

The U.S. Public Workforce System



An Overview

Overview:



- The Workforce System and its evolution
- Defining today's innovation economy
- WIRED Initiative and talent development
– a driver of regional economic growth

1930s – The Birth of the Workforce System



- U.S. Employment Service and the Unemployment Insurance Program were created to assist unemployed workers
- The economy of the day was industrial with:
 - Interchangeable labor
 - Cyclical layoff and hiring patterns
 - Work that required just a High School diploma
- 70 years later, the Employment Service remains virtually unchanged

1960s to 1990s – Expansion into Job Training



- An ever-growing job training system was built:
 - The Manpower Development and Training Act (MDTA) - 1962.
 - The Comprehensive Employment and Training Act (CETA) – 1973
 - The Job Training Partnership Act (JTPA) - 1982
- Had little private sector involvement
- Separate from Employment Service

1998 Workforce Investment Act



The Workforce Investment Act (WIA):

- Streamlines service delivery through One-Stop Career Centers;
- Strengthens performance accountability;
- Promotes universal access to services;
- Creates business-led state and local boards;
- Promotes individual choice.

Workforce Investment System Spending



<u>Department</u>	<u>FY06 Appropriation</u>
Labor	\$9.89 billion
Education	\$4.40 billion
HHS	\$701 million
HUD	\$49.5 million
Total	\$15.04 billion

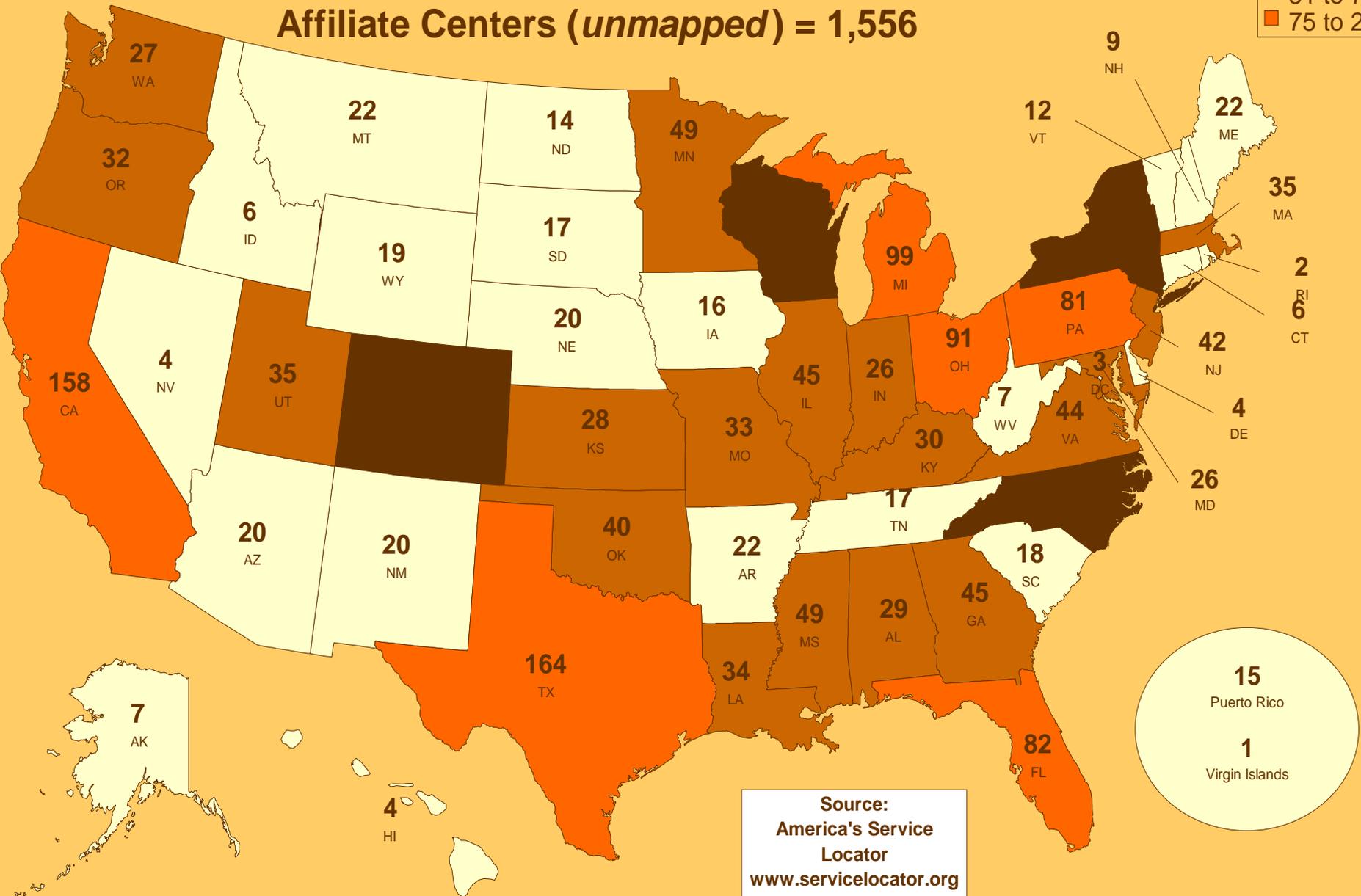
The Public Workforce System Funding and Governance Flow



