

VISIONTEAMS

Imagining Allegheny County's Tomorrow

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Executive Summary

Clearly, Allegheny County has distinguished itself in the national economy with an unemployment rate 1.8% below the national average which can be attributed to its robust and diverse finance, healthcare, advanced manufacturing, education and energy sectors. Augmenting this status is a much-heralded community college system and public and private universities that are nationally and internationally recognized for research and technological advances.

Despite this strong foundation, the Workforce Development Vision Team concluded that increasing coordination and collaboration especially with human services, expanding our diverse training programs, redesigning our methodologies to match supply and demands of our workforce, and increasing our focus on middle-skill workers would enhance our economic profile. In fact, the team concluded that an enthusiastic embrace of the following recommendations would allow the County to achieve the distinction of being a model for workforce development:

- **Align Quality Resources for Job Seekers Countywide**
 - Promote intergovernmental cooperation as a theme to facilitate this endeavor.
 - Define a long-term focus and strategies for job seekers to secure employment.
 - Assemble a quality network of community-based organizations that provide services.
 - Develop a mechanism to connect job seekers to available jobs.
- **Create Employer-Driven Partnerships that Meet Labor Market Needs to Create a Sustainable Employment Dynamic**
 - Engage employers in curriculum development and training.
 - Utilize federal funding received by The Three Rivers Workforce Investment Board to assist employers in new industries and unions to collaborate to train workers in high-tech manufacturing.
 - Replicate the Megatronics program developed by the Community College of Allegheny County (CCAC) in other industries which demonstrated that effective collaboration can lead to programs that meet employers' changing talent needs.
- **Promote education and training tailored to the range of high-priority occupations (HPO) that lead to family supporting jobs.**
 - Identify well-paid, middle skill high priority occupations (HPOs) that can be attained with an Associate's degree or less than four years of training.
 - Communicate that college is not a required path for every individual to secure competitive employment.
 - Develop strategies to educate residents that the local economy needs a diverse workforce requiring different kinds of credentials: two-year degrees, industry-recognized certificates, on-the-job training opportunities, and advanced degrees.
 - Promote training that will decrease the under-supply of middle level skilled jobs with the regional over-supply of workers with advanced degrees.

- **Develop and expand the pipeline through career pathways.**
 - Provide early exposure to career pathways and work experience to ensure higher employment rates in the future.
 - Systematically invest in high school internship programs that connect to community college and/or jobs.
 - Allocate resources to mid-career and aging workers to best utilize their skills in the workforce and advance in their chosen field.
 - Recognize that with employer-driven programming already in place, the Community College of Allegheny County is poised to become the hub of innovative training for the region.
 - Ensure that trainer provider models are employer-driven, evidence-based, defined by outcomes, and accountable to the needs of different constituents.
- **Maximize Career and Technical Center (CTC) programs**
 - Promote the Career and Technical Centers as an excellent place for young people to begin their professional journey.
 - Guarantee that the community understands that five CTCs in Allegheny County have articulation agreements with CCAC for students to acquire industry-recognized credentials and learn how the workplace functions, making them more likely to enter the workforce.
- **Coordinate workforce systems and human support services to serve job seekers and preserve diversity in our community**
 - Determine how to most efficiently use intersecting systems (counseling, public transit, training, etc) so that our residents achieve prosperity and independence.
 - Define the intersection between workforce development and human support services.
 - Develop criteria to stratify and serve job seekers throughout the entire community.

Vision Team Charge

The Workforce Development Vision Team is charged with looking at how training and workforce development is currently done in the county, what means are used to funnel information to those agencies and organizations about upcoming and existing needs that companies have, and opportunities that can be utilized to improve communication and coordination between the economic development and workforce development components of the county. (This Vision Team will meet with the Economic Development Vision Team at least twice and is directed to work cooperatively as appropriate.)

Each vision team, within its charge and conversation, is expected to address sustainability, intergovernmental relations (recognizing existing relationships and identifying potential new ones) and diversity/inclusion. Each of these items should be folded into the recommendations and report made by the team. Additionally, for each recommendation that is made, the scope must be within one of three fields for which the county has a role: the county performs, or should perform, an administrative function related to the recommendation; the recommendation pertains to a financial interest or financial support of the county; and, the recommendation lends itself to advocacy by the county. Those recommendations that do not fit within one of those three fields should not be a focus of the vision team.

