

# WORKFORCE DEVELOPMENT REPORT

October 2009



*Eileen Ryan Photography*

# TABLE OF CONTENTS

Acknowledgements	Page 3
Executive Summary	Page 4
Chapter One: Issues, Challenges and Opportunities	Page 8
Chapter Two: A New Vision for Workforce Development	Page 22
Chapter Three: Recommendations	Page 23
Chapter Four: Indicators for Evaluating the Region’s Success	Page 42
Appendices	
I. Terminology	Page 45
II. County-Level Data	Page 46
III. Overview of Key Programs	Page 51
IV. Service Delivery Maps	Page 62
V. Historical Context	Page 64
VI. Bibliography	
Endnotes	Page 66

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## **EXECUTIVE SUMMARY**

### *INTRODUCTION*

It used to be that many people in the United States could have lifetime employment armed just with the education they received in high school, plus a little on-the-job training, and that the labor market had enough jobs requiring that level of skill.

But times have changed. A higher percentage of jobs now require educational attainment beyond high school. Workers now must hold multiple jobs over their lifetimes; often new skills are required every time they change jobs (voluntarily or involuntarily). And quickly evolving technological and business practices are making it necessary for individuals to get training many times over the course of their careers.

All of these changes – plus numerous demographic and societal shifts – place new demands on the nation’s workforce system, that network of programs, services and systems that provides employers with appropriately-prepared workers and provides individuals with education, skill development and access to employment and advancement in the labor market.

To maintain a workforce that is skilled, productive and competitive in this new environment, leaders in the Chicago area need to bring the region’s workforce systems and strategies to a new level. They need to create new mechanisms to foster regional analysis, cooperation and coordination and to make the system flexible enough to adapt to what are expected to be the ever-changing needs of employers and individuals. They also need to make sure there are enough accessible “on ramps” to careers and further education for the least skilled individuals.

To understand what kind of a system will be needed by 2040, it’s important to realize that there is no regional workforce development system now. Across the metropolitan region, workforce development services are delivered and funded by a variety of public and private entities. While there have been promising region-wide initiatives, there is no administrative body or jurisdiction charged with developing or implementing a regional strategy.

The region’s “system” is really one core system (federal programs under the Workforce Investment Act, or WIA) that intersects with three other systems (education, economic development and human services), each of which does workforce development activities but has a different emphasis than the federal system.

While the region has a vast network of workforce development services, it is challenged to produce the best results for businesses and workers. The variety of systems and programs, inconsistent access to appropriate services, and lack of flexibility in public funding streams

combine to create complicated and potentially duplicative service delivery and difficulties communicating the information that businesses and individuals need to navigate the system. Moreover, sometimes-inconsistent public funding and policy trends can result in inconsistent service delivery, limited access to services for some individuals and businesses, and poor quality training.

Programs for low-skilled individuals are a particular challenge. While post-secondary institutions provide the backbone of the training infrastructure in the region, they are not where the least-skilled individuals are likely to get appropriate preparation and skill-building. And while most workforce development or job training that individuals get outside of traditional education systems is employer-based (including on-the-job training, customized training developed for a particular employer, non-credit professional development and employer-paid credit-based education for some employees), this kind of help accrues mostly to higher skilled incumbent workers.

Instead, low-income individuals are most likely to turn to public systems to acquire the skills they need to get and maintain employment and to advance in the labor market. However, although WIA is the main public workforce program that low skilled individuals turn to, WIA has never been a robust resource for training the unskilled workforce. And now, with flat funding, it pays for even less training as tuition costs rise.

At the same time, work-focused policy in public assistance programs has created additional demand for workforce services without accompanying funding or policy guidance. And federal policies focused on lowering public assistance caseloads and getting people into any kind of job conflict with workforce development goals for labor market advancement and skill building.

Additionally, while most people who need training turn to public and private post-secondary schools for training, what these schools provide is not always part of any career and education pathway. There are important initiatives at the state level to build pieces of these pathways but the full complement of workforce, training and education components that should make up robust career and education pathways still remain fragmented.

All of the fragmentation impedes the workforce and education systems' ability to support workers' advancement through the labor market. It also limits the development of "just-in-time" solutions that address specific industry or business workforce challenges.

