<sup>72</sup>

Performance data that measures broad goals and incremental improvements, however, could foster innovation by allowing states flexibility of implementation. A case in point could be developmental education—that combination of workforce skills and academic skills that make working learners ready to take for-credit college level courses yielding a postsecondary credential of value to employers. These are measurable outcomes. Indeed, states around the country already experiment to find the right mix of curriculum, teaching, program schedules, and supportive services such as child care and transportation to help working learners succeed.

One clear innovation that seems to work is embedding basic education and occupational skills training, yet the incremental credentialing process in developmental education as a piece of the puzzle to attain a postsecondary credential is totally missing from training and adult education reporting systems. Title I and Title II of WIA provide funding for workforce training (managed by the Department of Labor) and adult education programs (managed by the Department of Education), yet the performance requirements for these two funding programs are not aligned with each other. And these two programs are not constructed for working learners to gradually attain postsecondary credentials. This sets up state and local level bottlenecks to using funds in complementary ways. It also prevents federal policymakers from understanding the connection between these activities and thus modifying federal oversight and movement of the larger system toward postsecondary success for working learners.

Clearly this system is inadequate for working learners with college classes and jobs that run in parallel and not in sequence as they accrue skills and build a career. What's critical for working learners is federal policies that help them accumulate career development skills and develop a long-term vision of what success means for them so that they can work and study simultaneously toward those goals.

Performance data that measures broad goals and incremental improvements could foster innovation by allowing states flexibility of implementation.

Among workforce development programs currently provided with federal funds only the Trade Adjustment Assistance program, which provides services to workers who have lost their jobs because of increased global competition, has some elements of longer-term assistance services such as relationship-based career support, wage insurance to moderate income loss during retraining, and more flexible funding for education and training. The key here is the focus on the individual worker's success over the long term, which allows for organizing the resources of public agencies, education providers, community-based organizations, and unions around the needs of the worker.

The Trade Adjustment Assistance program makes a decentralized system easier to manage, but there are elements within WIA programs that could serve working learners well. The programs do boast the flexibility to deal with working learners that many traditional colleges lack. And the one-stop centers are close to workers and to labor markets and thus can be used as platforms for providing important services. These mechanisms can be used well in designing a postsecondary system that works if policymakers make the reforms necessary. Our proposals of how to do so are presented in the next section.

# A new path forward

Working learners have four essential needs that need to be met for them to succeed in postsecondary education:

- Flexible financial assistance that promotes getting college credit over time.
- Access to 21st-century career coaching to design a successful work/education path.
- Accurate information about education and training quality.
- Educational institutions able to adapt their services to the needs of working learners.

These needs present both a challenge and an opportunity. The challenge is that they cut across many government agencies and often require partnerships with the private and non-profit sectors. Such cross-institution partnerships are very complex and thus difficult to scale both because working learners find them difficult to understand and federal policymakers are reticent to invest in something with so many moving parts and little accountability.

The opportunity is that the United States has a rich set of partners upon which draw to help working learners obtain postsecondary credentials. These include federal and state governments, colleges and universities, community-based organizations, business, and unions. To help working learners succeed these partners must create policies and institutions that have the flexibility and labor market focus of the workforce development system aligned with the pedagogical and educational rigor of the higher education system.

The key to capitalizing on this opportunity is to build upon existing policies and institutions in a way that is easy to understand for working learners and provides federal policymakers with key partners in which to invest to scale. We need programs whose brands are recognizable to working learners and unambiguously focused on the acquisition of postsecondary credentials.

We also need a means for federal policymakers and agencies to manage a highly decentralized and collaborative process in a way that assures accountability but allows for on-the-ground innovation.

To achieve all this CAP recommends investing in the following key catalytic policies and institutions to provide an easy-to-use system for working learners and a way for federal policymakers to manage the complexity of program implementation:

To help working learners succeed these partners must create policies and institutions that have the flexibility and labor market focus of the workforce development system.

