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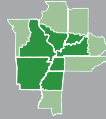
# BRIDGES

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INDEX

4-9

Workforce Development  
in Illinois, Kentucky,  
Missouri and Tennessee



Spanning  
the Region

10

Calendar

11

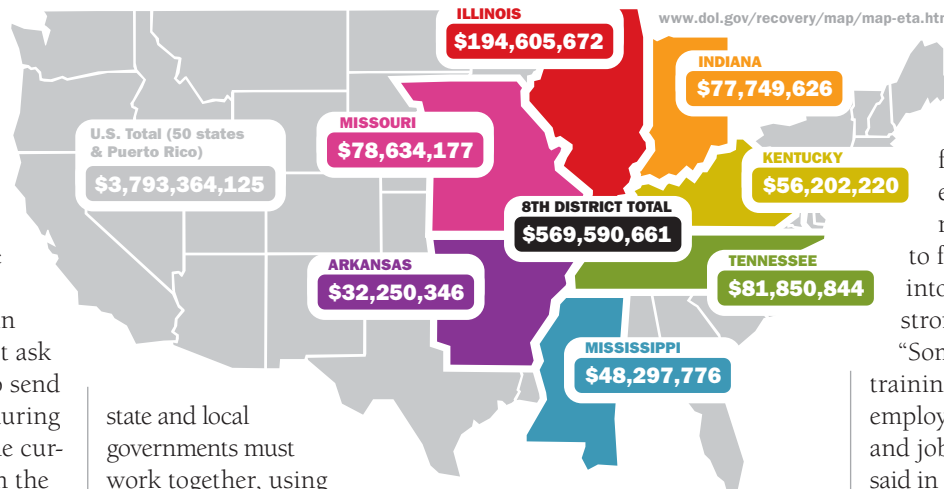
## When It Comes to Workforce, States Matter

By Andrew Pack

When there is a devastating natural disaster, governors and states are the first line of defense, and the federal government is the second line of defense. Governors must ensure that the National Guard is ready to protect citizens living in the disaster area and must ask the federal government to send help quickly. Similarly, during an economic crisis like the current one, governors are on the front lines, ensuring that their states get people back to work as soon as possible.

To accomplish this, governors and states must make sure that help from the federal government with creating a more competitive workforce comes quickly and effectively. Federal,

### ARRA Funding for Eighth District States



state and local governments must work together, using long-term and innovative approaches to create a workforce that will meet the challenges of tomorrow.

A recent report from the McKinsey Global Institute found that 71 percent of U.S. workers are in jobs for which there is low demand, an over-

supply of eligible workers or both.<sup>1</sup> This is creating a flood of unemployed people in the United States that will not stop unless governors have the authority to use workforce dollars in innovative ways that fit the people who need jobs in their states. State

officials know their economies, industries and workforce the best. Therefore, to create a U.S. workforce that has the skills employers need, states must have the flexibility to funnel workforce dollars into the industries that are strongest in their states.

“Some think workforce skills training is something we do for employers, to attract industries and jobs,” Gov. Haley Barbour said in the 2010 Mississippi State of the State Address. “That’s true, but that’s only part of it. I believe workforce development and skills training are something we owe our working people...to help them increase their wages and get better benefits.”<sup>2</sup>

*continued on Page 2*



## In this Issue...

By Allen North

Workforce development is a critical component of our country's and communities' economic strategies. Where there is a vibrant, educated workforce with the skills employers need, there is a foundation for individual asset building and community economic growth. Without a strong workforce, such asset building and growth cannot occur.

Considering today's economy and the high rate of unemployment, rebuilding a powerful labor pool is a pressing need for our country. This issue of *Bridges* focuses on the topic of workforce development and what is being done to strengthen America's workforce.

In the cover story, Fed public policy specialist Andrew Pack takes a high-level look at the federal government's workforce development programs and how they are implemented at the state level. He emphasizes that state governments bear the responsibility for building strong workforces because they know their economies better than anyone. At the same time, the author cautions that states will not succeed at this task unless they are authorized to use federal monies in ways that are appropriate for their economies.

Also in this issue, representatives of several state and local governments in the Eighth District

addressed the following questions:

- What are the workforce development priorities in your state?
- What policies have been implemented to address the needs of the displaced?
- What, if any, new industry sectors have located in your state?

With workforce development and job creation a top priority in 2010, one commonality iterated by all state-level representatives is the necessity to build workforces that align workers' skills with the needs of employers. For some states, that means collaborating with community colleges on retraining programs. In several states, it means a focus on "green" jobs and technology. For one state, it means retraining blue-collar workers for white-collar jobs.

Finally, several programs that help people re-enter the workplace are highlighted. These programs, and others like them, may be of interest to financial institutions. Investments or loans made to these types of organizations are eligible for consideration under the Community Reinvestment Act (CRA) as they support economic development, primarily in low- and moderate-income communities.

*Allen North is vice president in the Federal Reserve Bank of St. Louis' Banking Supervision and Regulation Division, with responsibilities for Consumer and Community Affairs.*

## States Matter

*continued from Page 1*

Governors across the United States are identifying workforce development and job creation as their top priorities for 2010 and beyond. In fact, in their 2009 State of the State Addresses, 87 percent of governors mentioned creating a more educated workforce to compete in the 21st century as one of their highest priorities, according to the National Governors Association.<sup>3</sup>

In February of 2009, the federal government tried to answer many of the governors' requests by including nearly \$4 billion in the American Recovery and Reinvestment Act (ARRA) to be given to states for workforce development and job training.<sup>4</sup> States in the Federal Reserve's Eighth District received a total of nearly 15 percent of the \$4 billion. (See map on p. 1.) The bulk of the funds went to Workforce Investment Act (WIA) Youth and Dislocated Workers activities. The rest of the funding from the ARRA went to state departments of labor employment services and unemployment compensation. This funding allowed cash-strapped states to continue services to workers and to the unemployed at a critical time. However, longer-term policies that benefit the workforce of the future are needed. This money was desperately needed by the states and helpful in the short term, but more must be done to create longer-term policies

that will truly benefit the U.S. workforce in the future.

While the federal government's workforce policies are focused on allocation of workforce funds, state governments are instrumental in making sure these funds actually improve the workforce in their states. According to the National Governors Association's *Governors' Principles to Ensure Workforce Excellence*, workforce policies would be more effective if:

- Education and training for the workforce were more responsive to the needs of businesses now and in the future.
- Workforce policies between federal agencies and the state and local levels were more streamlined and collaborative.
- Funding was more reliable and flexible to allow for more innovative workforce policies on a state and local level.
- State and local workforce systems were more integrated to reduce administrative costs.<sup>5</sup>

Governors want to enact transformative legislation that will authorize them "to proactively implement innovations, build broad and inclusive partnerships, and activate structural reforms across education, workforce and economic development systems," according to the National Governors Association.<sup>6</sup> But to do this, Congress and the administration must move to more long-term workforce policies that are not "one-size-fits-all."

"While investments in job creation are sorely needed,

**“Unless the mass of America’s human capital can be developed fast, the nation risks another period in which growth resumes but income dispersion persists, with Americans in the bottom- and middle-earning income clusters never really benefiting from the recovery.”**

*McKinsey Global Institute report “Changing the fortunes of America’s workforce: a human capital challenge”*

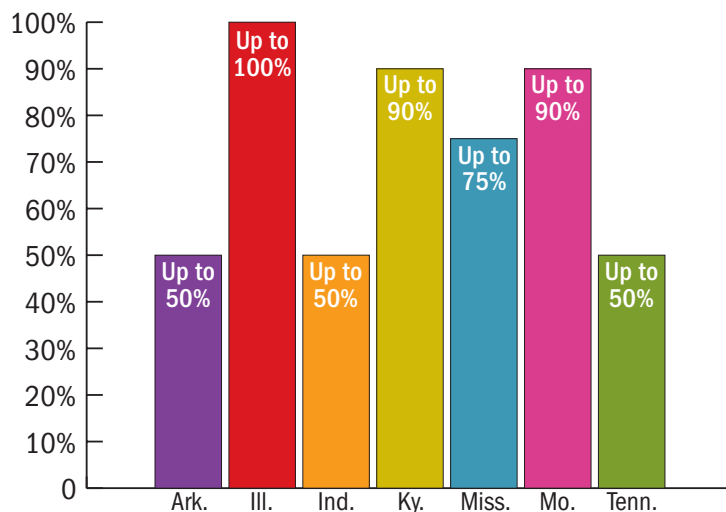
there is a risk that any gains in employment will be short-lived unless workers have the skills they need to take advantage of new job opportunities, and employers can find the skilled workforce they need to grow and compete,” a January 2010 report from the National Skills Association says.<sup>7</sup>

An example of the states’ understanding of the need and ability to tailor these policies is the execution of on-the-job (OTJ) programs under the WIA. In an OTJ training program, employers enter into agreements to hire and train new employees and receive a temporary federally funded subsidy to cover a portion of employees’ wage costs during the training period. According to the National Skills Coalition, OTJ training subsidies can be very effective in both improving workers’ skills and acting as an incentive for companies to hire

more workers. Currently, the federal government has capped reimbursement for small- to medium-sized businesses at 50 percent. This is a problem for these businesses because many lack the resources and infrastructure to support training programs. Many states have obtained waivers from the federal government to increase their reimbursement percentages for OTJ training for small- and medium-sized businesses. (See graph.) Increasing caps for OTJ training is an innovative and effective approach, allowing governors more flexibility in using workforce dollars.