Addressing these problems does not require reorganizing existing systems, agencies or boards; just moving the "boxes" into a new structure will not guarantee better service delivery and outcomes. To accomplish a region-wide vision for workforce development in the absence of region-wide institutions, the Chicago area should build on what already works, create ways to conduct multi-system projects, and enhance community-focused strategies. Information transparency, innovation, community-focused solutions and coordination will be essential.

What's needed are coordinated workforce, education, and economic development planning and information systems across the region, along with an integrated and adaptive career and education pathway system driven by skill needs of employers and accessible to all workers in the region.

Ultimately such a "system" would operate more like a coordinated network of services. Public policies and funding would facilitate workforce information, access for those who need it the most, and collaboration. Mechanisms would be created to bridge the existing systems for specific purposes.

The extent to which the various players in the region's workforce systems can work together will have a great impact on the effectiveness of workforce development strategies.

### *VISION STATEMENT*

- The region's workforce will have the appropriate skills for jobs in the regional labor market.
- The region's businesses will experience only limited skilled labor shortages.
- Public investments in the region's human capital will occur through workforce development programs or other training that will prepare students and workers to excel in the diversified jobs of the future and that will support the economic stability and prosperity of the region's households and businesses.

### *RECOMMENDATIONS*

This vision can be achieved if the following recommendations are implemented:

#### *INFORMATION SYSTEMS*

1. Assess data and information that is collected, needed and used by the region's workforce, education and economic development programs.
2. Establish a region-wide, integrated, transparent data/information network or consortium to guide the region's job seekers and businesses to appropriate workforce solutions.
3. Establish ongoing monitoring to determine whether the data and information systems are functioning to serve individuals and businesses in the region.

#### *PLANNING SYSTEMS*

4. Assess existing regional economic development, workforce development and education coordination across the region.
5. Establish common goals among workforce, education and economic development systems in the region.
6. Create mechanisms for coordination among these systems, where they intersect, that will facilitate workforce development services for the region's individuals and businesses.

7. Build cross-system coordination into these workforce, education and economic development systems.
8. Establish mechanisms to monitor and ensure long term coordination.

#### *CAREER PATHWAYS MECHANISM*

9. Complete an environment scan of existing career pathways initiatives in the region.
10. Establish a cross-system “pathways” working group.
11. Implement a regional, cross-systems pathways coordinating hub, responsible for ongoing mapping of career pathways for industries and occupations.

#### *REGIONAL INFRASTRUCTURE*

12. Conduct an environmental scan of current community-focused workforce development entities.
13. Identify strengths and weaknesses of local service delivery networks.
14. Determine optimal community-focused service delivery.

#### *FLEXIBLE PUBLIC FUNDING STREAMS AND POLICIES*

15. Conduct a comprehensive documentation of existing public funding streams used for workforce development in the region.
16. Influence new policies in public funding streams, as appropriate.
17. Monitor impact of more flexible funding.

## Chapter One

# ISSUES, CHALLENGES AND OPPORTUNITIES

The Chicago metropolitan region is the fourth largest metropolitan region in North American and the third largest in the United States -- home to two-thirds of the state's population and jobs. As an international city, Chicago will continue to grow, attract people, support multiple industries and experience demographic shifts over the next few decades.

Expected labor market and workplace trends will continue to put a premium on educational attainment as well as require that workers learn new skills multiple times over the course of their careers. In order to respond to expected trends, new workforce strategies to maintain a skilled and productive workforce in the region will need to be characterized, first and foremost, by flexibility, in order to adapt to the needs of employers and individuals.

The *GO TO 2040* Project of the Chicago Metropolitan Agency for Planning (CMAP) provides a unique opportunity to step back and think about workforce development as a regional network or system and imagine how its role can be most effectively and efficiently deployed to contribute to the region's prosperity. While there are regional workforce development initiatives underway in the Chicago region, to our knowledge, "workforce development" as a system has not been analyzed for a regional plan for a metropolitan area the size of Chicago. It is also important to note that neither a defined regional workforce development political or administrative jurisdiction nor a regional administrative entity for workforce development has been a necessary precursor to any of the existing regional initiatives.

The development of workforce development recommendations for the *GO TO 2040* Project was intended both to build from current regional and local work, as well as to reorient the workforce system to play a stronger and more strategic role in the region.

The workforce development system in the region does not have the same structures that other systems have. Moreover, the two groups of customers of the workforce development system — individual jobseekers/workers and employers — are neither homogenous categories nor do they respond to or interact with public policy or programs in a linear fashion.