- To meet the need for flexible financial assistance, create a new Micro-Pell Grant program that promotes less-than-half-time postsecondary credit attainment (or micro-credit attainment) for working learners.
- To meet the need for career development and planning, create a relationship-based professional services program for working learners through the U.S. Employment Service, with career coaching services designed for the dynamic labor markets operating in our 21st century knowledge economy.
- To meet the need for good information about education and training program quality and performance, set national goals for postsecondary attainment, repurpose local workforce investment boards to provide quality assurance for federally funded programs for working learners, and modify Title IV of the Higher Education Act to link institutional eligibility to receive federal financial aid funding to working learner postsecondary success.
- To meet the need for adaptable education institutions, use American Recovery and Reinvestment Act and Access and Completion Incentive Fund investments to promote community college transformation with a focus on working learner success.

We will now examine each of these broad sets of recommendation in turn.

# Flexible federal financial assistance for postsecondary education credentials

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## Micro-Pell Grant

The Pell Grant is a highly recognizable and trusted brand. It is a cornerstone of the Higher Education Act and firmly connected in the mind of all Americans to college access and success. The Pell Grant is also well understood by policymakers, making it an ideal tool for better engaging working learners in college level education.

CAP recommends that Congress should amend the Higher Education Act to create a Micro-Pell Grant designed for the unique needs of working learners. Congress should use part of the administrative and program cost savings from moving student loans to the Direct Lending Program—in which students who take loans to pay for college borrow directly from the federal government rather than a private-sector firm—to create a \$2 billion Micro-Pell Grant targeted specifically to adult learners aged 18 to 64 who work 30 hours or more a week and earn less than \$40,000.

This Micro-Pell Grant would target less-than-part-time enrollment by working learners in one or two courses. Eligible working learners could qualify for 25 percent of the current maximum Pell Grant if they enroll in an industry-certified, not-for-credit course required by an existing employer or enroll in an occupational program at an accredited postsecondary institution that offers college credit.<sup>73</sup> For example, this year's Pell Grant maximum is \$5,350, so 25 percent for enrolling in one course would be \$1,300 or \$2,600 for two courses.

Working learner eligibility would be determined from tax return data rather than the Free Application for Federal Student Aid.<sup>74</sup> Using tax return information to simplify the application for federal financial aid has been articulated by Harvard University's Susan Dynarski and Judith Scott Clayton as a way to help working learners simplify the task of finding resources for postsecondary education. Eligibility for the benefit would remain until the working learner earns a credential as long as they remain continuously enrolled. If the working learner drops out of these classes, eligibility is capped at three years.

In order to maximize efficiencies of existing workforce education programs, the Micro-Pell Grant should be administered by the Employment Service in one-stop career centers, which would also help the students navigate an educational and career plan.

Individual Training  
Accounts and adult  
basic education  
funds must  
fund training for  
postsecondary  
credentials that  
demonstrate both  
valued workplace  
competencies  
and readiness for  
postsecondary  
level course work.

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Focus Workforce Investment Act Title I and Title II education and training funds on developmental education that demonstrates work and college readiness

The Workforce Investment Act is up for reauthorization. Congress should modify Title I and Title II of WIA so that Individual Training Accounts and adult basic education funds must fund training for postsecondary credentials that demonstrate both valued workplace competencies and readiness for postsecondary level course work. This focus aligns with the Micro-Pell Grant focus on incremental postsecondary completion by providing the foundational skills that many working learners need to be successful.

To be certified as ITA vendors organizations will be required to demonstrate that their course of study provides an industry-recognized certificate or is accepted as a mandatory prerequisite for entry into courses at Title IV-eligible postsecondary institutions. This focus on relevant credentials can be achieved through the standards-setting and quality-assurance process handled by workforce investment boards, which will be described in detail below.

Congress, to ensure this happens, should change the performance measures and national reporting system in Title I and Title II, respectively, to align training and adult education performance measures with each other and national postsecondary attainment goals. These changes would connect the most highly visible federal funding source for college access with the needs of working learners and build a bridge from funds traditionally used for training to credits for postsecondary attainment.



# 21st-century career coaching designed with accurate information on the quality of education and training

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Eliminate the adult, dislocated worker, and youth categories of eligibility in WIA programs in favor of a working learner category for those between the ages of 18 to 64

GAO reports make clear that funding tied to current program categories by WIA does not allow for enough programmatic flexibility to meet the needs of working learners. Creating a working learner category would recognize the similarities that all these groups share in trying to obtain a postsecondary credential. Working learners need to work and focus on education with labor market value and may well also require some basic developmental education.

