FINANCIAL STABILITY FOCUS AREA:
FAMILY-SUSTAINING EMPLOYMENT
Financial Stability Focus Area: Family-Sustaining Employment
UNDERSTANDING THE PROBLEM

Family-sustaining employment is the foundation of financial stability. In 2010, almost 26 percent of working adults earned less than $25,000 annually, which is just above the poverty rate for a family of four. Overall, 40 percent of all households earned below 250 percent of the federal poverty level.* These workers often struggle to afford food, rent, childcare, and transportation, with little left over for saving and investing. Families must have a steady source of income that covers the cost of basic necessities before they can make long-term financial decisions regarding savings and asset building.

Technological innovations that increase worker productivity, combined with increased global competition, have impacted a broad array of industries from manufacturing to the service sector. To remain competitive and restore the vibrancy of the U.S. job market, current and future workers must acquire and maintain stronger educational skills and workforce competencies as the pathway to creating long-term earning potential. United Ways, acting as community conveners, workforce “brokers” (pairing trained employees with employers,) and repositories of promising practices in workforce development, are a critical component in strengthening the competitiveness of U.S. workers and securing the futures of families and communities.

Through education, training, and sector-based strategies that connect skilled workers with jobs in growing sectors including healthcare, technology, green industries, and community infrastructure, a wide range of workers including lower-income, dislocated and disadvantaged populations can obtain family-sustaining employment that offers the potential for career advancement.* Communities with a stable, skilled workforce are more economically competitive and have the potential to provide improved opportunities for residents, attract business and revitalize neighborhoods. This brief summarizes some of the key causes of America’s current workforce challenges and outlines practical strategies that United Ways and their communities can implement to create and strengthen family-sustaining employment opportunities.**

CASE FOR ACTION

* In United Way’s Income Strategies and Approaches document released in 2009, the goal was set to “cut in half the number of lower-income working families who are financially unstable.” This brief touches on two other sub-populations including dislocated and disadvantaged workers who factor into the discussion of the current labor market challenges.

** United Way Worldwide defines family-sustaining employment as employment that pays a family-sustaining wage, offers benefits including paid sick leave, and offers career pathways that provide opportunities for wage and career advancement.
Understanding the recent history and outlook of the U.S. labor market is critical to our overall understanding of the challenges facing workers, families and communities. The recession of 2007–2009 had deep employment impacts across all sectors of the economy. The steepest declines in employment were in construction (–19.8 percent) and manufacturing (14.6 percent), which saw their sharpest drops in employment since 1945 totaling more than 4.2 million jobs.2 Losses in manufacturing were especially steep among workers in the automobile sector, which saw jobs fall by 35 percent between December 2007 and June 2009. Even economic sectors that had traditionally been more recession-resistant, such as retail trade, services, leisure and hospitality, saw historic levels of job cuts with more than 1.4 million jobs lost.3 Overall, the “Great Recession” of 2007–2009 was nearly twice as deep and twice as long as the 2000–2001 recession that preceded it.4 National unemployment hit a high of 10 percent in October 2009, and has very slowly decreased each month since to a low of 8.3 percent in January and February 2012.5

If history since World War II is any guide, many of these jobs, especially in manufacturing, are unlikely to be regained. Since 1979 when manufacturing employment peaked at almost 20 million, these jobs have been in steady decline. Sharp falls in manufacturing jobs accompany every recession with total employment never regaining its pre-recession level.6 There is significant disagreement about why manufacturing employment continues to fall. Some of the permanent reduction in these types of well-paid, benefit-rich positions is due to jobs shifting overseas to take advantage of lower labor costs. The Economic Policy Institute estimates that between 2001 and 2010, the U.S.-China trade deficit has eliminated or displaced nearly 2.8 million U.S. jobs of which 1.9 million were in manufacturing.7

Other economists argue that the most important source of job loss in is the tremendous gains American industries have made in worker productivity. An examination of worker productivity data supports this view. Total U.S. economic production now exceeds its pre-Great Recession levels at $15 trillion, despite the fact that the economy shed over 7 million jobs during the recession.8 Productivity rate increases per hour worked doubled between 2008 and 2009 and then doubled again in 2010.9 Rising productivity, often cited as the key to increasing living standards in the long-term, reduces short-term labor demand through improved efficiencies. In addition, since these efficiencies typically involve the introduction of new production technologies and systems, rising productivity can also mean an increased premium on workforce education and skill levels leaving low- and middle-skill workers with fewer employment opportunities.