Trying to identify the strategies that need to be implemented by 2040 for the region's workforce development system was conducted within the context defined by heterogeneity of customers, localization of service delivery and the intersection of the workforce development system with other key systems — namely education and economic development.



We hope this report provides a workforce policy framework for the region that builds on successes, experience and opportunities. Fundamentally, the recommendations in this report call for cross-system coordination through key mechanisms that can advance and facilitate the implementation of career and education pathways that are both accessible to the region's workforce and adaptive to workforce needs of the region's employers that we expect will change over time.

A note about the definition of "region" and "regional": the workforce development "system" is really a network of public and private entities that develop workforce strategies and deliver services. Even the public entities are part of different systems: workforce, education, economic development and human services. The administrative and political boundaries of these systems differ and are not exactly the same as the seven counties in the *GO TO 2040* plan. So, for the purposes of this report, we have not tried to reinvent data to line up directly with the seven counties in the CMAP region. Rather, we have used the most readily-available, relevant data source for the metropolitan region. The distinctions from the seven-county region are noted wherever possible. Although informative, not all data sources are directly comparable.

"Workforce development" includes the services, programs, systems and networks that provide people with education, skill development and improved access for employment and advancement in the labor market. Across the metropolitan region, workforce development services are delivered by a variety of public and private entities and are funded through a number of public funding streams. While there is a core "workforce development" system — created by the federal Workforce Investment Act (WIA) — it is not the only source of publicly-funded education, training and other workforce services. Although local, cross-system, industry-specific workforce collaborations have emerged, the workforce development system and related systems in the metropolitan region operate separately. These cross-system strategies are the kinds of adaptive, flexible workforce strategies that will be needed as the region's industrial base and population grows and changes.

### *Demographic, Labor Market and Economic Context for Workforce Development*

In 2007, Northeastern Illinois was home to more than 8.5 million people, up from 8.1 million in 2000; <sup>1</sup> more than half live in Cook County. The Chicago metropolitan region has the third highest population in the nation, following the Los Angeles and New York regions.<sup>2</sup> Approximately one third of the region's population is under the age of 25 and close to half the population is in their prime work years, between the ages of 25 and 55.

The collar counties — DuPage, Kane, Kendall, Lake, McHenry and Will — grew exponentially over the seven year period from 2000 to 2007. Kendall County was the fastest growing county in the entire country during this time and Will County added the most people in the state.<sup>3</sup> During this period, population growth occurred mainly in the outer-ring suburbs. Among municipalities with population greater than 10,000, almost all of the Illinois municipalities (24 of 27) with population growth of at least 20% were in Kane, Lake, McHenry, and Will counties.<sup>4</sup>

The region is racially diverse:

- In 2000, the racial breakdown of the seven county region was: 4.6% Asian; 19% black; 17% Latino and 57% white.<sup>5</sup>
- In addition, a recent analysis by CMAP of the U.S. Census 2007 County Population Estimates <sup>6</sup> showed that one in every five persons in the region is Latino. The Latino regional population grew by almost 340,000 persons, or more than 24%, during the years 2000-2007. Kendall County was home to the greatest percentage growth of Latinos, increasing by 278% since 2000.
- Cook County led all other counties in the nation for the total number of black residents (1.4 million), despite an annual population decrease of -1.3%. Cook County is home to 87% of all black residents in the region. Will County had the greatest increase in the number of black residents, adding more than 21,000 since 2000.
- The Asian population grew by more than 28% (108,000 persons), with Cook County experiencing the largest growth of any county, adding more than 42,000 Asians.

Northeastern Illinois dominates the Illinois economy with 67% (more than 4.1 million) of the state's employed labor force of more than 6.1 million people in 2007. From 2000 to 2007, Kendall, Kane, McHenry, and Will saw gains in jobs above 15%.<sup>7</sup> A recent analysis by CMAP shows varied growth patterns in the region's counties. While the labor force increased slightly between 2000 and 2007, Cook County is the only county in the region that experienced a decrease in the size of the labor force over the same time period.

Sixty eight percent of the region's population age 16 and over is working. Of adults between the ages of 25 and 64, 80% are working in the region.<sup>8</sup> In 2008, the unemployment rate in the Chicago region was 6.3%, below the state's 6.5% unemployment rate. Cook and Lake Counties had the highest unemployment rates at 6.5% and 6.7% respectively. DuPage County had the lowest of the seven counties at 5%. The unemployment rates in 2008 were higher in every county than they had been in 2000, and at least two percentage points higher in every county except Cook and DuPage.<sup>9</sup> (Note: This report was completed before the region's unemployment rate reached 10%.)