Findings & Recommendations

The findings and recommendations below detail the issues that are most critical to achieving an innovative vision of Allegheny County's workforce.

Findings

- **The workforce development system is fragmented.**

Over the years, multiple programs have been added to the County's workforce development system, often without regard for similar programs that were already in operation or an effort to connect them in some way. A fragmented system affects the delivery of services for job seekers and employers because it is in danger of duplicating similar efforts, not being able to share best practices, and not being able to track performance reliably. McKinsey and Company reports in *Western Pennsylvania's Workforce Development System: Challenges and Opportunities* that the \$300 million total in workforce funding that flows into the region is divided among over 400 different service providers, with the largest administrators controlling only 5-6% of total funds. There is currently no single organization (or group of organizations) that has a full view of all funding, programs, and outcomes.

- **Local training programs reveal the opportunity for growth and employer engagement.**

With over 160 programs of study at CCAC and hundreds more available from other training providers and community-based organizations, Allegheny County is home to one of the largest and most diverse training systems in the country. These systems, while long-standing, are ripe for expansion and focus. Not all program curricula reflect the current needs of employers, while employers and workforce developers lack a good understanding of quality of the programs offered.

- **The supply-demand mismatch continues.**

Employers in key industry sectors describe critical shortages of talent while 45,000 workers in Allegheny County cannot find jobs. Analyzing the mismatch more closely, it becomes evident that multiple factors are responsible, such as outmoded skill sets, inadequate exposure to career pathways, challenging employer requirements, an unemployed labor force with different qualifications than what employers need, underutilization of an aging workforce, and lack of access to transportation, to name a few.

- **Data on middle-skill workers show a keen challenge to County economic development.**

Allegheny County has an over-supply of more highly-educated workers but an under-supply of middle skill talent. McKinsey and Company's analysis of workforce in the Pittsburgh region reveals that while 50% of current vacancies typically require an associate's degree or higher, only 22% of Western Pennsylvania's unemployed population has attained this level of education. At the other end of the spectrum, the region has an over-supply of 5,000 workers with advanced degrees when it comes to basic labor and service and occupations where experience and certification are required. This imbalance raises the question of whether

or not there are actually enough higher-skill jobs in the region for workers and if the region needs to do more to attract new employers that can better utilize the local talent. It also highlights the shortage of middle-skill workers and the lack of attraction to middle-skill jobs. Taken together, these facts point to the need for economic development strategies to create new jobs of all levels as well as middle-skill positions with opportunities for advancement.

- **Youth and other workers benefit from exposure to a defined career pathway and real-world work experience.**

Research posits that youth are not sufficiently exposed to viable career options. This lack of exposure results in young people pursuing no career options or ill-suited ones. Several thousands of the youth population aged 14 to 24 in Allegheny County are neither employed nor in school. All young people at this stage of their lives should be intensively connected with educational or work opportunities to develop knowledge and skills that will ensure their self-sufficiency and prosperity. The opportunity to connect youth to meaningful employment has never been more pressing. Not all career pathways require advanced education. In fact, two-thirds of local jobs do not require a four year college degree yet still call for solid technical skills and academic competence. These High Priority Occupations (HPOs) are jobs which lead to robust career pathways and a family sustaining wage.

Real world work experience for youth is also increasingly harder to come by. Summer employment opportunities for high school students have decreased 55% since the year 2000. Inability to enter the job market results in a lack of diversity among youths' preferred fields of study.

- **Unemployment challenges are exacerbated with certain geographic locales.**

An additional challenge posed to the regional labor market is known as the spatial mismatch; a disconnect between the location of jobs and the location of talent. Without regular and affordable access to transportation, jobs that are located in remote areas will remain unfilled. In 2011, 29% of businesses in Allegheny County were considered geographically disconnected by being located over 0.25 of a mile from the nearest bus route. This disconnect translates to about 125,000 inaccessible jobs, or 22% of total jobs in Allegheny County. With additional cuts in public service, this problem will be further exacerbated.