The economies of all of the states and territories of the United States are very different and, therefore, require different approaches to workforce solutions. “One-size-fits all” and short-term workforce policies have not prepared

Reimbursement for On-the-Job Training in the Federal Reserve’s Eighth District



many workers in the United States for long-term success. Governors and states working more closely with the federal government can create an approach to workforce development that benefits the country’s long-term economic growth by channeling funds into the strongest industries in each of their states.

*Andrew Pack is a regional public policy specialist at the Federal Reserve Bank of St. Louis.*

**ENDNOTES**

- 1 McKinsey Global Institute. Pg. 4 [www.mckinsey.com/mgi/reports/free-pass\\_pdfs/changing\\_fortunes/Changing\\_fortunes\\_Executive\\_summary.pdf](http://www.mckinsey.com/mgi/reports/free-pass_pdfs/changing_fortunes/Changing_fortunes_Executive_summary.pdf)
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- 6 National Governors Association. [www.nga.org/portal/site/nga/menuitem.b14a675ba7f89cf9e8eb-b856a11010a0](http://www.nga.org/portal/site/nga/menuitem.b14a675ba7f89cf9e8eb-b856a11010a0)
- 7 National Skills Coalition. [www.nationalskillscoalition.org/assets/reports/-/nsc\\_issuebrief\\_ojt\\_2010-01.pdf](http://www.nationalskillscoalition.org/assets/reports/-/nsc_issuebrief_ojt_2010-01.pdf)

# Illinois: A Holistic Approach to Workforce Development

By Jean Morisseau-Kuni

The State of Illinois takes a holistic approach to workforce development through cohesive programs that balance economic development, human services, training programs and technology. A division within the Department of Commerce and Economic Opportunity, the state's lead agency responsible for economic development, ensures that workforce development is an important component of the state's commitment to economic growth and job creation.

A large, populous state, Illinois has vastly diverse regions within its borders. Chicago, the nation's third-largest city, is located in the north; the middle of the state is home to Springfield, the state capital, and a thriving agricultural economy that continues into the southern region where the Shawnee National Forest and a number of wineries have created an economy dependent on agriculture and tourism. Meeting the needs of those seeking employment and employers in such diverse economies and geographies would be next to impossible if standard training programs were applied across the entire state. However, workforce development in Illinois is as diverse as its geography.

## One Size Does Not Fit All

The state government set up 26 Workforce Investment Boards

(WIBs) that provide small, regional approaches to workforce development. Each WIB is composed of local leaders from business and government sectors, including manufacturing, technology, service and education. Each WIB has the mission of ensuring that programs offered in their region meet current and future local needs.

WIBs carry out their mission through a hand-in-glove relationship with local community colleges. The community colleges provide job training and education programs to meet the ever-changing needs of the community, employers and job seekers. WIBs and community colleges currently are collaborating to increase programs that will meet the growing demand for job skills in "green" technology.

"When someone comes to us looking for employment, we look at the whole person," said Rick Stubblefield of the Mid America Workforce Investment Board (WIB 24). Mid America serves five Illinois counties in the St. Louis MSA: St. Clair, Monroe, Randolph, Clinton and Washington.

"Daily we work with job seekers who have multiple barriers that keep them from being desirable employees, including lack of a primary school education, homelessness, addictions and mental illnesses. Before we place that person in a training program or with an employer, we have to address the barriers. Our

goal is to ensure that when an individual is placed in a job, they are capable, both physically and mentally, to thrive and become an asset to the employer," Stubblefield said.

Job seekers access workforce services through several portals. Traditional walk-in Career Centers are located in every county where counselors guide clients through the job-search process and help them find training and human service programs. Job seekers who prefer an electronic approach to their search can access WorkNets, an online system that matches skills to job openings, ideas for new career paths and training programs.

Workforce development has been challenging in Illinois as the ranks of unemployed continue to grow in the slowing economy. Many of the newly unemployed have families to support and need to find a new career path quickly. This issue has caused WIBs and community colleges to retool some existing programs and search for new programs that are completed within three to six months while continuing to offer traditional training programs.

Illinois also offers training programs for youths through public high schools. Tutoring, mentoring and soft-skill programs help them hone skills for sustainable employment. WIBs also work with employers to create programs that offer summer jobs and internships to high school and college-aged youth.

## Workforce Development in a Bi-State Region

WIBs in both the Illinois and Missouri St. Louis MSA are active members of the St. Louis Regional Chamber and Growth Association (RCGA). Working with businesses on both sides of the Mississippi River, the RCGA's core mission is to make the bi-state region a desirable place to live and work and to position the region to grow a strong economy with high employment. Currently, the RCGA is bringing WIBs and community college training administrators from Missouri and Illinois together to discuss the need for a regional workforce development collaborative.

As a region, both states also need to reposition themselves to attract new businesses and expand existing businesses by raising the capacity of the local talent pool. "We need to ensure that talent is part of the equation and not an afterthought," said Dick Fleming, RCGA president.

He also said St. Louis is positioning itself to become a "green belt" economy by participating in the Rockefeller Brothers Fund pilot "Greenprint" program.

*Jean Morisseau-Kuni is a community development specialist at the Federal Reserve Bank of St. Louis.*

# Finding Connections in the Greater St. Louis Area

By Jean Morisseau-Kuni

Kathy Lambert opened Dress for Success—Midwest, a chapter of Dress for Success Worldwide, in the St. Louis area to help women living in poverty obtain the basic skills and clothes they needed when seeking employment. What she quickly realized was that her clients wanted and deserved more than interview skills and presentable clothing in order to obtain a minimum-wage job.

Kathy listened as her clients shared their stories of being “beat down” by a system that did little to help them move out of poverty. She knew that until these women believed in themselves, they would never become self-sufficient, financially stable and able to provide a better life for their children.

Her desire to help her clients eventually led Kathy and her husband, Brad, to create Connections to Success (CtS), which they co-direct. As the nonprofit has grown, now helping both men and women—many of whom are ex-offenders—CtS’s mission has remained the same: to help clients develop a plan and access the resources they need to become self-sufficient.

The organization offers a variety of programs. At the start, every CtS client goes through an intensive assessment program to help them identify their strengths, weaknesses and desires. CtS staff spend one-on-one time



Graduates of a recent Pathways to Success program.

with clients to get to know them as individuals. Their goal is to help clients find their niche, both in CtS programs and in life.

“Everything that we do is addressing our goal of helping our clients to succeed,” Brad said. “We look at every aspect of our clients’ lives in order to guide them into programs that will best benefit them.”

One of those programs is Pathways to Success, which helps ex-offenders adapt to life outside of prison and to re-enter the workforce.

An indicator of the program’s success is the success of its clients. To date, Pathways to Success has helped more than 300 ex-offenders. Kathy said 70 percent of ex-offenders who complete the program receive living-wage job placement versus the national average of 40 percent. The recidivism rate also drops to 16 percent for CtS graduates versus 44 percent nationally, she said. Pathways to Success was chosen as a model program by the U.S. Department of Justice, which said it saves the Bureau of Prisons approximately

\$3 million dollars annually.