More than 2.7 million individuals age 16 and over in the region had full-time, year-round work in 2007. More than one quarter (26.5%) of them had median earnings of \$30,000 or less; approximately 50% had annual earnings between \$30,000 and \$75,000; and more than 23% had earnings of more than \$75,000.<sup>10</sup> To provide context, the federal poverty rate for a family of four in 2007 was \$21,203<sup>11</sup> and the average annual self-sufficiency standard for all families in the seven county region was more than \$57,000.<sup>12</sup>

Overall, the region's population has a higher per capita income than the national average. In 2006, the region-wide per capita income was \$41,282 compared to the national average of \$36,741. Cook, DuPage and Lake Counties had the highest per capita income levels in the

region. The remaining collar counties were closer to the national average, while Kendall County had the lowest per capita income of the region's counties.<sup>13</sup>

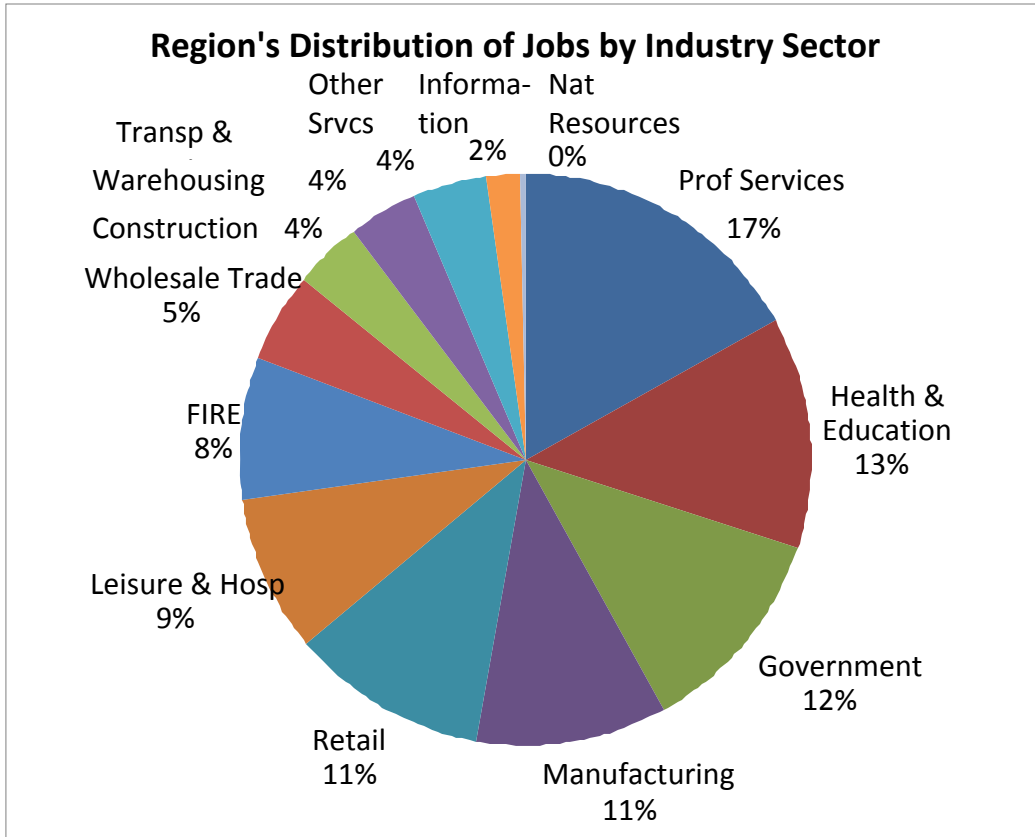
Although the per capita income measure indicates a strong economic base for most individuals and families in the region, poverty persists, including areas of high concentrations of poverty. In 2007, the overall poverty rate for the region was more than 11%. Poverty was concentrated in the youngest members of the population, with a 20% poverty rate for children under the age of 5 years. The poverty rate for all children in the region was 19% in 2007. For adults 35 years old and over, the poverty rate was 8.7%.<sup>14</sup> Poverty rates also varied by counties, with Cook County's poverty rate of 14.6% nearly four times the poverty rate of Kendall County (3.9%). At 4.5%, DuPage County's poverty rate was also significantly lower.<sup>15</sup>