Economists debate if skilled jobs in the middle of the labor market – jobs that require some post-secondary education but less than a traditional four-year degree such technical jobs, service jobs in health care, and installation/maintenance/and repair occupations – are shrinking or expanding.10 As with much else relating to labor market analysis, the actual blend of low-skill and mid-skill employment is uncertain and depends on how researchers classify specific occupations. Nonetheless,
there is strong evidence to suggest that demand for non-routine, middle-skilled jobs – particularly in the health sector – is strong and will remain so for at least the next decade.\textsuperscript{11}

This finding relating to middle-skill jobs is consistent with overall projections made by the Bureau of Labor Statistics (BLS) forecasting strong long-term job growth in the U.S. The BLS estimates the U.S. labor force will grow by about 15 million jobs by 2018 and that these jobs will be significantly impacted by changes in technology, consumer demand and other factors.\textsuperscript{12} While manufacturing employment is projected to lose another 1.2 million jobs by 2018, construction employment is forecasted to grow by over 1.3 million. The health sector (a prime example of non-routine middle-skill employment) will add over 4 million jobs, while a host of other sectors including education, accommodation and food services, retail trade and transportation, will add millions more. Within the health sector, especially strong growth is expected in home health, personal and home care aides, dental hygienists and other allied health professions.
OBSTACLES TO ACHIEVING FAMILY-SUSTAINING EMPLOYMENT

Individuals who seek family-sustaining employment face many obstacles. Broadly speaking, the United States workforce development system is underfunded relative to the goals it pursues. The system is fragmented and often lacks connections to and an understanding of labor market trends and employer needs. Compounding the matter is a lack of access to essential supports and services that will help disconnected and disadvantaged workers gain the necessary skills and training to find employment. Understanding and addressing these obstacles will be critical to increasing the supply of family-sustaining jobs, as well as providing individuals with the skills and supports they need to succeed.

OBSTACLE 1: LACK OF ACCESS TO FAMILY-SUSTAINING EMPLOYMENT OPPORTUNITIES

As of February 2012, our nation faces a jobs gap of 11.4 million jobs, 5.2 million from jobs lost since 2007, and another 6.1 million jobs that should have been created in the absence of the recession. In addition, workers are isolated in many communities – by a variety of education, training, and geographic factors – from entry- and mid-level employment opportunities that are already available. One of the more remarkable aspects of the labor market in the recent recession is that acute labor shortages persisted for a number of key industries and occupations even in the context of high unemployment rates. The BLS reported nearly 3.5 million job vacancies in January 2012 in the midst of an 8.3 percent unemployment rate. It should be noted that hires, total separations, and employment all remained below pre-recession levels. There is a skills-mismatch in many states where there is a short-fall of trained workers to fill middle-skilled jobs. Economic Modeling Services Incorporated, a private labor market forecaster, found that in March 2011, there were more than 22,000 unfilled positions in key California sectors, including energy, information technology, and skilled crafts, despite the state’s 12 percent unemployment rate. This mismatch between market demand and available worker skills strongly suggests the need to better align education and training systems to labor market and employer demand projections.

At the same time, however, many communities are caught in a human capital/economic development “catch-22” in which they are unable to attract industry due to unprepared workers and unable to prepare workers due to a lack of viable employment opportunities. This conundrum can overwhelm even the most sophisticated and well-intentioned efforts to improve access to family sustaining employment. A recent study by the Council on Competitiveness, a Washington, D.C., nonprofit, found that the primary consideration for employers in making decisions regarding investment, expansion and location, was the
presence of a growing and well-educated workforce. Other factors, such as infrastructure, economic development strategies, and tax and regulatory environment were also important but secondary to workforce and talent considerations.\textsuperscript{16}