Taxpayers also benefit from other CtS programs that prepare participants for the working world, encourage them to seek higher educational experiences and help them become less reliant on taxpayer-paid programs like Medicaid and subsidized housing. Those programs include:

*Professional Women’s Group*—Women learn proper business etiquette, dress and skills that will help them succeed at work.

*Wheels for Success*—This program helps clients obtain a vehicle after they complete their training program. While many of the vehicles are donated, CtS works with local auto dealers to obtain affordable vehicles for clients. “The Wheels for Success program has been instrumental in helping many clients keep their jobs,” Brad said. “It’s just common sense: If you don’t have a way to get to work, you will lose your job.”

*Faith and Family Connections*—This faith-based mentoring program works with churches throughout the metropolitan

area to help clients build positive influences in their lives by surrounding them with people who care about them.

*Leading Ladies Leadership*—Graduates of the Professional Women’s Group give back to CtS by acting as mentors and leading discussion groups for newcomers.

Both Lamberts say they owe their success to their staff and to their board of directors.

“We want the best and actively seek staff and board members who bring something we need to the table,” Kathy said. “Our board of directors is an intricate part of our organization and not only appreciates but understands our mission.” Using their diversely different backgrounds and talent, board members meet regularly at full board meetings and in smaller committees, providing business and program expertise that support the nonprofit’s mission.

The staff at CtS are hard-working, innovative and caring, Kathy said. That kind of caring allows CtS to help people become productive, tax-paying citizens who can believe in their dreams and in themselves, Kathy said.

For more information, visit [www.connectionstosuccess.org/index.php](http://www.connectionstosuccess.org/index.php).

*Jean Morisseau-Kuni is a community development specialist at the Federal Reserve Bank of St. Louis.*

# Kentucky: Strategy Promotes Entrepreneurship

By Faith Weekly

The Kentucky Workforce Investment Board, charged with creating a statewide workforce training and development plan, is undergoing a total reorganization and will have a new strategic plan by late spring.

Joseph Meyer, acting secretary of Kentucky's Education and Workforce Development Cabinet, outlined the priorities: first, align the state's workforce system and education standards; second, align workforce programs with the state's economic development goals; third, improve and simplify the system; and, fourth, improve overall customer service.

In Kentucky, workforce development activities are spread throughout many government agencies, and a variety of programs lie outside the direct control of the Workforce Development Cabinet.

Unemployment has climbed steadily during the recent financial crisis. Based on figures from last October, sectors that have been most affected in Kentucky are construction, manufacturing and service. Construction lost the highest number of jobs: a decrease of 21 percent or 17,600 jobs. The manufacturing industry lost 32,900 jobs, a 14 percent decrease.

Many of the manufacturing job losses were seen in Kentucky's large automotive industry. The state is home to Toyota and

Ford plants and a GM plant that produces the Corvette. Forty-one of Kentucky's counties are listed as "trade impacted" by automotive industry restructuring, meaning there was a loss of jobs resulting from international trade impacts. Twenty-four of Kentucky's counties are considered significantly trade impacted. The state has received assistance through the Community Trade Adjustment Assistance Program, part of the American Recovery and Reinvestment Act of 2009. The program is intended to help create and retain jobs by providing project grants to communities that have experienced or are threatened by job loss resulting from international trade impacts.

The only sectors that experienced job growth in Kentucky were education and health care.

The reorganization of the Workforce Investment Board will yield a long-term impact, Meyer said. The aim is to prepare Kentucky's citizens for sustainable jobs in the future. The reorganization will create a much more business-driven system. Meyer foresees the establishment of a "how to run your own business" program through Kentucky's One Stop Centers. The programs will start in the summer.

"There are some service businesses that people can get into if they have support and guidance, so we want to place a very strong statewide effort on entrepreneurship—large and small.

We don't foresee a significant reduction in unemployment in the state or growth in employment opportunities. It's going to be a slow recovery, so we think these sorts of services will be very valuable," Meyer said.

The Fort Knox Base Realignment and Closure reorganization will consolidate the Army Human Resource Command with approximately 3,100 mostly civilian personnel at Fort Knox, Ky. It's expected that between \$800 million and \$900 million worth of construction will take place at Fort Knox for the BRAC reorganization and for base modernization projects. The BRAC reorganization at Fort Knox will be completed by September 2011. The addition of the Human Resource Command at Fort Knox will add several thousand white-collar jobs. The local market does not have a sufficient pool of qualified workers to fill those jobs, so it is anticipated that an influx of out-of-state workers will follow their jobs from other states, Meyer said. In response to this, a consortia of colleges and trainers in Radcliff, Ky., will help train Kentuckians with the skills needed to qualify primarily for white-collar jobs. Having people at the appropriate skill level is an ongoing concern for state officials who see the potential for defense industry contractors locating in Kentucky.

Clean and renewable energy is an industry that has recently

come to Kentucky. "Energy is a huge part of the Kentucky economy in the eastern part of the state as well as the western part of the state," Meyer said.

The state has plans to develop a new training program for "green" jobs as part of its economic development and workforce development strategy, although they are still in the early stages. The Kentucky Community & Technical College System is developing a curriculum for "green" jobs. Kentucky currently is retraining plumbers and pipe fitters in "green" and energy efficiency standards. Workers are being provided with chemical engineering training and certifications for a new solar cell plant in Tennessee. Another training program is being started for smart grid technology, and Kentucky's Finance Cabinet has created a clean energy corps to provide training for energy auditors for a statewide weatherization program.

Meyer said Kentucky is challenged because it is a state with numerous regional economies as opposed to statewide economies. The state has a total of seven regions that are multistate economies. Only a few of the economies are totally confined to the state.

*Faith Weekly is a community development specialist at the Louisville Branch of the Federal Reserve Bank of St. Louis.*

# Partnership Creates Pipeline to Jobs for Louisville Residents

By Faith Weekly

An innovative partnership between Norton Healthcare and Making Connections Louisville provides residents of the city's most underserved neighborhoods with entry-level positions and the opportunity to advance in one of the most in-demand fields today.

Making Connections is a 10-city national initiative supported by the Annie E. Casey Foundation and other local funders. The goal of Making Connections Louisville is to close the gaps in housing, education and jobs and to improve the quality of life for families residing in four inner-city neighborhoods: Smoketown, Shelby Park, California and Phoenix Hill.

About six years ago, Making Connections Louisville brought together different stakeholders to discuss how to close those gaps in housing, education and jobs. From that process, a focus on sector-based employment emerged. Health care (specifically, Norton Healthcare) and logistics (specifically, UPS) were identified as sectors that offered opportunities for entry-level positions with potential for advancement and strong benefits packages.

In 2005, Making Connections Louisville launched a four-month pilot program. Only seven employees were initially



*After completing the Making Connections Louisville program, Shavelle Gordon (left) found a job in housekeeping at Norton Healthcare and support from Norton manager Michelle Williams (right). Gordon has since become a nursing assistant and is studying to be a nurse.*

employed in the Making Connections Louisville neighborhoods with those companies. Subsequently, a goal of employing 40 residents was set. Although residents were finding jobs, many did not retain them because they lacked an understanding of how a huge operation, such as a hospital, actually works. What the coordinators discovered was that participants were losing jobs for reasons that could have been addressed in pre-employment and post-employment coaching. Today, even before applying for a position at Norton Healthcare, participants receive pre-employment coaching.

Norton Healthcare was already in the community and needed a skilled workforce for entry-level positions. For the past four years, Norton Healthcare employee Michelle Williams has worked in its Office of Workforce Development as manager

of the Making Connections Louisville program. Her role as career coach means that she helps Making Connections Louisville employees find child care, establish career goals and navigate educational opportunities within Norton Healthcare to prepare for continuing education and health-related career opportunities. She also is responsible for introducing them to all of the benefits that Norton Healthcare offers its employees, including financial assistance toward homeownership and computer purchases.

During the first 30 days of employment, Williams checks in weekly with the new hires. During the second 60 days of employment, she checks in every two weeks and monthly with the manager.

"Michelle's job is so important because she is playing many different roles: Norton navigator, workforce coach, benefits spe-

cialist. She is steeped in Norton culture as well as network culture and can really pinpoint what is needed," said Dana Jackson, Making Connections Louisville site coordinator.

