

# **Workforce Development in the Federal Reserve System**

**Setting the Stage for Potential  
Partnership with the U.S.  
Conference of Mayors WDC**



**Todd Greene  
Vice President  
Federal Reserve Bank of Atlanta**

## The Future of Workforce Development

“In my view, there are four key institutional factors that influence success in the process of human capital development.

The first is **solid general economic fundamentals supported by prudent and effective macroeconomic policies...**

Second is a **strong basic educational system** from pre-K through grade 12...Beyond that lies our higher education system...including the spectrum of community, vocational, and technical colleges as well as postgraduate professional schools. Third is **vibrant support for economic development at the local level.** And fourth is a **flexible and dynamic system of workforce development.**”

-Atlanta Fed President Dennis Lockhart, 2012 National Workforce Development Conference, Kansas City

## Agenda

- Reason for Fed involvement and key trends
- Selected examples of Federal Reserve System work with WIBS and in workforce development
- Federal Reserve resources
- Discussion of next steps and potential collaboration

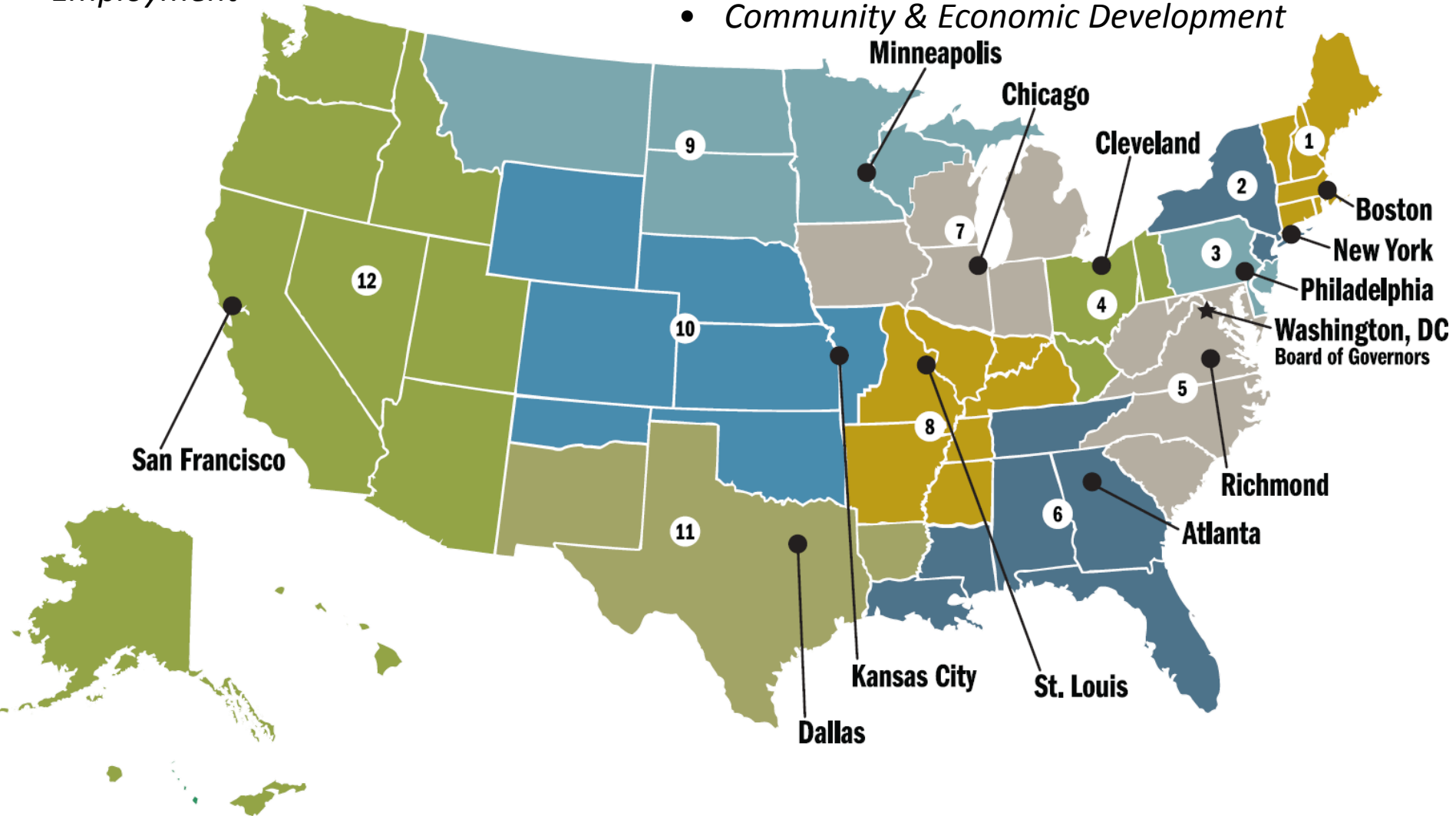
# Federal Reserve System

Our Dual Mandate:

*Stable Prices, Maximum  
Employment*

Selected Functions:

- *Monetary Policy*
- *Efficient Payments System*
- *Bank Supervision & Regulation*
- *Community & Economic Development*



# What we do: Federal Reserve System Community & Economic Development Strategic Plan

- **Convene Stakeholders:** Bring together practitioners from financial institutions, nonprofits, governmental agencies, and the philanthropic and private sectors to collaborate on community and economic development initiatives and to identify key challenges and promising practices to address them.
- **Conduct and Share Research:** Provide policymakers and practitioners with objective, high-quality analysis to explain the economic challenges facing LMI communities and policy implications.
- **Identify Emerging Issues:** Gather and disseminate up-to-date information on financial conditions and emerging issues affecting LMI communities and individuals.

## Chronic Unemployment and Workforce Development Roundtable Locations



- Develop a deeper understanding of local and regional factors and inform policy makers
- Identify gaps and opportunities within and catalyze more effective and efficient strategies and processes
- Catalog and share best practices

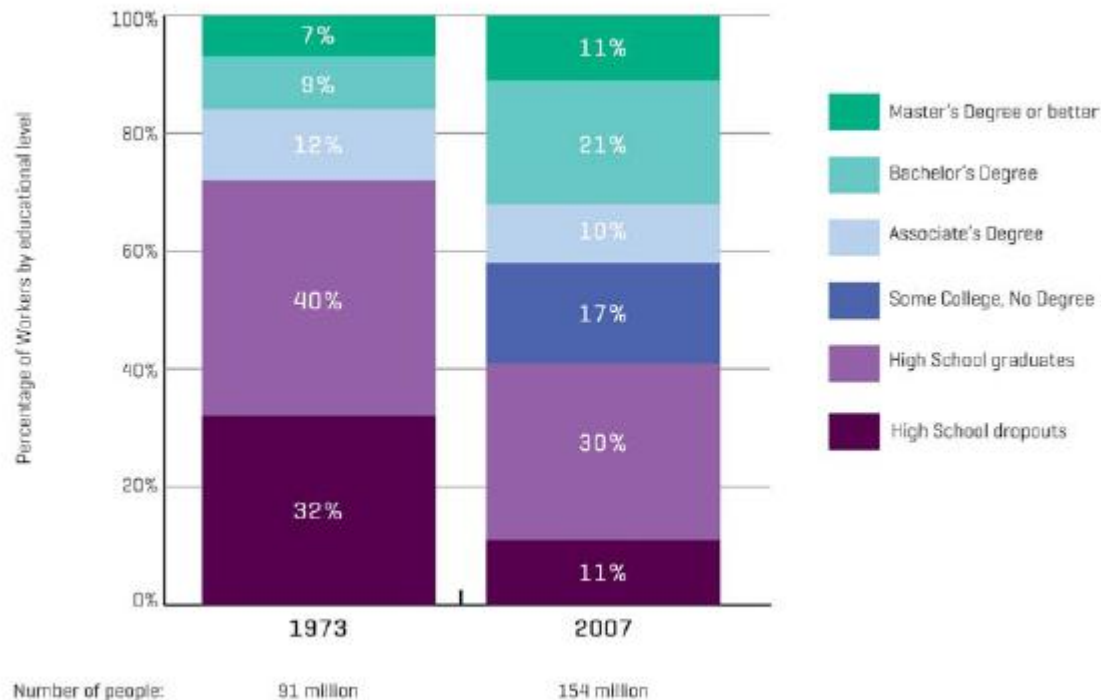
<http://www.federalreserve.gov/communitydev/long-term-unemployment-and-workforce-development.htm>  
KC Workforce Development Conference