The absence of economic opportunity has another self-reinforcing aspect: declining worker morale. Low-income workers who participated in a 2003 Jobs for the Future (JFF) survey said that there is a lack of job opportunities where they live. In fact, a majority (67 percent) says that it is an obstacle, while almost half (46 percent) say that it is a major obstacle.\textsuperscript{17} Arguably, the widespread perception that family-sustaining employment is not available may discourage some workers and youth from investing time, energy and limited financial resources in education, training, and apprenticeships, and other entry- or mid-level employment as part of a pathway to higher paying jobs and family-sustaining employment. While the JFF research has not been updated since 2003, its fundamental conclusions about the relationship between worker hopes and aspirations and the perceived availability of family-sustaining employment remains a significant consideration for organizations and institutions seeking to improve access to employment opportunities. The psychological momentum for work is a critical aspect of fostering a commitment to education and training and an important factor to be considered in overall workforce development strategies.

**OBSTACLE 2: LACK OF SOFT-, LIFE-, AND PERSONAL-EFFECTIVENESS SKILLS**

A June 2008 study by the Society for Human Resource Management and the *Wall Street Journal* asked human resource professionals to evaluate the change in importance of various employee skills/practices since 2006. The respondents said that the most important skills for new entrants to the workforce were adaptability/flexibility (46 percent) and critical thinking/problem solving skills (35 percent), followed by professionalism/work ethic (31 percent), information technology application (30 percent), and teamwork/collaboration (26 percent).\textsuperscript{18} Another study conducted by the American Society for Training and Development identified a lack of communication and interpersonal skills as common skills gaps among current and prospective employees.\textsuperscript{19} Finally, James Heckman, a Nobel Prize-winning economist at the University of Chicago, highlights the importance of developing non-cognitive skills (motivation, self-discipline, and social skills) to educational and economic performance in his influential book, *Inequality in America* (2005).

**OBSTACLE 3: NEED TO ACQUIRE ACADEMIC AND WORKPLACE COMPETENCIES**

The benefits of education and workforce preparation in terms of economic outcomes are stark and getting starker over time. In 2010, workers with bachelor’s degrees made, on average, $1,038 per week while those with only a high school diploma averaged $626 per week.\textsuperscript{20} In February 2012, the unemployment rate for individuals over 25 who did not complete high school was 12.9 percent, for those with a high-school diploma it was 8.3 percent, for those with some college it was 7.3 percent, and for those with a bachelor’s degree or higher it was 4.2 percent.\textsuperscript{21} Over a lifetime, the Educational Testing Service estimates that college graduates earn $2.7 million or about 96 percent more than high school graduates.\textsuperscript{22} Other statistical analyses bear out the
relationship between low education levels and the risk of poverty. As demonstrated in the table below, low-wage workers make up about 23 percent of the American labor force and more than half have only earned a high school diploma, General Equivalency Degree (GED) or less. That figure rises to 70 percent for low-wage workers with children. In keeping with this trend, fully two-thirds of the households with children that live below 200 percent of the federal poverty level are headed by low-wage workers with less than a high school diploma.

Narrow-casting of course curriculum (i.e. excessive focus on narrow occupational skills and inadequate attention to context-based learning) and inconsistent eligibility standards add to the challenge of helping lower-skilled workers acquire academic and workplace competencies. Most Adult Education programs consider workforce readiness and career preparation to be one of their many goals, but classroom curricula reflect many other critical skills, including basic literacy instruction and preparation for the GED or other high school equivalency examinations. Also, most programs are not designed to help participants transition to the higher levels of education and training that are increasingly required for success in today’s workplace.

Finally, obtaining assistance through the Workforce Investment Act (WIA) system can be especially difficult for under-skilled workers. WIA performance metrics tend to drive resources toward the most employable segments of the population and serve as a functional disincentive for serving individuals with multiple obstacles to employment that require higher levels of education, training and supportive services.
to succeed in finding and retaining jobs. In addition, “sequence of service” policies, which require individuals to follow a prescribed order of services when seeking assistance at local WIA One-Stop Career Centers, may discourage workers from capitalizing on existing skills and advancing more rapidly.