Jackson emphasized that the program is based on a legitimate business need for workers to fill entry-level positions in the dietary and housekeeping departments and as patient care associates. Through the program, 57 people are now employed. The challenges are to keep participants engaged in other areas of the Making Connections network and to make sure they are taking advantage of company benefits, she said.

"So success is not measured by simply 'I have a job,'" Jackson said. "Norton is an outstanding partner. What I like about Norton is that at various levels within a large organization, people are thinking about how they can implement the Making Connections initiative. They have taken it (Making Connections), they've embraced it and embedded it in their organization. In a lot of ways, it is in their DNA," Jackson said.

Last summer, Norton expanded the program into additional underserved neighborhoods.

*Faith Weekly is a community development specialist at the Louisville Branch of the Federal Reserve Bank of St. Louis.*

# Tennessee: Focus Is on “Green” Jobs, Fast Track Service

By Kathy Moore Cowan

**M**att Kisber, commissioner of the Tennessee Department of Community and Economic Development, admits that “Tennessee historically is not the first state that comes to peoples’ minds when they think about ‘green’ jobs.” However, the Pew Center on the States ranks Tennessee as one of the three fastest-growing states in the country in “green” collar jobs. Between 1998 and 2007, “green” jobs in Tennessee grew at a rate of 18.2 percent, doubling the national rate of 9.1 percent. From all indications, more growth in this industry is expected.

Memphis BioWorks Foundation recently received a \$2.9 million grant for job training in energy efficiency and renewable energy occupations; and, last year, the governor announced the development of the West Tennessee Solar Farm (Haywood County), a five-megawatt, 20-acre power generation facility. To make sure Tennessee maintains a leadership position not just in manufacturing of products but in the innovation that takes place, the Tennessee Solar Institute is being developed in East Tennessee as a partnership between the state, the University of Tennessee and Oak Ridge National Laboratories.

Another new industry in Tennessee is high-value distribution and logistics, where a company

brings in and warehouses a partially completed project, completes it based on the customer’s demands, and then distributes it to the customer. The medical device manufacturing industry is one example. Memphis has become the center of this industry in the country. Also, headquarters function activity has increased. More companies are moving their divisional, regional and global headquarters to Tennessee. Almost 50 corporate headquarters have been recruited to the state in the last seven years. The state also has been successful in expanding its automotive industry, landing a Volkswagen automotive manufacturing plant in Chattanooga that should begin production next year.

To strengthen the state’s ability to recruit new companies, the governor established the Fast Track process, a multi-departmental procedure to respond to companies interested in coming to Tennessee. The commissioners of Labor and Workforce Development, Community and Economic Development, Education and Human Service make up the Jobs Cabinet, where these departments work together to generate a proposal within 24 hours of a company’s request. This has helped Tennessee be successful despite the current economy, Kisber said.

Although there have been successes in the state as a whole, there are a number of regions

that have lost businesses. For example, a General Motors Plant (formerly Saturn) in Middle Tennessee closed, resulting in a loss of 5,000 jobs.

To address the needs of displaced workers, Susan Cowden, administrator of workforce development in the Department of Labor and Workforce Development, said the state has extended unemployment benefits and conducted outreach to the unemployed, encouraging them to get retraining in high-growth sectors such as biomedical, energy, health care and information technology. The American Recovery and Reinvestment Act (ARRA) funds have enabled the state to pay for additional classes from approved training providers in instances where classes are full and where new classes are needed for emerging industries. As the unemployment rate has doubled, the funds have allowed the state to double the number of people receiving workforce services.

In Perry, Lauderdale and Hancock counties, some of the hardest hit by unemployment, the state has implemented the subsidized employment program, where people work in the private and public sectors on jobs that are 100 percent subsidized with public monies. Funds come from the Temporary Assistance for Needy Families (TANF) program administered by the Department of Human Services. Additional funds from

ARRA have subsequently been used, requiring less stringent eligibility criteria and resulting in more displaced workers being helped. Cowden anticipates using this model in other economically depressed counties where the unemployment rate is high and the primary industry has closed.

West Tennessee has historically had low educational attainment levels relative to the rest of the state and the country and persistently high levels of unemployment. “Education is by far the most important aspect in making a decision where to invest capital and locate jobs because today’s workers have to do more than just have a strong back,” he said. The state has made significant improvements in education in the last seven years to prepare Tennesseans for the jobs of tomorrow—most notably the establishment of a pre-kindergarten program, raising achievement standards, reorganization of higher education, and research enhancements to the University of Tennessee and other higher education facilities.

*Kathy Moore Cowan is a senior community development specialist at the Memphis Branch of the Federal Reserve Bank of St. Louis.*



# Tennesseans Take Steps from Welfare to New Careers

By Teresa Cheeks Wilson

In 2007, Tennessee welfare recipients became subject to strict federal guidelines that limited their welfare eligibility and required them to work or take part in activities that would lead to full-time employment. A new mandate set a lifetime maximum of 60 months of public assistance. To help unemployed welfare recipients make the transition back to work, the state's Department of Human Services turned to SEEDCO, a national nonprofit with extensive experience in developing and overseeing welfare-to-work programs.

One of the program's SEEDCO administers is Career Steps, a performance-based workforce development program that provides job training, placement services and ongoing support for Shelby County residents transitioning from public assistance to economic self-sufficiency.

Career Steps is a joint venture between SEEDCO, the Tennessee Department of Human Services, United Way of the Mid-South and local nonprofit agencies. "We use practical, effective strategies to address the challenges confronting individuals who are struggling to leave poverty and achieve economic progress," said Sondra Howell, career development manager of SEEDCO.

The program's primary objectives are to help unemployed or underemployed public assistance recipients become economically



*Career Steps, a job training program, offers Tennessee residents computer training and help with developing a resume.*

self-sufficient and to work with Memphis regional employers to meet their employment needs and strengthen the local economy. The Career Steps program assists thousands of Shelby County residents in gaining the necessary skills needed to be successful in the workplace.

Services offered are:

- Job readiness and referrals: Trained employment counselors work with participants to assess job readiness and help them determine career pathways. Counselors identify and address possible barriers to employment, such as lack of transportation, the need for appropriate work clothing and mental health or substance abuse issues.
- Training and professional development: Participants with limited or no workplace experience receive a wide range of training and skills-development opportunities.

The Career Steps program places entry-level workers in temporary, unpaid job assignments (internships) averaging 20 to 30 hours per week and allowing them to improve their employment prospects. At any given time, there are approximately 1,500 participants in the Career Steps program.

- Job development and placement: Job opportunities are identified and workers are placed in positions that use their skills and background. In 2009, more than 300 participants transitioned directly into employment from the Career Steps program.
- Transitioning from welfare: SEEDCO continues to work with participants after they are employed by providing support in connecting them to transitional benefits such as health care, food stamps and child care assistance.

- SEEDCO works in partnership with the Regional Memphis Chamber of Commerce to address the training and hiring needs of the high-growth logistics, health care and retail/hospitality sectors of the community.

Services provided to employers include:

- Staffing and retention at no cost to the employer: Entry-level workers are placed in temporary, unpaid job assignments to help employers fill open positions and connect them to skilled job seekers. Once an individual is hired, SEEDCO continues to work with that individual for nine months, ensuring they have support services and training needed to successfully meet the demands of the job.
- Customized training: Working hand-in-hand with industry employers, SEEDCO develops customized training that prepares the workforce for specific positions within a sector.
- Connection to business incentives: SEEDCO helps employers take advantage of federal tax credits and state initiatives that provide bonus payments to companies that hire, train and retain those leaving public assistance.

*Teresa Cheeks Wilson is a community development specialist at the Memphis Branch of the Federal Reserve Bank of St. Louis.*

# SPANNING THE REGION



THE REGION SERVED BY THE FEDERAL RESERVE BANK OF ST. LOUIS ENCOMPASSES ALL OF ARKANSAS AND PARTS OF ILLINOIS, INDIANA, KENTUCKY, MISSISSIPPI, MISSOURI AND TENNESSEE.

## Loan Fund Designed To Boost Helena-West Helena Revitalization

Southern Bancorp Capital Partners, the nonprofit development affiliate of Southern Bancorp, has launched a new loan fund with the goal of encouraging revitalization and growth in downtown Helena-West Helena, Ark. Funds can be used to start a business, expand or relocate an existing business, or buy or renovate a historic home. Historic housing loans can be used for the purchase or renovation of historic housing or commercial buildings in the development district. Property must be listed or eligible for listing in the National Register of Historic Places.