as of May 17, 2012

# Non-BA Degrees Make up The Plurality of Future Job Growth

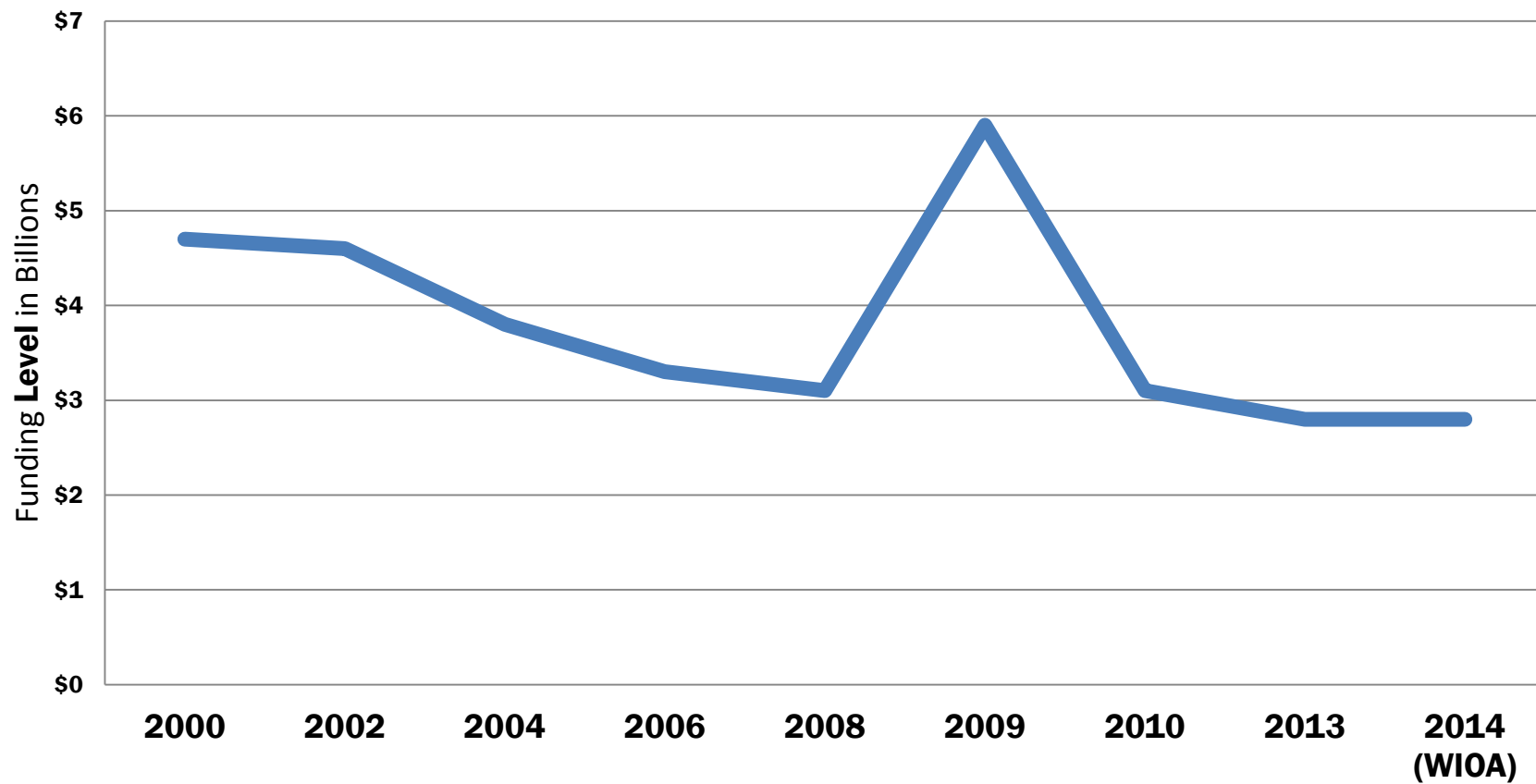
- Nationally, somewhere between 40% and 50% of jobs in the future will require post secondary training, but not a BA+

**FIGURE 1** Since 1973, jobs that require at least some college have exploded while opportunities for those with just a high school education have shrunk dramatically



Source: March CPS data, various years; Center on Education and the Workforce.

