

High Skills, High Wages: 2008-2018

Washington's Strategic Workforce Development Plan

Our Plan to Meet the Needs of a Highly Skilled, Diverse Workforce

As Washington's workforce ages and grows increasingly diverse, tapping the full potential of our workers has never been more important—or more challenging. Our supply of young workers is shrinking relative to the general population, while our older workers are working longer and will need education and training to stay on top of new skills and changing technology. At the same time, workers from minority groups account for a greater slice of Washington's labor force, with projections for that percentage to rise even faster and farther in the years to come. Education levels, wages and employment rates among minority workers continue to lag behind whites—troubling problems that have far-reaching implications for our economy as a whole.

At the Workforce Board, we view these demographic shifts both as an opportunity, and an economic imperative. For Washington business and industry to remain competitive in a global economy, where technology is constantly in flux and skill needs are quickly upgraded, we must provide our workers with the tools they need to thrive. To do that we need to start with our public schools, helping students create meaningful educational pathways that keep them from dropping out and instead lead to a high school diploma and beyond. We need to reach out to unemployed adult workers and those stuck in low-skilled, low-wage jobs, connecting them with education and training that leads to a living wage. We need to reach out to Washington's businesses to see what job skills they require, and how we can help workers obtain them, giving our workforce, and our state, a competitive edge.

Our imperative is clear: we need to work even harder to reach all segments of our population so that everyone has the skills and education needed to reach their career goals. For Washington's economy to prosper, we cannot afford to leave anyone behind. *High Skills, High Wages* our state's 10-year strategic plan for workforce development provides our blueprint.

Leaders from across the state created this plan. Contributors included employers, labor, education, nonprofit and community-based organizations, state, local and tribal government, rural and urban areas, communities of color, and individuals with disabilities. We will achieve our three goals for youth, adults and industry by implementing selected strategies, sticking to our vision for 2018, and tracking our progress.

Persistent Skill Gaps Impact Washington Workers and Businesses

After several years of growth, Washington's economy, like the nation's, shows signs of slowing, with unemployment rates beginning to climb in January 2008. Since then, the downturn has become more severe. But it would be a mistake to pin all of our problems on a flagging economy. Even in periods of economic decline our employers report difficulty recruiting skilled workers, particularly those with mid-level education and training. The 2008 Workforce Board Employer Survey estimated that we are only meeting 77 percent of the demand for skilled workers. Put another way, nearly one out of four skilled jobs in Washington is either going unfilled or to a less qualified worker. These vital

and well-paying positions include everything from dental hygienists to electricians to bookkeepers. This has serious consequences, and not just to Washington workers who could benefit from higher-paying, family-wage jobs. Employers report that a lack of skilled workers directly impacts their ability to expand, their profitability, and influences whether they decide to stay in the state. In particular, we need to focus on industry clusters—strong, economic drivers that influence a range of interrelated businesses concentrated in regions across Washington. Whether it's aerospace in King County or wine in Walla Walla, we need to help ensure a steady supply of skilled workers to keep those industries profitable, productive, and on the cutting edge.

As Washington's workforce ages and begins to retire in greater numbers, our workforce is growing more slowly than in the past. In-migration from other states and abroad will contribute more than half of our future growth in the coming years. It's against this backdrop that we need to create a culture of lifelong learning for all of our citizens, to implement strategies that enhance the job skills of adults who move to Washington with a variety of educational backgrounds, ensure more youth graduate from high school and are on track to complete at least one year of postsecondary education, and reduce unemployment and under-employment. Removing barriers in our workforce development system will help ensure expanded access and success.

Past Planning Moves Washington's Workers Forward

Previous plans have helped Washington's workforce make great strides, including:

- Improving access to career and technical education in high schools.
- Developing the *Building Bridges* initiative to reduce middle and high school dropouts.
- Providing High Demand Funds to programs that prepare students for sought-after jobs.
- Increasing access to postsecondary education with programs like Opportunity Grants that pay for tuition and supplies for low-income students studying in-demand careers.
- Expanding apprenticeships in fields like construction that provide family-wage jobs.

Industry Skill Panels have also helped forge closer ties between the business community, education providers, and public and nonprofit entities around the state, bringing them together to pinpoint worker skill gaps and create education and training programs to fill them. Some local initiatives have become prominent best practice examples, for both our state and the nation. However, while we are making progress, skill gaps persist. The Workforce Board's 2008 Employer Survey reported six out of 10 employers had difficulty hiring qualified employees the previous year, and one out of three employers said overall productivity suffered as a result.

Also troubling is the potential development of an "hourglass economy," where there is a widening gulf between high-paying, high-skill jobs and low-wage, low-skill ones. Without additional education and training, many Washington workers risk being left behind, instead of progressing up the career ladder and into family-wage jobs.