Small business loans can be used to finance a new business, expand an existing business, develop loft apartments or support activities that stimulate downtown revitalization.

Loans must be repaid in seven to 20 years at interest rates ranging from 3 percent to 4 percent. Borrowers do not need to be residents of Phillips County to qualify. Credit counseling is available for borrowers who do not yet qualify.

The Downtown Loan Fund is supported by a program-related investment (PRI) from the Walton Family Foundation.

Contact Steve Toney at [stoney@banksouthern.com](mailto:stoney@banksouthern.com) for more information.

## Mississippi State Creates Workforce University

The Research and Curriculum Unit (RCU) at Mississippi State University has established the Mississippi Workforce University, a research and outreach organization dedicated to develop-

ing the state's workforce and achieving employers' organizational goals. The RCU studies workforce development in Mississippi and connects education and training to the workforce and workforce providers.

In addition to developing traditional materials such as manuals and videos, the workforce development team has created an online workforce education resource portal that provides access to e-learning materials, curricula and other training materials and resources. Customized training modules for the development of industry-specific, proprietary and nonproprietary training modules are available in a manual, video or technology-based format. Standardized, generic training modules include blueprint reading, basic math, precision measurement and mechanical maintenance. Technology-based training tools, such as podcasts, wikis, blogs, screencasts, demonstration tools, collaboration tools and webinars also are available. The university's Media Library/Media Center is the connection to its training materials as well as those found in other university libraries. Certified trainers are qualified to offer Franklin Covey "Focus," HRDQ "Flight

from Savo" Supervisory Skills simulation and Meyers-Briggs Type Indicator.

Located in Starkville, Miss., Mississippi State University works closely with the Mississippi Workforce Education Program at the State Board of Community and Jr. Colleges, the Mississippi Department of Education, the 15 Mississippi community and junior colleges, statewide training providers and Mississippi companies.

For information, contact Cathy Davis, coordinator, or Lemond Irvin, project manager, at 662-325-2510.

## Have you HEARD

### Fed Web Site, Pub Explain Credit Card Rules

Credit card rules that took effect Feb. 22 are the topic of an interactive web site and a new publication from the Federal Reserve. The web site and publication are designed to help consumers understand new protections available under these rules.

The publication, *What You Need to Know: New Credit Card Rules*, is available on a printer-friendly web page: [\[alreserve.gov/consumerinfo/wyntk\\\_creditcardrules.htm\]\(http://alreserve.gov/consumerinfo/wyntk\_creditcardrules.htm\).](http://www.feder-</a></p></div><div data-bbox=)

The new web site, which can be found at [www.federalreserve.gov/creditcard](http://www.federalreserve.gov/creditcard), explains how the rules affect credit card users. Two interactive features will allow consumers to learn more about the terms and fees of credit card offers and about the new features of their monthly statements.

In addition, basic facts about common credit card options, interest rates and fees are also provided. Consumers will find a glossary of common credit card terms for quick reference.

The site also provides information about common credit card problems, such as lost or stolen cards.

## Reader Poll

The Federal Reserve is interested in workforce development and its impact on the economy. What is your community's biggest workforce challenge?

- Keeping young people in the area to work in local businesses.
- Attracting people outside the community to work in local businesses.
- Lack of workforce/affordable housing.
- Loss or lack of a major employer.
- Lack of skills to fill existing work opportunities.

Take the poll at [www.stlouisfed.org/community\\_development/](http://www.stlouisfed.org/community_development/). Results are not scientific and are for informational purposes only.

The previous poll focused on credit reports and asked: "How often do you check your credit report?" Based on 50 responses:

- 32 percent said once every few years
- 30 percent said once a year
- 20 percent said never
- 18 percent said several times a year



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## CALENDAR

### APRIL

#### 29

##### **Closing the Gap: Improving Low-Income and Minority Community Access to Wealth—St. Louis**

Sponsor: Metropolitan St. Louis Equal Housing Opportunity Council  
[www.ehocstl.org](http://www.ehocstl.org)

### MAY

#### 1

##### **St. Louis Regional Neighborhoods Conference—St. Louis**

Sponsors: St. Louis Association of Community Organizations, Harris-Stowe State University and SIUE Institute for Urban Research  
618-650-5254  
[www.siu.edu/iur](http://www.siu.edu/iur)

#### 3-7

##### **NeighborWorks Training Institute—Phoenix**

Sponsor: NeighborWorks  
[www.nw.org](http://www.nw.org)

#### 6-7

##### **Improving Quality of Life through Comprehensive Community Economic Development—Indianapolis**

Sponsor: Indiana Association for Community Economic Development  
(additional training through August)  
317-920-2300

#### 10-13

##### **CDFA Development Finance Summit—Portland, Ore.**

Sponsor: Council of Development Finance Agencies  
[www.cdfa.net](http://www.cdfa.net)

#### 10-13

##### **National Microenterprise Conference & Training Institute—Arlington, Va.**

Sponsors: Association for Enterprise Opportunity and Small Business Administration  
703-847-7760  
<http://microenterpriseconference.org>

### 12-14

##### **Rethink. Recover. Rebuild. Reinventing Older Communities—Philadelphia**

Sponsor: Federal Reserve Bank of Philadelphia  
[www.philadelphiafed.org/community-development/events](http://www.philadelphiafed.org/community-development/events)

### JUNE

#### 9-10

##### **Housing Policy: Who Pays, Who Plays, and Who Wins?—Cleveland**

Sponsor: Federal Reserve Bank of Cleveland  
[www.clevelandfed.org/Community\\_Development/events/PS2010/Index.cfm](http://www.clevelandfed.org/Community_Development/events/PS2010/Index.cfm)  
[www.cfsinnovation.com/home](http://www.cfsinnovation.com/home)

#### 9-11

##### **Underbanked Financial Forum—Miami**

Sponsor: Center for Financial Services Innovation  
[www.cfsinnovation.com/home](http://www.cfsinnovation.com/home)

#### 9-12

##### **Conference on Serving the Underserved and Latino Credit Union Conference—Pittsburgh**

Sponsors: National Federation of Community Development Credit Unions and the Network of Latino Credit Unions and Professionals  
[www.cdco.coop](http://www.cdco.coop)

#### 29

##### **Housing's Great Fall: The Effect of House-Price Declines on Homeowner Equity—Little Rock, Ark.**

Sponsor: Federal Reserve Bank of St. Louis, Little Rock Branch  
501-324-8296  
[www.stlouisfed.org/community\\_development/events](http://www.stlouisfed.org/community_development/events)

## BRIDGES

*Bridges* is a publication of the Community Development Office of the Federal Reserve Bank of St. Louis. It is intended to inform bankers, community development organizations, representatives of state and local government agencies and others in the Eighth District about current issues and initiatives in community and economic development. The Eighth District includes the state of Arkansas and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri and Tennessee.

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#### **Social Capital and the Future** **August 26, 2010**

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#### **Financial Capital and the Future** **November 10, 2010**

Topic: nonprofit and development finance.

These videoconferences also will be broadcast to any group that has videoconferencing capabilities and registers to participate as a local discussion site. For information, contact Matthew Ashby at 314-444-8891 or go to [www.stlouisfed.org/community\\_development](http://www.stlouisfed.org/community_development)

### >>> **Only Online**

In addition to the print version, each issue of *Bridges* offers articles that are exclusively online. These articles expand on topics in the current issue. Online articles for the spring issue of *Bridges* are related to workforce development. They are:

- >>> What is Workforce Development?
- >>> Career Readiness Certificate Measures Essential Skills
- >>> Accelerated Job Training Seen as Key to Missouri's Recovery
- >>> Arkansas: An Integrated Workforce Development Strategy



BRIDGES | SPRING 2010

<https://www.stlouisfed.org/publications/bridges/spring-2010/what-is-workforce-development>

## What is Workforce Development?

Lyn E. Haralson

“Workforce development” is an essential component of community economic development in any economic climate, and certainly even more critical during the financial crises we’re experiencing today. Generally speaking, the term has come to describe a relatively wide range of activities, policies and programs employed by geographies to create, sustain and retain a viable workforce that can support current and future business and industry. Beyond this general understanding, it is difficult to gain a consensus as to the definition of workforce development, perhaps because each user of the term approaches it from a different perspective.