## WIA Title I Funding





## The Workforce System is becoming a Workforce development marketplace

- In real terms, funding from federal channels is 87% less than in 1980 (Holzer 2007)
- Pell Grants represent about \$36 billion in funding
- \$120 billion in student loan funding via Higher Education Act
- \$250 - \$500 billion in work based training

## Current Conditions in System

- More disparate, decision making is driven by individuals seeking training (with WIA/WIOA vouchers and student loans)
- Less centralized decision making, less efficient, municipal fragmentation
- More competitive
- Less coordination and alignment

## Conditions in Atlanta



[www.maxworkforce.org](http://www.maxworkforce.org)

## Metro Atlanta's Workforce Landscape

- Over 200 organizations providing training
- Over 500 locations to receive services
- Range of organizations:
  - For-profit, non-profit, government
  - Single proprietors to hundreds of employees
- Broad coverage across the region

## Results of MAX Survey

1. Connections to the business community and economic development are an aspiration, not a reality
2. Workforce development providers have limited visibility across the region
3. Job training providers see access is a limiting factor for reaching clients

## Partnerships today and in the future

**TODAY:** Less than one-third (30%) indicated at least one type of engagement with an employer.

**FUTURE:** Employers top the list of new partnerships that providers want to foster.

<b>FUTURE: Desire New Partnerships with...</b>	<b>Responses</b>
Employers	122
City or County Economic Development Organizations	108
State and Regional Economic Development Partners	108
Job Training Providers Other Than Academic Institutions	104
Local Workforce Investment Boards	103
Chambers of Commerce	102
Support Service Providers	92
Technical Colleges	84
Four-Year Colleges and Universities	80
K-12 Schools	67
Other	5

## What prevents people from getting to services?

Over half of the responding providers offer their services to the entire 10-county region. Traveling within the region is costly in time and money, especially for individuals who are income constrained and/or transit dependent. More research is needed to better understand the geographic reach of providers and the ways individuals want to access services.

Rank	Barrier	Score
1	Do not know about the services available	8.92
2	<b>Lack transportation options to reasonably access services</b>	<b>8.67</b>
3	Cannot afford services	8.25
4	Do not have adequate support to utilize services	7.81
5	Do not have confidence that utilizing the services will ensure better employment outcomes	7.24
6	Do not have available time to utilize services	7.17
7	Are not interested in the services	6.15
8	No barriers limit participation in our services and/or programs	5.23
9	Do not trust providers	5.19

## Atlanta Unique?

- The challenges metro Atlanta's workforce marketplace and job training providers face are seen in other contexts
- Regions are starting to create metro level collaboratives to solve these challenges
- Atlanta has focused on engaging the business and economic development community – and had strong buy in from executive level leadership



## Dallas Fed:

### “Preparing the Workforce for Tomorrow”

- July 23<sup>rd</sup> Event in El Paso
- Informing middle school educators about jobs for the future
- Better course selection for high school and post secondary education and career opportunities
- Launch of “Navigate: Exploring College and Careers”
- (a) examines career and educational requirements; (b) evaluates educational opportunities after high school; (c) identifies academic and extracurricular opportunities during high school; (d) researches the cost of post secondary education; (e) explores financial and educational assistance; (f) imagines their own path to success

## Philadelphia Fed

- Conference featuring leadership from Lehigh Valley Workforce Investment Board and regional economic development corporation (Joint strategic plan)
- Webinar on youth unemployment (speakers from JP Morgan Chase and Philadelphia WIB)
- Webinar on work based opportunities for youth (with Assoc. of Chamber of Commerce Executives)
- Atlantic City Work

## Federal Reserve Board of Governors: Survey of Young Workers

- In The Shadow of the Great Recession:  
Experiences and Perspectives of Young Workers
- In-depth look at experiences and aspirations of young adults entering the workforce
- 45% are optimistic, 21% are pessimistic
- Responding to demands for post-secondary credentials and degrees
- Financial considerations top barrier
- Personal networks primary source for finding jobs

## Chicago Fed: ProfitWise Publication

- Industrial Cities initiative identified workforce as most vexing issue facing former manufacturing cities
- Collapsing demand for middle skills
- Rising cost of skill likely culprit behind perception of skills gap

## Kansas City Fed

- Fed staff on Oklahoma State WIB
- Statewide conference in Albuquerque focused on improving outcomes of low wage jobs
- Clyde McQueen serves on Kansas City Community Development Advisory Council

## Boston, Richmond, San Francisco, Atlanta Feds

- Boston: Digital Badging Conference
- Richmond: Workforce briefing with Va. Secretaries of Commerce & Trade, Education
- San Francisco: Workforce Development Needs of Immigrants
- Atlanta, St. Louis, Richmond, Dallas: Aligning Workforce Development Efforts with HBCUs
- Atlanta, Kansas City: forthcoming book “Transforming Workforce Development Policies for the 21<sup>st</sup> Century”

# Federal Reserve Resources

**Connecting Communities<sup>®</sup>** SPONSORED BY THE FEDERAL RESERVE SYSTEM

Monthly webinar series to provide a national audience with timely insights and information on emerging and important community and economic development topics.