- **Unemployment challenges are exacerbated by barriers to employment among different populations.**

It is in the best interest of workforce development systems to advocate for those who require special support. Groups with barriers to employment represent a significant percentage of the Allegheny County population and clients served through workforce development initiatives. There are over 102,000 veterans in the County. Single parents, ex-offenders, and individuals with disabilities identify as 17%, 9%, and 2% of CareerLink customers, respectively. Thirty-eight percent of Allegheny County households fall below the self-sufficiency wage. There is reason to pay attention to these special demographics. Employers must be coaxed in some cases to bring people with different backgrounds into the pipeline. Unemployment or under-employment among ex-offenders is significantly higher than the general population; criminal background is a major barrier for most well-paying jobs. Screening tools can be useful for employers, but they are often used to screen out otherwise qualified candidates.

- **The workforce system alone cannot provide the full range of human support services.**

Workforce investment makes the effort to address special populations and those with barriers to employment such as veterans, individuals with disabilities, and ex-offenders. However, these efforts alone cannot address all the factors. Some individuals, such as refugees, may require social and psychological

supportive services beyond workforce funding for intensive services or training. These issues must be addressed before an individual may be considered workready.

Recommendations

- **Align quality resources for job seekers countywide.**

In order to alleviate system fragmentation and the supply-demand mismatch, Allegheny County must define its long-term focus and strategies for job seekers. Stakeholders could assemble a quality network of community-based organizations that provide services. From there, a mechanism to connect job seekers to open jobs would be helpful. Intergovernmental cooperation is a key element of this endeavor.

- **Create employer-driven partnerships that meet labor market needs.**

Successful workforce development models are those that engage employers in curriculum development and training. The Three Rivers Workforce Investment Board recently received \$3 million in federal funding to help employers in new industries and unions collaborate to train workers in high-tech manufacturing. With its Mechatronics program, CCAC is an example of how effective collaboration can lead to programs that meet employers' changing talent needs. Employer-driven programs such as these will help to establish a more sustainable employment dynamic in the Pittsburgh region.

- **Promote education and training tailored to the range of high-priority occupations that lead to family supporting jobs.**

High priority occupations (HPOs) are often well-paid middle-skill jobs that can be attained with an Associate's degree or less than four years of training. Yet, Allegheny County is facing challenges in filling these jobs. It is important to communicate that college is not a required path for every individual and that other options are available. The County needs a diverse workforce in which residents have different kinds of credentials: two-year degrees, industry-recognized certificates, on-the-job training opportunities, and advanced degrees. Local awareness of this reality among job seekers would help balance out the projected regional over-supply of workers with advanced degrees and ease the supply-demand gap facing the County.

- **Develop and expand the pipeline through career pathways.**

Discovering one's desired career path does not have to happen at age 18 or later. Instead, research shows that early exposure to career pathways and work experience leads to higher employment rates later on. The County should find ways to systematically invest in high school internship programs that connect to community college opportunities or jobs. Meanwhile, resources must be made available to mid-career and aging workers to show them how to best utilize their skills in the workforce and advance to the next step.

With employer-driven programming already in place, the Community College of Allegheny County is poised to become the hub of innovative training for the region. It is a stepping stone for labor union apprentices, Career and Technical Center students, advanced degree students before they transfer, and residents of Allegheny County seeking to advance their careers. Programs must be carefully developed, however. Training provider models should be employer-driven, evidence-based, defined by outcomes, and accountable to the needs of different constituents.

- **Career and Technical Center (CTC) programs can be more fully utilized.**

While community colleges are a logical mid-point for many job seekers in transition, Allegheny County's Career and Technical Centers are an excellent place for young people to begin their professional journey. In the five CTCs in Allegheny County, which have articulations of agreement with CCAC, students can acquire industry-recognized credentials and learn how the workplace functions, making them more likely to enter the workforce.

- **Coordinate workforce systems and human support services.**

In order to serve job seekers and preserve diversity in our community, workforce development in Allegheny County and human support services should define the intersection between their systems. In light of growing budget constraints, it is important to determine how to most efficiently use these systems – counseling, public transit, training – to help the most people achieve prosperity and independence. At that point, criteria could be developed to stratify and serve job seekers accordingly.

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