Educational institutions and public and private social service providers, for example, approach workforce development and develop programs from the perspective of the sustainable economic security of the *individual*. Communities and economic developers, on the other hand, approach workforce development from a different view—that which benefits the sustainable economic growth of a *community or region*. Still another group—employers—approach workforce development from an *organizational* perspective, focusing on the skills their business or industry needs to remain competitive in the global marketplace.

Dr. Robert Jacobs and Joshua D. Hawley, professors of Workforce Development and Education at Ohio State University sought to bring some continuity to the term by researching and ultimately developing a comprehensive definition. According to Jacobs and Hawley, “Workforce development is the coordination of public and private-sector policies and programs that provides *individuals* with the opportunity for a sustainable livelihood and helps *organizations* achieve exemplary goals, consistent with the *societal* context.”<sup>[1]</sup>

Following are sample descriptions and activities of workforce development programs from each of the above perspectives, as well as a brief discussion of what perspective the Fed generally takes on workforce development and how the Eighth District community development team approaches the challenge.

### **An individual-focused model centers on training and education**

The premise behind “individual centric” workforce development programs is that individuals will not be able to make substantive contributions to their respective societies without access to training and education. Organizations serving individuals recognize that in most instances meeting the basic needs of an individual through social safety nets is a necessary component to sustainable economic security. Therefore, workforce development from this perspective is defined as a combination of *social services, community supports, job training and education* that positions an individual for success in the workforce.

The Annie E. Casey Foundation recognized this in the 1990s when they launched their Jobs Initiative. The primary mission of the Annie E. Casey Foundation is to foster public policies, human-service reforms and community supports that more effectively meet the needs of today’s vulnerable children and families. In developing the program, the Foundation realized that changing the labor market prospects for disadvantaged workers would require strategies that cut across welfare, job training, education, human services and

economic development systems. It called for strategies that both prepared the worker and created the conditions where that worker's success was attainable.[2]

## **The goal of the societal perspective is future economic stability and growth**

Workforce development from the societal centric perspective is defined as initiatives that educate and train individuals to meet the needs of *current and future business and industry* in order to maintain a sustainable competitive economic environment. Whereas the previous example was driven by the needs of individuals, the initiatives in the societal perspective are driven by the economic development plan for an entire region or state.

Researchers for the National Center for Higher Education Management Systems argued in a 2007 study of all 50 states that state policymakers need to pay greater attention to the role of education—especially postsecondary education—in meeting state workforce and economic development goals. Using an array of data, the report highlighted the ways in which a state's stock of human capital is depleted and replenished through education, migration and the aging of the workforce.[3]

Postsecondary education is indeed an important part of the formula; however, states, regions and communities are realizing that postsecondary education does not just come with a set of letters attached, but encompasses a wide range of job training and educational offerings. In the Eighth District, the state of Arkansas has instituted and prioritized STEM (Science, Technology, Engineering and Math) education as both an economic development strategy and an effort to raise median household income.

## **From the organizational perspective, skills training is key to staying globally competitive**

Workforce development from the organizational centric perspective is defined as training programs that provide existing and potential workers with the skills to complete tasks needed by employers to let the organizations stay competitive in a global marketplace. Interestingly, while these initiatives in the past have focused on the needs of individual organizations, today sector strategies target a specific industry or cluster of occupations, working to develop a deep understanding of industry dynamics and the specific competitive situation and workforce needs of the industry's employers within the region.[4]

## **Which perspective fits the Fed's mission?**

To understand best how many in the Federal Reserve view workforce development, one must first consider that the Fed, consistent with its broad-encompassing responsibilities, has both a macroeconomic and microeconomic vantage point. With this dual lens, many Fed community development professionals have, accordingly, a slightly broader definition of workforce development than other one-dimensional centric organizations. In the Eighth District, we loosely define workforce development as the services, programs, systems and networks that provide people with education, skill development and improved access for employment and advancement in the labor market in order to achieve overall maximum sustainable economic growth. Similar to Jacobs and Hawley, we view workforce development holistically. Here's our thinking of how we arrived at this viewpoint:

The Fed's macroeconomic focus best aligns with the interests and perspectives of organizations. The macroeconomic focus is part of, and consistent with, the Federal Reserve Act goals of monetary policy. These goals specify that the Board of Governors and the Federal Open Market Committee (FOMC) should seek "to promote effectively the goals of *maximum employment*, stable prices and moderate long-term

interest rates.” The act further states that stable prices in the long run are a precondition for *maximum sustainable output growth* and employment as well as moderate long-term interest rates. The FOMC strives to achieve these goals through monetary policy.[5] To achieve maximum sustainable employment workers’ skills must match those demanded in the marketplace. Workforce development in the broad sense defined in this article provides the avenues for individuals to match their skills with those demanded in the marketplace.

The Fed’s microeconomic focus best aligns with societal and individual perspectives, and work in this area is conducted by the Federal Reserve Bank’s Community Affairs function. As a part of the Federal Reserve System, their mission is to support the System’s economic growth objectives by promoting community development and fair and impartial access to credit.

Under the community development umbrella, specifically, staff: encourage cooperation among community organizations, government agencies, financial institutions and other community development practitioners to their mutual benefit; sponsor forums such as conferences, workshops and trade fairs for the exchange of information, ideas and available resources among lenders, community groups and government officials; promote a better understanding by policymakers, community leaders and private-sector decision-makers of the processes and resources that support successful community; and produce and distribute materials that feature successful community development resources and techniques.[6] (Read about specific workforce development initiatives in the Eighth District in this issue of *Bridges*.) Driven by their origin in the Community Reinvestment Act, which focuses on low- to moderate-income (LMI) individuals and geographies, community development staff participate in and support collaborative efforts at the state and community level that boosts opportunities and economic security of LMI individuals in a manner that provides mutual benefit to the individual and society.

The Federal Reserve Bank of St. Louis Community Development Department focuses their work in the Eighth District in three main areas: Asset building/preservation, community development finance and community stabilization/revitalization. This three-pronged approach creates a holistic strategy for sustainable community economic growth, individual economic security and community stability. Combining this body of work makes the Federal Reserve Bank System a vested stakeholder in the preparation of America’s workforce.

## **Understanding the value of a comprehensive approach**

While the perspectives of participants in workforce development initiatives might vary, it’s important to note that the core objective—economic growth—remains ultimately quite compatible. First prompted by the federal Workforce Investment Act (WIA),[7] states, regions and local governments have now come to the understanding that no one perspective is right or wrong. They understand that an ideal comprehensive strategy removes silos and creates synergies across the varied workforce development initiatives while still meeting individual, organizational and societal needs.

According to the Aspen Institute, a comprehensive approach to workforce development means substantial employer engagement, deep community connections, career advancement, human service supports, industry-driven education and training, and the connective tissue of networks. Building on the lessons learned from past efforts, the new workforce paradigm contains an array of job strategies, including sector and place-based employment strategies, adult education, and short- and long-term training programs that are customized to different employer and jobseeker groups.[8]

Reconciling different sets of goals across many perspectives, including individual, organizational and societal, will become the defining feature of an integrated workforce development strategy.

### **Endnotes**

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# Career Readiness Certificate Measures Essential Skills

Lyn E. Haralson

The biggest challenge facing Arkansas employers and economic developers actively recruiting industry to our state is the gap between the current workforce and the job skills needed by employers. To stay competitive in the global market, solutions are necessary to better align workers' skills with the high-skill, high-wage jobs of the 21st century. Three letters have come to represent a large part of the solution: CRC, the Arkansas Career Readiness Certificate. The Arkansas Career Readiness Certificate is a portable credential based on WorkKeys® assessments that demonstrate to employers that the person before them possesses the basic workplace skills.

The WorkKeys job skills assessment is a product from a familiar college assessment company, ACT, Inc. The assessment measures real-world skills that employers believe are critical to job success. The skills measured by WorkKeys are valuable for any occupation that's skilled or professional and at any level of education. WorkKeys uses a comprehensive procedure for measuring, communicating and improving common skills. There are nine skill areas: reading for information, applied mathematics, information location, applied technology, business writing, listening, observation, teamwork and writing. Of these areas, the Arkansas CRC focuses on three skills: reading for information, applied mathematics and locating information.

