8

# **Programs to Increase the Supply of Skilled Workers**

#### Alexander Ruder

Although the U.S. economy is experiencing its second-longest recorded economic expansion, two features of the labor market pose increasing challenges for employers and job seekers. First, cyclical tightness in the labor market means fewer job seekers are pursuing each open position. As a result, employers face potentially longer delays to find and hire qualified workers to fill open positions. Second, the decreasing rate of labor force participation—a decrease associated with longer-term structural changes in the labor market such as automation, job seekers unqualified for available jobs, increased postsecondary schooling, and a greater share of older Americans in the labor force—contributes to the challenge of filling available jobs and, more broadly, continuing economic growth. Both these trends point to a need for policymakers to look beyond the traditional labor market pipeline in order to increase the supply of skilled workers.

The chapters in this section examine policy changes and targeted interventions that seek to prepare individuals for stable, well-paying jobs and enable businesses to efficiently hire skilled workers. The chapters suggest that policymakers must target these initiatives because specific demographic and socioeconomic groups face a unique set of circumstances that limit group members' potential to qualify for and obtain available jobs. The policy interventions also must be intensive in order to address the multidimensional nature of the challenges and ultimately lead more workers to enter the labor force and meet the needs of employers.

Each chapter focuses on one of several diverse demographic and socioeconomic groups, including adult learners, American Indian and Alaska Native (AIAN) individuals, inner-city high school youth, lowincome individuals, and veterans. Common to all chapters is the observation by the various authors that members of these groups often do not have the credentials necessary to qualify for middle-skill and high-skill job openings. However, the reasons for the skills gap differ across each group. The authors reveal these differences, propose policy recommendations, and detail intensive interventions that demonstrate success in increasing educational attainment, employment, and earnings.

A key contribution of these chapters is to illuminate how these groups also face unique combinations of nonskill barriers to employment. For example, some veterans have physical and mental strains that negatively impact their job search, while members of the AIAN community experience labor market discrimination and benefit from culturally relevant education. The chapters provide examples of programs designed to overcome or raise awareness of these barriers while also discussing solutions to more broadly experienced nonskill barriers, such as lack of access to affordable and convenient transportation.

Together, the chapters offer several general lessons for targeting intensive programs to specific populations. First, policies must account for the different education and labor market challenges across these groups. Second, policies must help members of these groups better align their skills and experiences with credential and skill requirements demanded by employers. Third, education and training interventions cannot address single challenges in isolation from others—comprehensive interventions that offer training and support at different points in the individual's life are most likely to succeed.

### TARGETED POLICIES AND PROGRAMS

Policies must account for the different education and labor market challenges confronted by adult learners, AIAN individuals, inner-city high school youth, low-income individuals, veterans, and other unique groups. Chapter author E. Wilson Finch observes that adult learners must navigate an education and training system that primarily serves traditional-age students. R. Jason Faberman and Thomas Haasl note that recent veterans may unavoidably enter the civilian labor force during a cyclical economic downturn, which adds an even greater challenge to finding full-time employment. Low-income individuals may struggle with financial instability that precludes further investments in their own human capital, as discussed in the chapter by Maurice A. Jones.

#### **CREDENTIAL ALIGNMENT AND PROGRAM CHOICE**

At least two challenges arise when considering how to align job seekers' skills with the skills that employers require. First, job seekers may already have skills and experiences relevant to current and future jobs; however, without a formal credential, they struggle to signal their qualifications to employers. Veterans, for example, need to map diverse skills obtained in the military to skills demanded by civilian employers. Similarly, adult learners must effectively communicate to employers the value and relevance of skills learned outside the formal classroom. To facilitate that communication, policymakers can partner with employers to develop systems to validate an individual's industryrelevant competencies.

Second, some youth and adults still choose to obtain credentials in fields that are unlikely to lead to jobs with stable employment and higher earnings. AIAN individuals, as discussed by Patrice H. Kunesh and Richard M. Todd, are underrepresented in higher-paying technology fields and overrepresented in lower-paying service professions. Supportive services for youth and adult learners can introduce students to different careers, help students understand the costs and benefits of choosing various training programs, and provide the support needed to succeed in those programs.

## **MULTIDIMENSIONAL INTERVENTIONS**

Policymakers and employers should continue to invest in interventions that offer training and support at different points in the individual's life. These interventions include academic support services, career mentoring and job search assistance, and adult support services. For example, Maurice Jones reviews the Bridges to Career Opportunity program, in which lower-income individuals receive academic readiness support, career coaching, job retention training, and financial stability coaching. The Manufacturing Connect program for inner-city high school youth, which is the focus of Rick Mattoon and Susan Longworth's chapter, also incorporates academic, employment, and social support services, though specifically designed to help individuals successfully obtain jobs in the manufacturing sector. Both chapters suggest that these services are more likely to lead to better training choices, improved program completion and employment rates, and higher earnings when bundled together rather than offered in isolation.

## FUTURE WORK: EVALUATION AND SCALABILITY

The chapters in this section emphasize the need to target intensive policy interventions to meet the unique needs of specific populations. As policymakers consider how to develop these targeted investments, more research is needed to evaluate their implementation, effectiveness, and efficiency. Of course, given the multidimensional nature of the interventions, the long duration of the programs, and the long-term outcome measures, rigorous evaluation is challenging to undertake. However, evidence of success is necessary for policymakers and stakeholders to continue to support these investments and to expand them to other locations and policymaking contexts. Evidence of program effectiveness, together with the understanding of the implementation of these programs in different policymaking contexts, allows policymakers to refine or abandon unsuccessful programs and build the evidence base necessary to scale up successful programs.