This focus on working learners also will allow for a renewed focus on youth development for younger people who participate in WIA programs. Often the development of life skills these younger workers need is a precursor to successful workforce development, but these skills get lost in the rush to prepare them for work. Creating a working learner category in WIA programs would facilitate this life skills learning process. Programs for youth aged 14 to 17, with some exceptions for 18- to 21-year-olds who have particularly challenging developmental issues, should be held harmless from a funding perspective in this reorganization.

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Place the U.S. Employment Service in charge of the One-Stop System to run it as a continuous service career coaching center

To position working learners for postsecondary success, the workforce development system can no longer be a crisis intervention system focused on short-term job placement. It must become a career development system that prepares working learners to be able to successfully select and complete quality training over their lifetime using a continuous—if episodic—relationship based model. The diagrams below present two different visions for how workers should interact with the workforce development system.

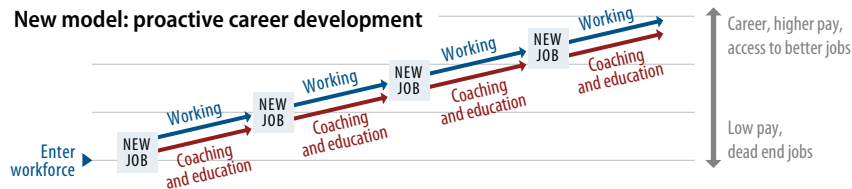
In today's economy career coaching is as much about help with personal decision making regarding work, education, and life responsibilities as it is about resume writing, job placement, and skills assessment. Career coaching is an iterative, mentored process that enables working learners to build education and work experiences that advance their career over time. The process is based on a set of standards called the National Career

## WIA Service Realignment

### Current model: reactive crisis intervention



### New model: proactive career development



Development Guidelines.<sup>75</sup> These guidelines frame the process so that working learners develop competencies in three key areas:

- Personal and social development.
- Educational achievement and lifelong learning.
- Career management.

Together these competencies provide the tools to design an effective career path to education and work success.

Personal and social development competencies focus on individual career decision making to develop the interpersonal skills needed to access financial and educational resources and to integrate change into the career path of working learners. Educational achievement and lifelong learning competencies focus on skills to achieve the education levels needed to reach personal goals and continue to learn and further the careers of working learners in a changing economy. Career management competencies focus on skills to manage work, education, and life responsibilities on an ongoing basis.

All of these skills focus on defining a career plan, accessing and using labor market information for planning purposes, and integrating changing employment trends and economic conditions into career plans. Working learners with these competencies, working with a career coach, would then be able to develop a postsecondary success plan and access the necessary financial and support services (transportation, child care, housing) to help them move into their postsecondary education and training.

This level of career service, at scale, will need support from the latest technology tools to acquire real-time access to employment opportunities, in-demand skills, mentor networks, and educational opportunities. Current web-based services are tooled more around finding available services than actually engaging working learners to proactively plan and manage their careers.

One model that defines such a technology mediated career service is called “Monster-4-All,” proposed by noted economist Anthony Carnevale of the Center on Education and the Workforce at Georgetown University. In the private sector, another model called “My Development,” created by IBM, allows employees to manage their individual development activities through user-friendly, web-based tools.

The U.S. Department of Labor should use part of the funding provided through ARRA Green and High Growth Jobs Competitive Grants to develop this sophisticated technology platform to support relationship-based career coaching.<sup>76</sup>

Whatever the model, we believe the U.S. Employment Service with its core of job search, placement, and counseling services delivered by trained professionals combined with its historic role as an advocate for workers in the labor market is a strong choice to move the workforce development system to a sustained career coaching model. The Employment Service should be placed in charge of the One-Stop Center System and manage all resources and partnership through the lens of relationship-based career coaching.