Assessment can be scary for an active employee or for someone looking for work. To alleviate some of that anxiety, the state uses KeyTrain®, which is a pre-WorkKeys instructional tool that helps prepare individuals for the WorkKeys assessments. KeyTrain is the first step toward achieving an Arkansas CRC.

The CRC has been made possible through a collaboration between key agencies and institutions that resulted in the following organizations joining the effort: Arkansas Department of Workforce Services, Arkansas Workforce Investment Board, Arkansas Department of Career Education, Arkansas Association of Two Year Colleges, Arkansas Economic Development Commission, Arkansas Department of Higher Education and the Arkansas Department of Education. Working together, they have forged a system to meet the needs of current and future employers, as well as current and future workers. The program targets first and foremost the unemployed followed by the underemployed. The program is free to anyone who wishes to participate.

## What does the Arkansas CRC tell an employer?

The Arkansas CRC program uses results from the WorkKeys assessments to award certificates in three categories: gold, silver and bronze. The gold-level certificate signifies that an individual has scored at least a level 5 in each of the three core areas prioritized by the State of Arkansas and has the necessary skills for 90 percent of the 14,000 jobs in the WorkKeys database. The silver-level certificate signifies that an individual has scored at least a level 4 in each of the three core areas and has the necessary skills for 65 percent of the jobs in the WorkKeys database. The bronze-level certificate signifies that an individual has scored at least a

level 3 in each of the three core areas and has the necessary skills for 35 percent of the jobs in the WorkKeys database. Each certificate is signed by the Arkansas governor and the director of the Department of Workforce Services. These certificates serve as a complement to diplomas, degrees and resumes. They are not grade-level equivalents.

## How important is the CRC?

Steve Sparks with the Arkansas Economic Development Commission says that the CRC is critical to employers. The CRC certificate tells an employer that an applicant can actually do what he or she professes. Employers report that CRC holders are higher quality candidates than other applicants. Overall, employers using the CRC as part of their hiring criteria package have seen reduced turnover ratios, reduced training and remediation training time, and significantly reduced interview ratios. LM Glasfiber (one of Arkansas' new providers of green jobs) was one of the first employers to use the CRC, says the company's Jamie Smith, who adds that it has been extremely beneficial. Smith said that the company uses the CRC in their hiring criteria today. She said it helps assure them the candidates have the skills they need. While confidence in an employee's ability to do a job effectively is a key desire, Stacy Gunderman with FutureFuel Chemical Company said that, "We are adding money back to the bottom line without sacrificing the quality of our applicant pool." Gunderman further stated that her company is thrilled with the results they have seen from the program. Since the program is free to both employee and employer, the risk of participation is non-existent, but the rewards are bankable.

According to Sparks and other employers interviewed for this piece, the certificate is effective beyond the initial hiring. Employers can use the CRC skills assessments throughout an employee's tenure to best match the person with the right skills to the open positions for promotion. The CRC is not currently offered to incumbent workers or employers who want to assess their current workforce's skills. However, an employee may contact the Arkansas Department of Workforce Services office individually about using the program. The department does not have the capability at present to accommodate multiple requests from employers to assess their existing workforce.

Employers also report that having a certificate has another beneficial effect. The prospects and employees can receive increased confidence and potential for promotion by having a certificate. The individual is more assured of his or her skill set and can be in a better position for advancement.

---

**Reading for information** – Comprehending work-related reading materials, including memos, bulletins, policy manuals and government regulations

**Applied Mathematics** – Applying mathematical reasoning to work-related problems

**Locating Information** – Using information from such materials as diagrams, floor plans, tables, forms, graphs and charts.

### Arkansas Employers Using CRC

3M Company, Little Rock  
Actronix, Inc., Flippin  
Aerojet, Camden  
Alberto Culver, Jonesboro

AMC, Inc., Camden  
American Railcar, Inc., Paragould  
Arquest, Inc., Camden  
Ashland Chemical, Inc., Jacksonville  
Austin Powder Co., Camden  
Cardinal Health, Sherwood  
Century Industries, Inc., Little Rock  
Defiance Metal Products, Heber Springs  
Domtar Industries, Inc., Ashdown  
Eaton Hydraulics, LLC, Searcy  
Esterline Defense Group, Camden  
Evergreen Packaging, Pine Bluff  
Fidelity National Information Services (FIS), Little Rock  
FutureFuel Chemical Co., Batesville  
General Dynamics Armament and Technical Products, Hampton  
Glad Manufacturing Co., Rogers  
Harps Food Stores, Inc., Benton  
Hino Manufacturing, West Memphis  
Hope Water & Light, Hope  
J Kelly Referrals and Information Services, Inc., Little Rock  
Klipsch Audio Technologies, Hope  
LM Glasfiber, Inc., Little Rock  
L'OREAL USA North, Little Rock  
Nice-Pak Products, Inc., Jonesboro  
Polymerin Composites, USA Ltd., Little Rock  
Post Food, LLC, Jonesboro  
Replacement Parts, Inc.; Bumper to Bumper, Little Rock  
Rineco, Benton  
Rockline Industries, Inc., Booneville  
Sage V Foods, LLC, Little Rock  
Spectra Technologies, Camden  
Stant Manufacturing, White Hall  
Welspun Pipes, Little Rock

### **Employer Feedback**

“The WorkKeys approach, through the Career Readiness Certificate, provides us with a validated process for selecting those applicants for initial interviews. This assessment reduces the time and effort required to identify a candidate with basics skills needed for the job. An additional benefit is knowing that the applicant has a strong desire to improve their skills, thus providing a valuable asset to our company.”

Roger N. Smith

Human Resources Representative

Actronix, Inc.

“The KeyTrain assessments have played a tremendous role in the successful start-up of our facility in Jonesboro. KeyTrain assessments gave us the opportunity to recruit talented personnel in all areas of

production. The new team members had the skill sets needed within our operation. The assessments have been a vital part in keeping our turnover rate low and hiring cost down. Our training costs have been positively affected as well with the new team members bringing a desired skill set with them.”

Barry Hay

Human Resources Manager

Alberto Culver Company

“Our business is becoming more complex with new technology and customer standards certifications. As a result, the skill level required of employees has increased. The CRC program has given us a way to verify that applicants have the prerequisite skills to be successful on the job in a relatively short period of time. It has also helped DWS and Human Resources to match employee skill sets with the right job.

“In the recent economic down turn, we have been one of the few employers growing and adding employees. People in the community realize in order to work at Anchor Packaging they will have to obtain the CRC. So, there has been more emphasis placed on the value of education.

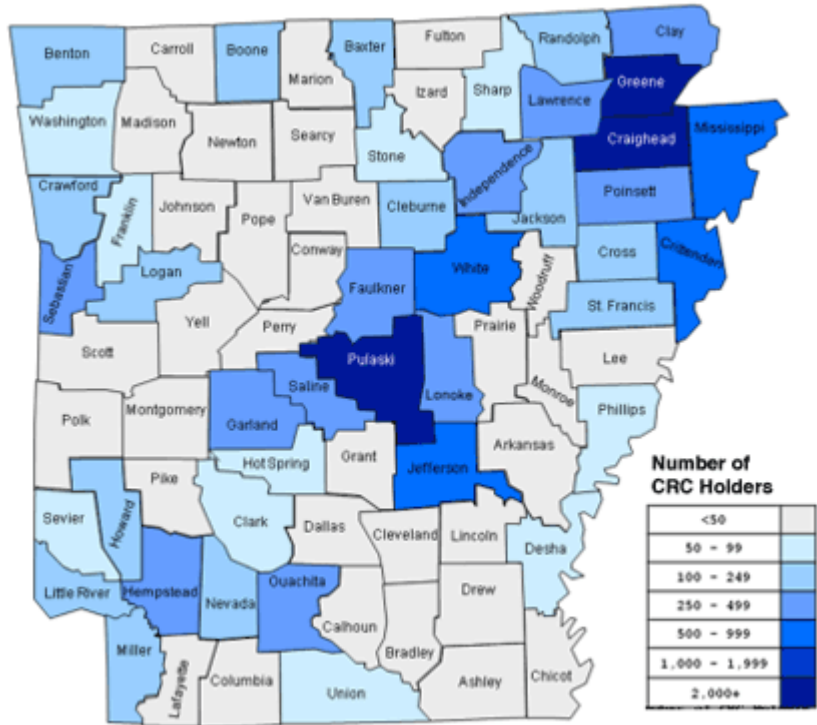
“For years, there was a need for high schools and other educational institutions to prepare non-college bound students for other careers. The CRC has met that need as a way for educators and businesses to prepare students for transition from school to the workplace.”