Educational attainment of the region's population also varies by county. The county with the highest percentage of adults over age 24 with at least a bachelor's degree is DuPage County. In contrast, close to 40% of adults over age 24 in Cook County have only a high school degree or less. More than 60% of adults over the age of 24 have educational attainment that is short of an associate's degree. In addition, there are more than 200,000 households in the region (more than 7%) that are linguistically isolated — in which all members 14 years old and older have at least some difficulty with English.<sup>16</sup>

The region's diverse base of industries provided a total of more than 3.9 million jobs in 2007. The top five industry sectors in the northeast region are: professional and business services (more than 16.69% of jobs); health and education (13.21%); government (12.24%); manufacturing (18.87%) and retail (10.51%).<sup>17</sup> Sixty-four percent (more than 2.5 million) of the jobs are located in Cook County, 15% (close to 590,000) are located in DuPage County, and the remaining 21% of jobs (approximately 835,000) are in the other five counties.<sup>18</sup>

A recent analysis from the Workforce Alliance showed that more than half the jobs in Illinois (53%) require that workers have more than a high school diploma but less than a four-year college degree. Projections show that these "middle skill" jobs will continue to make up the greatest number of jobs in the state's economy.<sup>19</sup>

Chicago is one of the four big metropolitan regions in North America (including Mexico City) whose economy is more tied to the global economy than to national trade.<sup>20</sup> Some analysts estimate that between 30% and 50% of annual growth in many sectors of the regional economy can be tied to growing global trade in goods and services.<sup>21</sup> As a global city, Chicago will continue to compete for business and workers internationally and will grow and become more diverse.



Source: Illinois Department of Employment Security (IDES) 2007

A preliminary analysis from CMAP shows that the region's population is expected to grow by 34% by 2040. The Latino population is predicted to grow by 149% and the Asian population by 128%, while the African-American population is expected to grow by 27% and the white population is expected to decrease by 10%.<sup>22</sup> These predicted trends are consistent with those expected in the United States as whole. The predicted change for the region's population between the ages of 20 and 64 — prime working years — is similar. While nearly 60% of the region's population between the ages of 20 and 64 were white in 2000, by 2040, whites will make up less than 40%. The portion of the population between 20 and 64 that is Latino will nearly double from 16.5% to 32%.

As one of the largest metropolitan area in North America, the region will continue to attract young people from other places, but it will also experience the same trends in retirement as the rest of the country, as baby-boomers age. The region has many advantages to continue to attract highly educated individuals, but educational attainment may be a challenge. And, as long as the region's economy is robust, jobs will continue to attract workers at all levels of educational attainment.

These demographic changes will mean shifts in the demands on the workforce system. For example, if the increase in the Latino population is the result of immigration from foreign countries, there will be increased demands in the adult population for English language learning. Retirements will not affect all industries at the same rate or in the same way:

some industries may be able to retain “retired” employees to help with succession and knowledge transfer, while other industries may see large-scale aging out in certain occupations. In that case, employers may turn more to training institutions to customize internal training to advance within their workforce, as well as have recruitment challenges to fill positions from outside of their incumbent workforce.

Population changes are not likely to occur uniformly across the region, so workforce development strategies in the region will need to be responsive to both business and population shifts. Public workforce development systems and services will need to be characterized, first and foremost, by flexibility: they will have to customize local solutions, whether it is a “local” place, population or industry for which it is designed.

The necessity for training and educational attainment will continue to characterize the job opportunities in the region’s labor market. Major workplace trends that have already emerged and are expected to continue include the impact of evolving technology in the workplace; the redesign of jobs to accommodate family schedules; semi-retirement; and telecommuting. Increasingly, it is expected that all workers will hold multiple jobs over a lifetime. And it is expected that most job changes — whether voluntary or involuntary — will be accompanied by the adoption of new skills. Not only will these trends continue but new ones will emerge. All these factors, combined with a high percentage of jobs that require educational attainment beyond high school, will drive the demand for new workforce strategies. Together, these trends heighten the importance of education and training strategies that are flexible enough to adapt to changing skill requirements demanded by businesses and industries, at the same time that they are accessible to individuals over the course of their careers.