**OBSTACLE 4: LACK OF SECTOR-SPECIFIC SKILLS TRAINING**

As discussed in Obstacle 1, one of the counterintuitive realities of current U.S. labor market conditions is the mismatch between labor market supply (i.e. worker skills) and business and industry demand. In March 2011, the BLS estimated there were approximately 3.1 million openings across all sectors of the U.S. economy, including 228,000 in manufacturing, 355,000 in leisure and hospitality and 471,000 in trade, transportation, and utilities.24 Industry sectors, such as utilities and advanced manufacturing, continue to express concerns about the inadequacy of labor supply to meet current and future demand. The Center for Energy Workforce Development’s most recent survey of its membership estimated the need for 80,000 new skilled technicians, line workers, welders, and pipefitters by 2015.25 According to the 2011 Manpower Talent Survey, 51 percent of U.S. employers reported difficulty in filling job openings, citing a shortage of applicants, lack of experience, and a lack of technical skills. The same survey reported that among the most difficult positions to fill were skilled technicians, trades workers, and sales representatives.26 The federal and state governments have also recognized the skill mismatch and have invested heavily in new programs, such as the Trade Adjustment Assistance and Community College and Career Training and the H1-B Technical Skills Training, which provide over $2.2 billion over the next four years to expand access to demand-driven technical skills training.

**OBSTACLE 5: LACK OF SUPPORTS FOR ACQUISITION OF FAMILY-SUSTAINING EMPLOYMENT**

Some of the most common causes of separation from the workforce are factors outside of work, like loss of childcare, lack of transportation, or personal and family health care needs. These same needs also create obstacles to enrolling in or completing education and training. A study conducted by the National Center for Education Statistics compared the enrollment patterns of traditional-aged students (under age 24) with those of adult learners (over age 24) and found that, “adult learners are less likely to be continuously enrolled than traditional-aged students.”27 Reasons included family and work demands, amount of time out of school, the lack of affordability, and goals that focused on learning specific skills to advance in their jobs rather than earning a bachelor’s degree.

Training costs are another important factor. Jobs for the Future conducted a survey of low-income workers to explore their opinions and experiences regarding career advancement, opportunities for education and job training, and job search resources. When asked how likely they were to take part in a training or education program in the next two years, over half (57 percent) of the participants responded that they were likely to participate. However, the survey showed that expense is the most significant obstacle to participating in education or training programs. Two-thirds (65 percent) of those surveyed cited expense as an obstacle, while over one-third (36 percent) cited cost as a major obstacle.
Financial Stability Focus Area: Family-Sustaining Employment
EVIDENCE-BASED STRATEGIES AND APPROACHES

These promising strategies and approaches to implementing them are grounded in successful work in the field. They will help communities pursue and achieve their family-sustaining employment goals and are broad enough to encompass the full range of lower-wage workers. Put simply, local and regional economic success requires community partners to cultivate workers who “possess post-secondary education credentials, technical skills, the ability to learn rapidly, and an entrepreneurial approach to work and career management.”

This demands long-term, results-driven collaboration among employers, educators, the public workforce system, the nonprofit sector, economic development agencies, organized labor, and other community stakeholders.

**STRATEGY 1: CREATE ACCESS TO FAMILY-SUSTAINING EMPLOYMENT**

**Recruit new businesses and/or industries to increase the supply of family-sustaining jobs in a given community** – Before engaging businesses in economic development, it is critical that United Ways fully understand local labor market trends and become conversant in economic and workforce development information and terminology. Once acquired, this knowledge base can be paired with the detailed knowledge local United Ways already have about the communities and populations they serve and used to improve the alignment between targeted industries, population groups, and training and education programs.

United Ways cannot and should not seek to become stand-alone experts in workforce, education or economic development. Becoming an effective player in workforce development does, however, require that United Ways invest in better understanding these subject matter areas so that they can be viable partners in the economic futures of their communities. Many United Ways around the country have already begun this important work. In May 2011, United Way of Northern New Jersey convened 150 business, government officials and nonprofit representatives to improve collaboration around workforce preparation and development issues with a special focus on high-growth sectors like life sciences, advanced manufacturing, health care and financial services.