Kellie BlakeHuman

Resources Manager

Anchor Packaging, Inc.

# Career Readiness Certificate Holders



Click to enlarge

Arkansas Career Readiness Certificates Awarded to Date: 17,860

Gold	4,899	(27%)
Silver	9,650	(54%)
Bronze	3,311	(19%)



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## Accelerated Job Training Seen as Key to Missouri's Recovery

Eileen Wolfington

In St. Louis City and County and the state of Missouri, there is a general agreement that workforce development priorities include job creation, training and the placement of dislocated workers and youth. "We want to do all that we can to have a highly trained workforce to meet the high growth needs in the future," said Julie Gibson, director of workforce development for the Missouri Department of Economic Development. One way to do this is to appropriate general revenue to help businesses train their workers. This would have a positive impact on economic development wherein the company will either create jobs or make a capital investment.

Several questions need to be considered. How can we provide skills for individuals to become re-employed and how do we educate for long-term careers? One example is finding short-term, accelerated training programs to enhance the skills of dislocated and laid-off individuals and getting them employed as quickly as possible. In a 2009 report on the state of the St. Louis workforce, dislocated workers who were surveyed indicated that supporting their family was a primary concern and that they could not afford to get re-trained over a two-year period.

The St. Louis Community College Accelerated Job Training Program offers several short-term training programs in areas such as environmental and green jobs, health care, business applications and technical training. These programs were developed to fill jobs in demand. The number of hours or weeks required and the cost, if any, varies by program.

Other types of programs may be specifically targeted toward certain populations. For example, Show-Me Heroes focuses on hiring Missouri veterans. The program brings existing resources together to help connect veterans and employers. Launched by Missouri's Gov. Jay Nixon in December 2009, Training for Tomorrow is a \$12 million initiative to train Missourians for high-tech, high-demand careers. County governments will partner with a member institution of the Missouri Community College Association and apply for grant dollars to fund the development or expansion of programs that will train participants in technology fields. Targeted occupations could include veterinary and pharmacy technicians, nursing aides or skilled craftsmen.

The St. Louis Agency on Training and Employment (SLATE) is a workforce development and career center that's run by the city of St. Louis. Since the job market has been sluggish, SLATE has provided longer periods of training to their clients. Executive director Michael Holmes indicated that SLATE is starting an on-the-job training program. The state is allowing the center to develop a program that will pay a percentage of a person's salary for six months. The goal of the program is for the employee to be hired at the end of six months. While still in its infancy, five companies have shown interest.

How do we educate for the long-term and offer a training program that will result in a career and not just a job? A possible solution is career blueprinting, a road map to help Missourians become more competitive while seeking employment and upward mobility. The Regional Collaboration Center (RCC) is a collaborative

sponsored by the Missouri Department of Economic Development, Division of Workforce Development (DWD) and the U.S. Department of Labor. DWD has partnered with the St. Louis Community College, local Workforce Investment Boards, Missouri Career Centers, the United Auto Workers Union and BounceBack St. Louis. Formed to address the needs of St. Louis area residents affected by trade-related layoffs and plant closings, RCC offers career blueprinting. Guided by an RCC career counselor, this tool helps to align participants' skills with the ideal career paths. Accurate and industry-specific labor market information is provided to participants.

What are some of the targeted industry clusters? The St. Louis Regional Chamber and Growth Association (RCGA) focuses on five clusters: advanced manufacturing, financial services, information technology, plant and medical sciences, and transportation and distribution. Several ways help the five distinct clusters include state and economic development programs, more customized training, employee retention, and incentives offered to employers that help fund training services, such as the Missouri Community College New Jobs Training Program. This program lowers the cost of locating a new facility or expanding a workforce in Missouri by helping with training services funding. These services may include specialized training for a specific industry, adult basic education, on-the-job-training or occupational skill training.

Finally, a number of programs in Missouri focus on green jobs. For example, the RCGA is participating in the St. Louis Climate Prosperity Project. Funded by the Rockefeller Brothers Fund, this national initiative will help lead the St. Louis region toward a "green belt" economy that fosters green savings, opportunities and talent. Other efforts include the Missouri Green Jobs Report research on how the interest in green technology and know-how may affect Missouri workers. In addition, the Missouri Division of Workforce Development received a \$6 million grant to support the state's energy planning process. Lastly, the U.S. Department of Labor awarded a Pathways Out of Poverty \$3.3 million federal training grant for green jobs to Better Family Life. This St. Louis-based nonprofit is the managing partner of the Metropolitan, Education and Training (MET) center where disadvantaged participants will be trained for careers such as weatherization technicians/installers, LEED Green associates and biofuels collection technicians. Better Family Life hopes to train 900 individuals and place 700 of them during the 24-month grant period.

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St. Louis Community College Accelerated Job Training Program

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Show-Me Heroes

<https://showmeheroes.mo.gov/>

Training for Tomorrow

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St. Louis Climate Prosperity Project

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# Arkansas: An Integrated Workforce Development Strategy

Lyn E. Haralson

With a population of just over 2.7 million residents, Arkansas has been known as an agricultural state. In recent years, however, Arkansas has been successful in achieving a more favorable balance of industrial and agricultural production. Today, production in Arkansas includes finished items such as televisions, clothing, furniture, prepared foods, chemicals, aircraft components, communications equipment, boats, electric motors, machine tools, and pulp and paper products. Unfortunately, it is the state's manufacturing sector that has been hit the hardest by the current financial crisis, resulting in significant increases in unemployment.

Although the crisis has meant the number of people seeking unemployment benefits and retraining has increased, the state has not had to significantly alter its strategies, said Artee Williams, director of the Arkansas Department of Workforce Services. Instead, the department stays focused on a comprehensive economic development plan that includes building a workforce with skills needed by established industries in the state and that will attract new industries.

Officials hope to accomplish this through the Arkansas Works initiative, a collaboration of educators and employers from across Arkansas who are working to integrate education and economic development.

One educational organization's effort to match job skills with businesses needs is headed by Dr. Ed Franklin, executive director of the Arkansas Association of Two-Year Colleges. Franklin said two-year colleges are working on regional strategies that focus a region's resources on industry sectors. Sector strategies build partnerships of employers, training providers, community organizations and other key stakeholders around specific industries to address their workforce needs and the needs of workers. In a 2003 study, the Aspen Institute found that workers in sector-based programs saw a 38 percent increase in their median personal income one year after training, followed by an additional 20 percent gain after two years. Other evaluations found employers reporting a 41 percent reduction in turnover and a 19 percent reduction in rework, which translates into significant cost savings.

Franklin is working to expand regional sector strategies across the state through a two-year college networks initiative. He has asked the two-year colleges to show him world-class workforce development programs that can be leveraged for economic development.

Meanwhile, state-level policies are in place to help unemployed workers obtain federal dollars for training in skills needed for high-wage, high-demand jobs. Funding may be available to these workers for up to two years under the department's programs, Williams said.

The state also offers a free pre-employment assessment program that assures job seekers have skills in reading, locating information and applied mathematics. Certificates valid for five years are issued to job seekers who successfully complete the assessments. Since January 2008, more than 17,000 certificates

have been issued and more than 2,000 Arkansas employers have hired job seekers who have the certificates.

Another example of progress is the Career Pathways Initiative implemented in 2005. It provides up to two years of education or training for low-income adults at a state-supported community college. Participants receive funds for tuition, books, fees and related expenses in addition to child care and transportation assistance. Caseworkers employed by the college assist the students through mentoring, tutoring and coaching, which has proven to be a factor in the successful graduation rate for these students. Students are prepared through a course of study for high-wage, high-demand jobs and receive job placement assistance.

The Natural State, as Arkansas is called, is also an active participant in “green” jobs initiatives and has recruited major employers in the wind turbine industry. Even though the state does not have the wind capacity to use the technology, it is located between states that do and could provide workers for jobs. In fact, officials anticipate using a \$4.8 million U.S. Department of Labor grant to train up to 2,000 workers across the state for businesses offering “green” jobs.