The Employment Service is a long-running federal-state partnership with a dedicated funding stream through the Federal Unemployment Tax Act. This means it has the stability and legitimacy needed for Congress to be sure its investments will be used wisely thus allowing for scaling to meet the needs of more working learners. Further, this stability coupled with the visibility of the One-Stop Centers provide a platform for becoming a brand that is trusted by working learners.

Capitalizing on these considerable advantages will mean stopping the decrease in funding for Employment Service activities and retooling and professionalizing the skills of staff as career coaches. In addition, Employment Service operations would need to be better designed to engage with the diverse partners required to support working learner success in a global economy with dynamic labor markets. A professional employment service will help provide pervasive career coaching for working learners through direct service delivery and by training and certifying partners including: unions, community colleges, and community-based organizations to support career coaching activities.

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### Convert local Workforce Investment Boards into quality assurance providers for the whole system

Local Workforce Investment Boards were designed to bring together the stakeholders necessary to connect training to local and regional labor market needs. They have fiduciary responsibility for the federal funds received and general governance responsibility for their area. In practice they have ended up focused on the details of managing federal dollars to short-term job placement goals. Given the mix of WIB partners from educational institutions, businesses, unions, community-based organizations, and public agency on these boards, a much better use of their time and collective wisdom would be for them to play an enhanced training oversight role with a laser focus on assuring the quality of education and training and the performance of the system toward broader regional and national goals.

Education and training services in the public workforce development context are about identifying training vendors, setting standards for education design and delivery, ensuring quality, and understanding labor market skills demand. This work requires expertise in job

The Employment Service is a long-running federal-state partnership with a dedicated funding stream through the Federal Unemployment Tax Act.

task analysis, skills mapping, curriculum assessment, and educational and credential evaluation. It is a full-time discipline with a goal of aligning funded education and training with current and future labor market needs.

Without a performance measurement system policymakers cannot understand working learners' unique paths to postsecondary success and the mix of programs that help them achieve success. Working learners each follow unique paths to postsecondary credentials. Given their learning, literacy, and English skills levels they may require stages of preparation to get them the postsecondary education credentials that enhance their employment opportunities. But each stage must yield a credential that has value either to an employer or to the next education provider in terms of skills learned or course credits accrued.

Efforts to embed basic skills in credit-earning courses at postsecondary educational institutions and so-called stackable credentials—which provide intermediate measures of skill attainment below a certificate or associate's level—are now underway in Washington State and Ohio with early evidence of success. Central to both of these experiments is either combining or building connections between developmental education, occupational skills training, and college-level work. These state-based programs show it is key that all training funded through WIA programs yield a credential even if it is an intermediate one such as emergent models proposed for a National Work Readiness Credential or a College Ready GED Credential being developed by ACT or other certificates for apprenticeship completion. This would allow working learners and their current employers to know specifically what skills sets are evident, and would allow potential employers to know how to assess the suitability of working learners for new employment opportunities.

The oversight role envisioned here is an iterative process, in which stakeholders learn together what credentials (existing or new) are relevant to the labor market then help to scale them. The role is similar to that of the American National Standards Institute, whose mission is to enhance both the global competitiveness of U.S. businesses and the U.S. quality of life by promoting and facilitating voluntary consensus standards and conformity assessment systems and safeguarding their integrity.<sup>77</sup> In the workforce context, this ANSI-like function would help to provide a regional and national focus to critical skills measurement areas including work and college readiness.

We recommend that the local WIBs take on the quality assurance and performance function as their primary role in the workforce development system, with the Employment Service taking on direct career training services for working learners and One-Stop Center Management as noted above. The WIBs have fiduciary responsibility over federal training funds and their stakeholder mix has the expertise to carry out the different elements of training oversight and management.

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## Set national postsecondary attainment goals for working learners who use WIA funds

The federal government needs to focus on postsecondary attainment levels for all working learners, but to do so requires that the accumulation of postsecondary credentials becomes a key performance driver in the WIA system. This will also provide the national goals that WIBs can use to drive system quality and performance at the local level.

The federal government should make the achievement of postsecondary credentials a key performance measure and also develop a performance category that takes into consideration the intermediate credentials and benchmarks of working learners as they progress, such as the Work and College Readiness credentials or apprenticeship certificates mentioned above. These stackable credentials as steps to further education and employment are still in their infancy and will require focused research. Other useful progression benchmarks include those that measure institutional performance in getting students to complete incremental credit blocks such as 15 and 30 credits.