### *The Structure of the Region’s Workforce Development “System”*

In this report, we use a broad definition of “workforce development” to refer to services, programs, systems and networks that provide people with education, skill development and improved access for employment and advancement in the labor market. The customers of “workforce development” services can be individuals, businesses or both. Another group of stakeholders includes providers, trainers, advocates, funders, administrators and policy-makers.

By this definition, “workforce development” is not solely a public or publicly-funded system. Across the metropolitan region, workforce development services are delivered by a variety of public and private entities and are funded through a number of public and private funding streams. There is a core “workforce development” system — the federal Workforce Investment Act (WIA) — but it is not the only source of publicly-funded education, training and other services. Moreover, its funding has diminished over the past decade. In an environment of steadily decreasing resources for the traditional workforce system, training and related services offered by other systems have grown in importance.

It is also worth noting that most workforce development or job training that individuals get outside of traditional education systems is accessed through employers, in the form of on-

the-job training, customized training developed for an individual employer's workforce, and non-credit professional development opportunities. Some employers also pay for credit-based training and education for some employees. But the benefits of employer-based training accrue mostly to higher skilled incumbent workers.<sup>23</sup> Low-income individuals are the most likely to turn to public systems to find ways to acquire the skills necessary to get employment, maintain employment, and advance in the labor market.

In order to describe the network of workforce development services in the region, we present the following outline of the four key types of public programs that have workforce development goals, policies and programs. Essentially, there is one workforce development system that intersects with three other systems. One type has workforce development as its primary mission—the federal Workforce Investment Act, Titles I (WIA) and III (Wagner-Peyser). The other three types — education, human services and economic development — have workforce development-related services and goals, but they are neither the only nor the primary goal of these systems.

We recognize that the following summary is neither perfect nor comprehensive, but it is designed to draw attention to the varied nature of workforce development administration and service delivery in the region, as well as the different public systems where workforce development-related experience and expertise lies.

Two appendices are included at the end of this report to augment this outline. Appendix III provides brief descriptions of the key programs that fund workforce development services in the region and Appendix IV provides county maps of key workforce development and education entities.

## WIA SYSTEM

WIA (named from the Workforce Investment Act, Titles I and III) is a federal program that provides funding for workforce development services that flow through the Illinois Department of Commerce and Economic Opportunity (DCEO) to local workforce investment areas (LWIAs.) Most programming is delivered through federally-required, local, one-stop centers (in Illinois these are called workNet Centers) and affiliate organizations. Workforce Investment Boards (WIBs) are local boards required by federal law to oversee local use of WIA funds in the 26 designated LWIAs in the state, nine of which are in the metropolitan region.<sup>24</sup> There are sixty workNet Centers or affiliates in the region. In the city of Chicago, two of them have industry specific designations: ServiceWorks and ManufacturingWorks.

WIBs provide oversight for the workforce system, but the level of oversight differs across WIBs. Because federal law requires business, community and other stakeholders to have a seat on the local WIBs, they serve as a forum for multi-stakeholder input and could develop broader workforce strategies outside of the WIA-funded programs.

Reform of the federal programs under WIA was intended to bring the programs more in line with current labor market dynamics that are increasingly characterized by multiple jobs over the course of a workers' life, demands for retooling the workforce, and new kinds of basic skills required by many jobs.<sup>25</sup> The five goals of Title I of WIA are:

1. Streamlining services through a one-stop system involving mandated sector partners;
2. Providing universal services to all job seekers, workers and employers;
3. Promoting customer choice through use of vouchers and a consumer report card on the performance of training providers;
4. Strengthening accountability with stricter, longer-term performance measures;
5. Promoting business-sector leadership through involvement on the state and local WIBs.

The federal Employment Services (ES) system under Title III of WIA (also known as the Wagner-Peyser Act) and the federal Unemployment Insurance (UI) system are administered separately from the WIA system. In Illinois, both ES and UI services are administered by the Illinois Department of Employment Security (IDES) which provides services through its local offices, some of which are co-located with WIA one-stops. At local IDES offices, individuals can apply for unemployment benefits and get basic job assistance help. The WIA system and the Wagner-Peyser system (and their contractors) are the public entities that interact primarily with people looking for jobs or looking for better jobs.