United Way of Massachusetts Bay and Merrimack Valley (UWMB) has developed a comprehensive strategy for understanding local labor markets and linking this understanding to adult basic education, labor market analysis, vocational skills training, and other supportive strategies. UWMB understands that the most effective “sustainable employment” organizations “show employers how participating in a workforce development initiative can increase their bottom line,” which requires carefully selecting employer partners, involving employers in program design and delivery, managing expectations, and creating network opportunities for employers to meet and hire program participants.
United Way of Greater Los Angeles participates in the Los Angeles Workforce Funder Collaborative (LAWFC) that seeks to prepare workers for in-demand occupations in healthcare, logistics and building trades, while working in partnership with the employers, educational institutions and the WIA system to drive policy and systems changes. The Greenville (South Carolina) Collaborative for Workforce Development is another multi-partner effort (comprised of employers, educational institutions, nonprofit organizations and the WIA system) helping workers find jobs with good wages and career ladders while addressing key labor market shortages. These types of comprehensive engagements with industry, education and economic and workforce development partners are essential to assuring that all segments of local communities are “at the table” in the effort to expand family-sustaining employment.

Encourage entrepreneurship and small business development capitalization and development to increase the supply of jobs that pay family-sustaining wages – According to the U.S. Small Business Administration, small firms have generated 64 percent of all net new jobs over the past 15 years and employ just over half of all private sector employees. To maintain and grow this important source of family-sustaining employment, it is important that communities encourage entrepreneurship through self-employment resources and opportunities to expand business equity. Small Business Development Centers, SCORE and One-Stop Career Centers are publicly-funded entrepreneurship resources that are widely available across the U.S. Project GATE (Growing America Through Entrepreneurship), a joint pilot project between the U.S. Department of Labor and Small Business Administration, found that a collaborative effort to increase self-employment, including aggressive outreach by public agencies, targeted referrals, and free or low-cost self-employment services for unemployed individuals, led to a higher rate of business ownership among program participants and concluded that, “self-employment training programs are an effective policy tool for assisting the unemployed.”

United Ways across the country are also making significant investments in microenterprise and asset development programs that help support business start-ups and expansions. Building on the unique talents and abilities of its refugee populations, the United Way of Summit County (Ohio) Refugee Microenterprise Project offers financial and technical resources to build small, cooperative businesses in pottery, weaving, sewing and agriculture. United Way of Greater St. Louis supports a similar program to help immigrant women through small, no-interest loans for the creation of new businesses.

Private sector approaches to encouraging entrepreneurship are central as well, like launching resident-franchise businesses that help low-income individuals make the initial investment in a franchise. For example, the Little Caesar’s “Manage to Own” program supports qualified managers who have the drive but lack the resources to invest in franchises. Encouraging microenterprise is also shown to help individuals overcome poverty. Data from a 2008 Aspen Institute study showed that poverty fell 60 percent among participants taking part in microenterprise programs a year following program entrance. Another way of promoting self-employment is through worker-owned cooperatives. The Urban Cooperative Development Initiative is a national effort that
Evidence-based Strategies and Approaches focuses on demonstrating the effectiveness of cooperative businesses in “building wealth and ownership” for residents of urban communities.40 Regardless of the strategy, entrepreneurship is a multi-year commitment for all parties, and United Ways can help in the dissemination of promising practices and create linkages between programs and people that help expand entrepreneurial opportunity.

**STRATEGY 2: PROVIDE ACCESS TO EXISTING FAMILY-SUSTAINING EMPLOYMENT IN TARGETED INDUSTRIES**

Support the use of workforce intermediaries to connect education and training providers, employers, and earners in lower-income working families to better ensure that completion of training leads to employment – United Ways are uniquely positioned as funders and conveners in their communities to support “labor market intermediaries” (organizations that help connect workers to education, training and employers) that seek to improve access to employment opportunities, particularly for low or under-skilled workers. Tremendous benefit can come from using intermediary organizations to coordinate workforce development activities, including centralizing information and resources for target populations; coordinating diverse workforce-related services and training programs; streamlining the partnership-building process; ensuring a continuum of services throughout training, placement, and retention; and consolidating planning activities and overhead costs. Skillful intermediaries can also help disadvantaged workers gain access to better jobs, partly by reducing discrimination and providing information to employers as well as job placement assistance to workers.41 For example, the Commonwealth of Pennsylvania uses workforce intermediaries to aggregate demand for training and to focus it on developing skills and education required by employers.42

**Develop sector-based initiatives to connect earners in lower-income working families with the jobs that pay family-sustaining wages in growing industries** – Sector-based economic development and employment strategies are collaborative efforts to: 1) identify high growth sectors in a given locality or geographic region; and 2) align education, training, workforce development and supportive services programs in support of individuals seeking employment in the identified growth sectors. These collaborative programs provide training that is tailored to employer needs in specific labor markets. Sector-based strategies also develop career ladder and lattice programs that provide upward and lateral training pathways with multiple points of entry for workers with diverse career goals.43 The United Way of Central and Northeastern Connecticut has invested in the Workforce Solutions Collaborative of Metro Hartford. This project seeks to align industry, education, training and other workforce development resources to high-growth sectors in manufacturing, health care, energy and utilities.44 Similar approaches are being used by other United Ways around the country.