Each hour long session is free and open to the public.

**VISIT: [www.stlouisfed.org/bsr/connectingcommunities](http://www.stlouisfed.org/bsr/connectingcommunities)**

# Federal Reserve Resources

NOW AVAILABLE



**FedCommunities.org**

Federal Reserve community development resources  
promoting people, place, practice and small business

One portal.

Thirteen Federal Reserve sites.

Hundreds of community  
development resources.

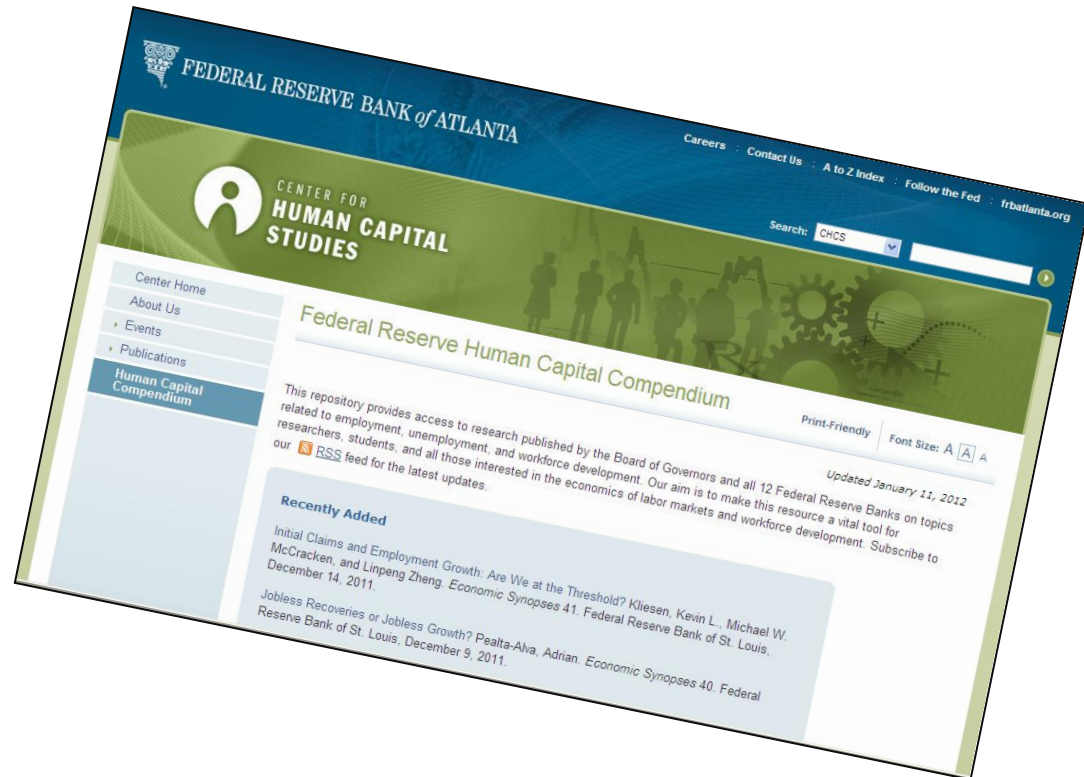
Whether you are looking for research on affordable housing, a podcast on workforce development, or anything in between, you'll find it here.



# Atlanta Fed Resources

## Federal Reserve System's Human Capital Compendium

A comprehensive repository of research published by the Federal Reserve offices on topics related to labor markets, unemployment, and workforce development.



Reserve Bank	Representative	E-mail
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\* Denotes committee leads

# Potential Partnership Ideas Between Federal Reserve and USCOM WDC

- Conferences, Events
- Research, Data, Policy Analysis
- Demonstration Projects
- Peer Network development and support
- Access to National Experts

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