Related to the issue of performance is the ability to gather data on working learners as they progress on their journey through postsecondary education. Information on wages, education level, and credentials will help us know whether these national goals are being met and inform policymakers of the on-the-ground about the effectiveness of the services. This will require data systems at the state level that allow departments of education, labor, and human services be able to communicate through a common data platform. States will help developing these systems.

To develop both intermediate credential measures and better data system, we recommend using funds from the American Recovery and Reinvestment Act. The ARRA contains \$250 million in funding for state-level data system development. We recommend that 5 percent be used to build better educational data systems to assess the education and career progress of working learners who have participated in government-supported workforce programs. A key to the development of data systems that help to manage performance and quality will be to align wage records, job placement information, and transcript data. These funds can be used as a complement to funds invested through the ARRA Green Jobs and High Growth Jobs Competitive Grants managed by the U.S. Department of Labor.

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# Targeted investment in community colleges focused on working learners

President Obama recently announced a White House initiative to be headed by Jill Biden, a seasoned community college educator, to highlight the role of community colleges in student success and achieving his postsecondary education goals for the nation. We support this goal and believe that community colleges are ideally situated to become the primary providers of postsecondary education for working learners.

Data show that many working learners will begin their journey in community college and either gain a postsecondary credential there or pass through on their way to more education.<sup>78</sup> Community colleges also are active in the workforce system as training providers, though not at scale,<sup>79</sup> a role that positions them to catalyze the development of a system that combines the flexibility of workforce development programs with the pedagogical rigor of higher education. Community colleges also serve on local workforce boards and are thus connected to the businesses, unions, and other leaders in the local labor market. Finally, community colleges are already focused on providing their students with credentials that offer recognized measures of accomplishment to employers of competence and capacity.

For community colleges to rise to the challenge, however, they will have to change. They are, for the most part, still designed to primarily serve the needs of traditional students. To better serve working learners community colleges need to offer more than traditional semester-length courses and develop bridges between the for-credit developmental education courses they offer and career coaching programs offered to working learners in need of career support in their everyday work. Key areas of innovation include:

- Tightly defined course sequences
- Compressed class formats
- Consistent class schedules
- Competency-based educational advancement
- Whole program registration (students register once rather than every semester)
- Coordinated support services between classes and work
- Integrated developmental and occupational skills education.<sup>80</sup>

These areas of innovation simply make it more likely that a working learner will be successful at getting a degree or credential. They modify community college practices in ways that support the learning style and work and life responsibilities of people who are the wage earners in their families.

Additionally, community colleges will need to build on their own strengths through partnerships with the business community, unions, and community-based organizations to help define applied skills, use workplace learning to support classroom instruction, conduct working-learner marketing, and provide support services. These innovations use resources outside the community college to make it more likely that working learners are ready and able to enroll and persist to get a credential.

In the fall of 2009 The Center for American Progress will release a series of papers that further develop these topics, including career coaching in academic settings, apprenticeships that lead to associate degrees, funding formulas for community colleges, and alternative funding sources for college. In this paper, however, we present policy changes that we believe will best serve working learners attending community colleges.

In particular community colleges can become leaders in rethinking the way our high schools, colleges and universities, workforce development agencies, and adult-education services can come together to build an infrastructure to support the long-term success of working learners.<sup>81</sup> The Obama administration and Congress should support the transformation of community colleges to the primary source of postsecondary education for working learners by retargeting government funding in a number of programs.

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## Access and Completion Innovation Fund

We recommend using \$500 million of the Access and Completion Incentive Fund in the Obama administration's 2010 budget for the Department of Education<sup>2</sup> to invest in these initiatives leading to postsecondary credentials for working learners.<sup>82</sup> These funds would be targeted at two-year institutions that seek to expand their business model in a way that sustainably increases college attendance and completion among working learners. Funds would be used to:

- Innovate curricula and instruction
- Invest in web-based learning
- Transform developmental education (basic skills, English as a second language, workplace readiness)
- Train faculty and applied learning experiences such as apprenticeships to develop new ways of attending college.