- Deliver Federal, state, and local employment and training programs

Comprehensive One-Stop Centers (*mapped*) = 1,897

Affiliate Centers (*unmapped*) = 1,556



Source:
America's Service
Locator
www.servicelocator.org
January 11, 2005

The Public Workforce System



Source for Workforce Solutions

- Over 19 federally funded employment and training program resources available
- Connected to a wide array of community resources
- Trained Human Resource professionals



The Public Workforce System



Skilled Human Resource
Specialists providing solutions-
based services to employers
and job seekers for a lifetime
of successful employment



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Evolution of the Economy



- 🌐 When the workforce system was first created:
 - U.S. was an industrial economy
 - Labor was virtually interchangeable
- 🌐 Now in a knowledge economy – specialized skills are needed:
 - 90% of the fastest growing jobs require education and training past high school
 - 63% of all new jobs in the next decade will require a college degree; only 30% of the population has a college degree

Evolution of the Economy



	Less than High School	High School Grad	Some College	Assoc. Degree	4-Year Degree and Higher
Employment Growth (thousands)	-129	87	177	380	723
Average Weekly Earnings	\$479	\$660	\$767	\$812	\$1243
Unemployment Rate	8.5%	5.0%	4.5%	3.7%	2.7%

Source: BLS Current Population Survey 2004

Innovation Economy



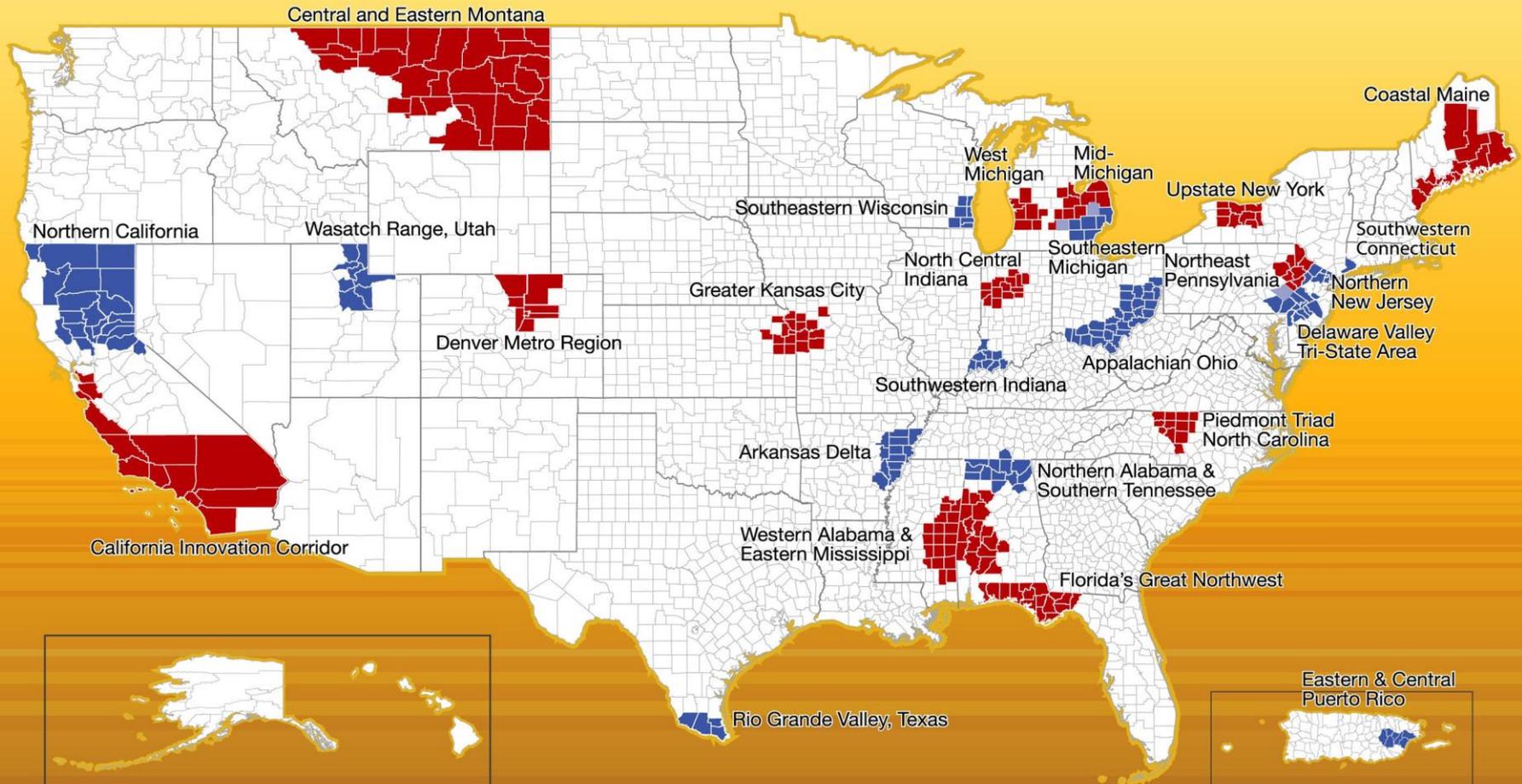
- Economic development must establish the conditions for innovation
- Conditions should be maximized at the regional level – forces of the economy combine to spur growth

Workforce Innovation in Regional Economic Development



- WIRED is focusing on the talent development part of building a regional economy.
- The Goal:
 - Expand employment and advancement opportunities for workers while simultaneously catalyzing the creation of high-skill, high-wage jobs.
- This requires a major transformation of the public workforce system.

WIRED Initiative Selected and Virtual Regions



■ Regional Economies ■ Virtual Regions ■ Combined

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Goals for Virtual Regions



Create and implement a regional strategy that will:

1. Establish and build a regional identity across political jurisdictions.
2. Leverage and align public and private investments.
3. Transform the regional economy through innovative and effective talent development.

Linkages between Workforce Development, Education, and Economic Development



- Workforce investment boards are structured and operate on a regional basis and are composed of regional strategic partners who drive investments, aligning spending with a regional economic vision for talent development.
- Workforce development is more than training effectively for current jobs. Successful workforce investment leads to the creation of new jobs. Talent is an asset, bringing new businesses and industries into communities.
- Economic development is also experiencing a transformation. Tax breaks and incentive packages are no longer enough.

Elements of Transformation



- The workforce investment system operates as a talent development system; it is no longer defined as a job training system. Its goal is an educated and prepared workforce—on a U.S. or global standard.
- Workforce investment system formula funds are transformed, providing tuition assistance for post-secondary education for lifelong learning opportunities aligned with the region's talent development strategy.

Elements of Transformation



- The workforce investment system no longer operates as an array of siloed programs and services.
- Economic and workforce development regions are aligned, and these regions adopt common and innovative policies across the workforce, education and economic development systems and structures that support talent development and the regional economy.

Elements of Transformation



- The workforce investment system is agile enough to serve the innovation economy, recognizing the reality that 2/3 of all new jobs are created by small businesses.
- The workforce investment system actively collaborates with economic development, business, and education partners to gather and analyze a wide array of current and real time workforce and economic data in order to create new knowledge about regional economies and support strategic planning, routinely track economic conditions, measure outcomes, and benchmark economic competitiveness in the global marketplace.

Questions and Answers