## PUBLIC EDUCATION SYSTEMS

The region's post-secondary institutions (two year and four year, public and private) provide the majority of educational opportunities beyond high school. As the system and network of workforce services have adapted to changing market conditions, collaboration with post-secondary institutions has grown. This is especially true for the region's twenty community colleges. The Illinois Community College Board (ICCB) provides administration and some oversight for the state's community college system. In addition to general education degree programs, community colleges develop and deliver occupational training, as well as remedial and adult education. In addition, private entities (both non-profit and for-profit) complement the offerings of public institutions by developing customized training solutions for specific industries or businesses.

While post-secondary institutions provide the backbone of the training infrastructure, they are not the most likely place that the least-skilled individuals access the kind of workforce preparation and skill-building that they need. Evidence shows that low-skilled students can languish in developmental and remedial education courses and never complete education and training that provides them with a marketable credential.<sup>26</sup>

The federal Perkins program is the key funding source for career and technical education in both the secondary and post-secondary systems. Under recent changes to Perkins, states are required to focus on developing career pathways/programs of study between the secondary and post-secondary institutions. In Illinois, the program — the Partnership for College and Career Success — is administered through ICCB and the public school systems.

Adult education services include high school completion, basic math and reading, and help learning English. Federal funding for adult education flows through Title II of WIA and is administered by the ICCB. Adult education is provided at community-based providers, including community colleges. More than one hundred sites in the region deliver adult education services.<sup>27</sup>

## ECONOMIC DEVELOPMENT SYSTEM

Economic development entities primarily support business growth by providing services and programs to attract and retain employers. Incentive programs are often used to achieve this; some include publicly-funded incumbent worker training or recruiting services. Most economic development operates through municipal and county entities that are funded from a variety of sources, including federal, state and local economic development programs. Many economic development strategies are based in the state or local tax systems, providing businesses with tax advantages to incent their expansion and job creation in or relocation to the region. Some programs help employers pay for training. One example is the state-level Employer Training Incentive Program (ETIP); another is the City of Chicago's TIF (Tax Increment Financing) Works program which provides businesses in TIF districts with funding to train incumbent workers.

In addition to offering economic incentives and subsidies to businesses as a means to support growth, economic development entities "sell" their locality by highlighting its assets and providing in-depth information on the local and surrounding area, including its labor pool, housing stock, and transportation system. Often economic development entities provide information on available buildings and land; one example is DCEO's online listing service, LocationOne Information System, for available commercial and industrial land throughout the state.

The Illinois Opportunity Returns program has ten regions, each of which is supposed to have an economic development plan. The northeastern Illinois region is the only Opportunity Returns region that does not have an existing plan. Each of the other plans includes action items to strengthen education and job training. Each county in the northeastern region has an economic development agency or department. These agencies develop and implement local economic development strategies and programs. Additionally, many municipalities administer economic development programs and services, some of which include provisions for training.

## HUMAN SERVICES SYSTEMS

Starting in 1996, welfare reform changed the focus of public assistance programs towards labor market attachment. The hallmark of this shift was creation of the federal Temporary Assistance for Needy Families (TANF) program to replace the Aid to Families with Dependent Children (AFDC) program. A similar change in focus happened in other state and federal assistance programs too. Sometimes work requirements and new employment



services were added to assistance programs. In other cases eligibility for support payments was severely restricted under the assumption that individuals need be only “able bodied” to succeed in the labor market.

The primary service delivery system for the employment-related services that are funded through the Illinois Department of Human Services (IDHS) are the local IDHS offices and organizations that IDHS contracts with. Recipients of TANF and food stamps are referred to employment programs from the local IDHS offices. These individuals are unemployed and reliant on assistance programs and are likely to be the least skilled and have the least amount of work experience.

The human services system also has programs that provide support to some low-income workers and their families, including child care subsidies and health insurance. Some work programs for public assistance participants include help paying for transportation or other supports that an individual needs to participate in training or maintain employment.

## PRIVATE ENTITIES

In addition to the public systems that fund, administer and provide workforce development services, there are a number of types of private entities with a role in workforce development. Some public entities contract with private entities instead of providing services directly, but private-sector entities (both nonprofit and for-profit) play other roles as well: serving on advisory or oversight boards, advocating for system changes, leveraging private funding and participating in the development of specific workforce strategies. The following are the types of private entities that augment the public system:

For-profit and non profit entities contract to provide publicly-funded services. These vary in size. Some organizations play multiple roles. For example, a non-profit community-based organization may contract with an LWIA to provide services but may also develop and deliver customized training.