Another example of effective sector-focused initiatives are the CVS/Caremark Pathways to Pharmacy and Pathway to Retail Careers programs, which are designed to meet the company’s need for skilled employees and the community’s need for employment opportunities. Both programs offer adults and youth in inner city and rural areas the opportunity to explore pharmacy and retail as career paths.45 Another sector initiative in
Flint, Michigan, has successfully worked with lower-skilled individuals, particularly minority women, and helped them prepare for careers in the health care industry. In addition, the Center for Energy Workforce Development (CEWD) is working with 8 consortia around the country to implement an Energy Industry Competency Model that helps workers progress through competency tiers toward high-demand utility sector jobs. Research shows that participants in sector-focused workforce development programs earn higher incomes and are more likely to stay continuously employed in jobs that offer benefits.

**STRATEGY 3: INCREASE ENROLLMENT IN AND COMPLETION OF DEGREE, CERTIFICATION, AND TRAINING PROGRAMS**

Conduct outreach to increase enrollment in available education, training, and occupational programs – The first step to ensuring that lower-skilled individuals have the skills necessary to find and retain a family-sustaining job is to provide them with information on the available education and training options. Colleges, public education, and public workforce systems engage in private sector marketing strategies, such as direct mail, telemarketing, or advertisements. Another strategy would be to advertise and offer support services (e.g., transportation, child care, meals) in conjunction with recruitment and program events. As part of its effort to increase college attendance, the Kentucky Council on Postsecondary Education began the “Go Higher Kentucky” media campaign to encourage Kentuckians of all ages to improve their education, especially older students and those not taking a traditional path from high school to college. As a result, enrollment in GED programs rose by over 7,000 adults, a 57 percent increase from the previous year – the sixth largest increase in the country.

Connect earners in lower-income working families with affordable and effective basic education, occupational training, and career technical education programs to increase work-related skills – In 2008, total funding for Adult Education and Literacy programs in the U.S. equaled approximately $2.1 billion, but was only able to serve 3 million adults. However, by linking career development resources with lower-income workers, communities can strengthen the personal effectiveness, reading, math, critical thinking, and teamwork skills that are essential for their workforces to penetrate the labor market and gain family-sustaining employment.

One promising strategy for connecting families to education and training resources is an innovative project funded by the U.S. Department of Labor to create “access points” inside community-based organizations to expand the reach of the publicly funded workforce development system. Piloted by the United Way of Brevard County, the WIA system now has “access points,” online services in local libraries or community and faith-based organizations, which provide a computer and volunteer to help lead individuals through the One-Stop’s web-based tools and training options. This approach helps break down geographic and psychological obstacles to service for populations that could otherwise be reluctant to access government services.

Research also indicates that individuals participating in occupational training and career technical skills-training programs often gain access to higher-quality jobs. Other studies and evaluations show that career pathway projects that bring together employers, educators, and other community stakeholders can result in increased high school graduation rates, more successful transitions
from secondary to post-secondary education or training, students making more informed career decisions, employers accessing a larger pool of qualified workers, and students earning higher scores on standardized tests.\textsuperscript{54} A rigorous evaluation of Career Academies found earning increases for youth, and especially at-risk or disconnected young males, for at least four years after they graduated from high school.\textsuperscript{55} Many United Ways support adult education programs designed to improve individual and family literacy. The United Way of the Midlands (South Carolina) funds a variety of literacy programs including the Alston Wilkes Society, the Newberry County Literacy Council and Volunteers of America, all of which focus on improving literacy among adults.\textsuperscript{56}