These funds would target pedagogical and program innovation within the walls of community colleges.

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## Green Jobs and High-Growth Sector Competitive Grants

We recommend using the \$750 million High-Growth Sector Competitive Grant process in the American Recovery and Reinvestment Act to fund new programs that encourage postsecondary educational access among working learners. This funding is now split into categories: \$500 million to prepare workers for jobs in energy efficiency and renewable energy sectors and \$250 million for health care and other high growth sectors. Both should be used to build bridges to postsecondary success for working learners at community colleges through so-called on-ramp programs that deliver better ways for working learners with developmental education needs to successfully enter postsecondary credential bearing programs.<sup>83</sup>

The U.S. Department of Labor has issued early guidance for this competitive grants process in the form of a Training and Employment Notice on May 15, 2009. This guidance lays out a series of grant programs: Energy Training Partnership, Pathways Out of Poverty, State Sector Training, and Green Capacity Building Grants. In designing the criteria for awarding these grants, CAP recommends that successful proposals must demonstrate explicit postsecondary credential completion or progression toward completion of a postsecondary credential for students on developmental education tracks. In addition, proposals should demonstrate sustainable partnerships with community colleges that provide opportunities for working learners to continue their education beyond the scope of grant activities.

These programs should focus on defining better ways for working learners with developmental education needs to successfully enter postsecondary credential-bearing programs.<sup>84</sup> Specifically, these programs should include:

- Community-based education to deliver intermediate credentials
- Training in high-growth industry clusters such as clean technologies
- Professional development for noncollege educators teaching at community-based organizations
- Development and testing of intermediate credentials
- Integrated career and support services.

This legislation will complement the Access and Completion Innovation Fund investment by allowing the use of training funds to build community, union, and business partnerships.



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## Office of Community College Innovation

To build on the “opportunity.gov” bridge the Obama administration has built between the U.S. Department of Education and the U.S. Department of Labor, the administration should create a new entity called the Office of Community College Innovation. This office should replace the Office of the 21st Century Workforce at the U.S. Department of Labor and be formed as a partnership between the Offices of Vocational and Adult Education and Postsecondary Education at the Department of Education, and the Employment and Training Administration at the U.S. Department of Labor to guide an evaluation of how federal agency structures can be permanently modified to promote postsecondary attainment for working learners.

This new Office of Community College Innovation is needed to coordinate and evaluate working-learner access stackable credentials and the path they create toward postsecondary success. The federal government will need to learn as much as it can from early adopters to determine what is scalable. Operations for the office would be funded by a set aside from the Access and Completion Incentive Fund.

# Conclusion

Working learners are the key to increasing the numbers of Americans with postsecondary credentials, which in turn is key to ensuring the U.S. economy remains globally competitive in the 21st century. In order to boost the educational attainment of working learners policymakers must take the best that the U.S. postsecondary education and workforce development systems have to offer and adapt them to the purpose of turning working learners into more productive workers with better jobs to the benefit of the workers themselves and the nation's economy. We believe our recommendations in this paper and the supporting analysis underscore not just why we as a nation must help working learners but how to do it.

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## About the author

Louis Soares is the Director of the Economic Mobility Program. Previously, he worked as a nonprofit director, educator, policy analyst, volunteer, and advocate across the fields of workforce, education, and economic development. A leader in workforce development and human capital issues, he has published articles and op-eds on workforce and innovation.

Prior to joining American Progress, he served as Director of Business Development at the Rhode Island Economic Development Corporation where he managed Rhode Island's business attraction, export assistance, government contracting, and small business initiatives from 2003 to 2006. As Director of Education and Training for the Rhode Island Technology Council from 2000–2002, Louis developed and managed a workforce training strategy for a 240-member trade association, which included implementing education-business partnerships at the high school, college, and corporate levels to align with relevant workplace skills.

He also was a small business consultant with the U.S. Peace Corps in Romania in 1995 and 1996. He holds a Master's Degree in Public Administration from Harvard University and a Bachelor's Degree in Business Economics from Brown University.

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