Building a Blueprint for Workforce Development Through 2018

In developing our *High Skills, High Wages* plan, we asked our stakeholders to first identify issues for three key groups: youth, adults and industry. All play a vital role in our economy. Each merits greater attention, especially during an economic downturn. By addressing each group individually, we were able to create a plan that takes us all the way through 2018—an expanded time frame that not only lets us design and implement programs but, ultimately, measure results.

In each section of this plan, we provide an overarching goal, several specific objectives and multiple strategies to get us there. Below are three broad goals we hope to achieve for youth, adults and industry over the next 10 years.

OUR GOALS

- 1. YOUTH:** Ensure all youth receive the education, training, and support they need for success in postsecondary education and/or work.
- 2. ADULTS:** Provide Washington adults (including those with barriers to education and employment) with access to lifelong education, training, and employment services.
- 3. INDUSTRY:** Meet the workforce needs of industry by preparing students, current workers, and dislocated workers with the skills employers need.

Investing in a Stronger Washington

At the heart of *High Skills, High Wages* are strategies to help Washington's workers become better educated, better skilled and better paid. The benefit of achieving these goals goes beyond the workers themselves; it makes for a more competitive business climate and a stronger Washington economy for all of us. To implement every strategy to its full extent calls for a significant investment, but one that can and should be shared as our stakeholders work together to optimize public and private partnerships.

In fact, those partnerships are a fundamental part of our plan. A lead agency is designated as responsible for carrying out each strategy, along with supporting partners. Each year the Workforce Board delivers a progress report to the Legislature.⁷⁹ We also evaluate every major workforce program, measure specific performance targets, and determine whether we are keeping pace with employers' demands for skilled workers through our biennial employer survey and gap analysis.⁸⁰ We recognize, however, that state budgets must be lean, and with this in mind we offer some strategic opportunities to focus on over the next two to four years.

Strategic Opportunities for 2008 to 2012

While all the objectives and strategies in this plan need to be carried out over a 10-year time span, the Workforce Board has identified key strategic opportunities that should be addressed within the next two to four years.

1. Increase high school graduation rates and ensure youth are prepared for further education and/or work by:
 - a. Expanding the community partnership model, *Building Bridges*, that implements effective dropout and retrieval programs.
 - b. Holding schools accountable for engaging and retaining students through graduation.
 - c. Demonstrating the relevance of education through strong programs of career and technical education.
 - d. Ensuring all youth, their parents and caregivers, their teachers and counselors, and the broader community are aware of the full range of career options.
 - e. Expanding the best practice career and guidance counseling model *Navigation 101* to all middle schools and high schools.
 - f. Reaching out to business and labor to provide career information, mentors, and work-based learning opportunities and experiences.

⁷⁹ See our progress reports to the Governor and Legislature on our publications pages: www.wtb.wa.gov

⁸⁰ See our evaluations of workforce programs (Workforce Training Results), our reports on federal targets, and our gap analyses on our web site: www.wtb.wa.gov

-
2. Expand the availability of career pathways that move students from middle and high school through education and training at the postsecondary level. Career pathways offer students career and technical education in a career cluster, incorporate rigorous academic as well as technical content, span secondary and postsecondary education and training, and lead to an industry-recognized credential. These pathways lead students from high school to postsecondary education and training into family-wage careers.
 3. Increase capacity at community and technical colleges, private career schools, and other postsecondary institutions to help shrink the gap between the number of skilled workers Washington businesses need and the number of workers who have those skills. Apprenticeships and high-employer demand programs of study also must be expanded.
 4. Increase financial aid and other services for workforce education students so they are able to afford additional education and have coordinated support in completing their education and training. Research shows one year of education beyond high school, paired with a credential, is the “tipping point” that provides the greatest chance to achieve family-wage employment. Financial barriers are the number one reason Washington residents do not obtain education and training beyond high school. Support services, such as child care, should be provided to help more Washingtonians achieve higher education levels. These services also help ensure students who start such programs are able to finish them.
 5. Increase programs that pair adult basic skills and English language instruction with occupational skills training. Such programs help a broad cross section of people, including those with low literacy, immigrants, low-income workers, and the unemployed, gain job skills at the same time they learn basic skills, such as reading and writing. Integrated instruction is more likely to lead to wage gains for participants than basic skill programs that do not include an occupational component.
 6. Improve coordination between workforce and economic development in strategic industry clusters through initiatives such as Industry Skill Panels and Centers of Excellence. An economic cluster is a sector of the economy in which a region has demonstrated it has a competitive advantage by a high geographic concentration of firms and employment. Clusters provide an organizing principle around which the state and local areas can successfully coordinate workforce and economic development efforts to the advantage of Washington employers and workers.
 7. Meet employee education and training needs by:
 - a. Expanding and improving customized training.
 - b. Developing more workplace based learning and flexible methods of education delivery, such as online courses.
 - c. Developing new ways of funding employee training programs, such as Lifelong Learning Accounts (LiLAs), which give Washington employers the chance to provide their employees with a financial match and continue developing their skills.
 8. Identify system barriers for improving and expanding employment, education and training services and remove those barriers.