Remove obstacles to participation in education and training programs – It is often very difficult for lower-income individuals and families to manage their personal lives and work schedules, in addition to participating in education or training programs. Often parents will prioritize the needs of their children (due to a lack of viable childcare options) over attending a class. To maximize access to essential education and training credentials, effective career pathway initiatives must be tailored to match the unique needs of the specific target populations. Multiple program entry points, flexible scheduling (e.g., evening and weekend classes), support services (e.g., child care, transportation subsidies and microgrant programs), sequencing of education and
Financial Stability Focus Area: Family-Sustaining Employment

training, and strong employer involvement ease the demands on participants’ time and increase the likelihood of a successful outcome.57 An evaluation of the Annie E. Casey Foundation’s Center for Working Families concept showed that clients who received “bundled” services (i.e., employment, benefits and work supports, financial counseling) were three or four times more likely to achieve a major economic outcome (e.g., vocational certification), while clients who received high-intensity bundled services (e.g., intensive support services) were five times more likely to achieve a major economic outcome.58

It is important to keep in mind that programs that remove education and training obstacles benefit businesses and industries as well. Employers like Northrup Grumman, CVS/Caremark and many others see the value in reducing turnover and increasing their industry competitiveness by offering better training for entry-level employees and opportunities to advance in their careers within those companies or industries. Innovative recruiting and training programs for entry-level employees are shown to result in higher revenue and pay, lower overall costs, less time wasted, reduced turnover, better customer satisfaction and more motivated and productive workers.59

STRATEGY 4: PROVIDE SUPPORTS TO HELP INDIVIDUALS OBTAIN AND RETAIN EMPLOYMENT AND ADVANCE THEIR CAREERS

Remove obstacles to finding and retaining employment – Some of the most common causes of separation from the workforce for lower-income individuals are factors outside of work, like loss of childcare, lack of transportation, or personal and family health care needs. United Ways can play a lead role in promoting public and private work supports among employers that help increase job retention and reduce the high costs associated with employee turnover. These supports can include career and financial counseling, transportation, childcare.

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subsidies, case management, help with providing health care to family members, and micro-grants for meeting unexpected financial hardships. The United Way of Massachusetts Bay and Merrimack Valley (UWMB) has developed an effective framework for achieving “sustainable employment” that starts with soft-skills development as part of its Adult Basic Education (ABE) program. ABE best practices include instruction in technology and computer orientation, time management, appropriate dress and decorum, leadership development, resume writing, interview practice, financial literacy, health and wellness, and community involvement. Importantly, ABE emphasizes the need to integrate soft- or life-skills throughout training and early employment. Like UWMB, United Ways are well suited to identify the most pressing life-skills gaps and coordinate the various community-based service providers that are experts at preparing lower-income individuals to get the most out of education, training, and employment programs.

Another example of a successful model for assisting disadvantaged workers is the Employer Resource Network (ERN) in Western Michigan. ERN is a consortium of 45 small- and mid-sized businesses in four counties that pool resources to provide short-term case management, job retention services, work supports, and training opportunities to all network employees. ERN-related services are provided through strong employer partnerships with local social service agencies, WIA agencies, chambers of commerce, and community and technical colleges. The Western Michigan ERN shows that successful business-community partnerships benefit the employers’ bottom lines, help workers access the support they need to stay employed and build job skills, expand community college enrollment and grant opportunities, and create new ties between the business community and public and non-profit agencies.

Promote tax credits and incentives for both employers and employees – The federal government and many states offer the earned income tax credit (EITC), which raises incentives for low-wage workers to accept and keep jobs. This type of incentive may boost annual earnings and invite greater wage growth over time by keeping workers in their jobs. The State of California has a work opportunity program that promotes the hiring of designated, qualified individuals for which the business may claim a tax credit for each employee hired. The federal Work Opportunity Tax Credit provides a similar subsidy to business for hiring high-need populations that can help defray training expenses. In addition, federal education tax credits exist to help adults and youth offset the costs of education. The American Opportunity and Lifetime Learning Credits can be fully deducted from personal federal income taxes and serve as a powerful incentive for more personal investment in education and training.

Connect earners in lower-income working families to career counseling to help them create a career “pathway” or “ladder” – Career ladder, lattice, or pathway programs help individuals visualize their career-related job opportunities and provide courses and curricula connected to various jobs within a career track. In Arkansas, a collaborative initiative is designed to help workers pursue articulated career pathways in six areas: business, various industrial skills, welding, early childhood development, emergency medical technology, and nursing. The Denver Community College Essential Skills Program assigns a case manager who works with individuals for as long as they are in the program and during the first year of their employment. Job-placement assistance and social supports for work through some programs clearly raised participant earnings in an experimental evaluation.
The broad picture of the U.S. labor market shows a situation where growing numbers of workers remain in low wage jobs and where millions more disconnect from work entirely because of poor earning prospects. At the same time, employers continue to have difficulty filling workforce needs due to a shortage of in-demand skills among workers. This gap between current and future workforce needs and the skills deficit of the workforce is one of the main problems facing the U.S. economy and the primary challenge in helping workers secure family-sustaining employment. It is also the point at which United Ways can most effectively focus their time, energy and resources as problem solvers for employers and workers. The research is clear that to advance their prospects and obtain family-sustaining employment, lower-income workers need at least some postsecondary training (or retraining) and relevant work experience. Education and training opportunities, targeted to specific, in-demand occupations, need to be combined with financial supports and incentives for workers, as well as services that will reduce employment obstacles and address critical ancillary needs.

United Way Worldwide and local United Ways are a critical link in the economic development, education, workforce development and workforce support eco-system. Here are a few ways local United Ways can help to serve their communities in creating more effective workforce development systems and guide individuals and families toward economic self-sufficiency:

**UNITED WAYS AS KNOWLEDGE BROKERS**

United Ways can occupy a unique position in the “dual-customer” (i.e., employers and workers) world of workforce development. Decades of service and intimate engagement with local communities give local United Ways an unparalleled understanding of the history and current condition of the individuals and families that make up local neighborhoods. This nuanced and textured understanding of the attributes, assets and obstacles of different segments of local communities is vital information in helping to guide the design and implementation of workforce development programs. By supplementing this community knowledge with a robust understanding of the skill needs of existing employers and those the community is seeking to attract, United Ways can be critical players developing training and workforce systems that meet the needs of both workers and industry.

**UNITED WAYS AS COMMUNITY CONVENERS**

The education, training, workforce and economic development conversation needs a focal point that can integrate all perspectives into a single conversation. United Ways are uniquely positioned to help convene and manage this complex conversation and assure that all elements of the community have a voice. This convening role has two very important components. First is the role of the United Way in identifying, training and supporting nonprofit leadership across various service domains. Local United Ways can help to bring key
community leadership into economic and workforce development and, in doing so, improve public understanding of goals and objectives as well as increase “buy-in” within the community for new investment and development. Second, most United Ways already have significant business and industry participation on their local boards and in fundraising, volunteer development and service campaigns. These established relationships of trust are critical to helping bridge diverse communities and foster dialog between the for-profit, government and non-governmental sectors and help navigate among stakeholders to improve and reform education, training and workforce development programs.

**UNITED WAYS AS ADVOCATES FOR EMPOWERING COMMUNITIES AND STRENGTHENING FAMILIES**

United Way Worldwide has undertaken to improve understanding within Congress and the current Administration about the need to “get smarter” in creating coordinated approaches to improving outcomes for lower-income individuals and families. In testimony submitted to the U.S. Senate Committee on Health, Education, Labor and Pensions Committee, United Way Worldwide and eight local United Ways outlined a conceptual framework for empowering local leadership to de-silo social services delivery and increase resources to communities that design and implement successful strategies for improving social and economic outcomes. This kind of advocacy at the federal, state and local level can help provide local communities with the policy tools and programmatic resources needed to identify and address the needs of families and communities in meaningful and impactful ways. Local United Ways can replicate these efforts through their elected representatives at the state and federal level to improve service coordination as a primary means of improving outcomes for communities.
ENDNOTES


3 Ibid.

4 Ibid.


15 Special analysis prepared by EMSI for San Mateo Community College http://www.smcccd.edu/factbook/imgfile/43-top20jobs-bay%20area%202010.pdf


23 http://www.urban.org/url.cfm?ID=411532


31 Ibid.


Financial Stability Focus Area: Family-Sustaining Employment
For more information go to
UnitedWay.org/income