Non-profit training institutions and proprietary schools develop and provide training that is paid for with private funding, fees/tuition and public training funds.

Community-based organizations help people get employment and/or help people get training, as part of the services they offer.

Union-based entities provide employment services and training services to their members, to the industries in which they represent workers, and/or to the public.

Industry associations, Chambers of Commerce, business leaders, unions and advocacy organizations represent their constituency in public task forces, boards and legislative arenas.

## *Challenges to an Effective Workforce Development System in the Region*

The region's vast network of workforce development services is challenged to produce the best results for businesses and workers. Challenges are grounded in the variety of systems and programs, the inconsistent access to appropriate services for both individuals and businesses, and the lack of flexibility in public funding streams. The fact that there are multiple public entities and systems that have workforce development services and goals creates instances of complicated and potentially duplicative service delivery, as well as difficulty communicating clear and streamlined information that allows businesses and individuals to navigate multiple systems. Moreover, public funding and policy trends can affect multiple systems simultaneously, with results that have not always been consistent. Because the systems operate in silos, the situation can result in inconsistent service delivery in the field. In turn, this can limit access to services for some individuals and businesses or result in poor quality of training.

Within this multi-system framework some strategies have emerged that are collaborative, cross-system and successful at providing services to both individuals and employers. A category referred to as "sectoral strategies" focuses on developing regional, industry-specific workforce strategies that can be tailored to the needs of both workers and employers. What the various efforts have in common is cross-system collaboration and a customer-driven approach. Three examples of cross-system collaboration that targets specific industries from the region are:

- Chicago LEADS: In January 2008, Mayor Richard M. Daley established Chicago LEADS (Leading Economic Advancement, Development, and Sustainability) to align workforce development, education and economic development to better meet the needs of Chicago businesses, residents, and communities. It was launched to increase the pipeline of skilled labor that meets local business needs; increase the skills and earning potential of working residents; and enhance the attractiveness of Chicago as a business destination. To accomplish these goals, LEADS employs three interdependent strategies:
  - Aligning the system around common goals;
  - Piloting industry-based strategies to test reform at scale;
  - *Ensuring* long-term sustainability through: new, flexible funding sources; CWICstats which seeks to drive program improvement through data; and development of a new city-wide workforce development leadership structure.
- Shifting Gears: Led by the ICCB, the Shifting Gears initiative was launched by the Joyce Foundation in a number of Midwestern states. Through it, Illinois has developed a cross-system collaboration to advance the development of "bridge" programs that combine basic education and occupational education using contextualized teaching methods. By creating shorter-term skill-building strategies that result in credentials that pay off in the labor market, "bridge" programs operate

as an entry point into higher education for individuals who would otherwise get stuck in remedial education.

- Critical Skills Shortage Initiative (CSSI): In the northeast region, DCEO focuses on developing workforce strategies in health care. This is an example of a sector strategy — a regional, industry-specific approach to workforce needs, implemented by an employer-driven partnership of relevant systems and stakeholders.

These cross-system initiatives rely on strong leadership and cross-system collaboration. These three are examples where a public entity played a central role in collaborative efforts, but the same type of collaboration occurs on a more local and community-focused scale as well. The service delivery strategies that these initiatives pursued were very locally driven. In the case of the Shifting Gears Initiative, new educational models were developed in local community colleges, focusing on specific occupations and low-skilled adults. In the case of the CSSI initiative, the health care industry identified its most pressing workforce need and stakeholders were brought together to develop specific strategies.

A parallel development is the emergence of delivery systems that revolve around strong “intermediary” organizations that serve as the hub for multi-system or multi-stakeholder initiatives. At a local, regional or state level, these intermediaries do not have to be government agencies. Rather, they are defined by what they do — including having deep knowledge of all aspects of the workforce challenge and strong relationships with all the stakeholders. In order to deliver the outcomes that employers and workers need, workforce strategies need to be lead by strong intermediaries. While these intermediary-led strategies have had success in the field, the workforce development system and related education and economic development systems are not currently structured to expand these kinds of initiatives across the metropolitan region.

In addition, the systems individually and together are challenged to provide access to training and education to everyone that needs it. For example, although it is the main public workforce program that low skilled individuals turn to, WIA has never been a robust resource for training the unskilled workforce. WIA’s focus on a sequence of services before training is offered, combined with its “universal service” mandate, resulted in fewer individuals getting training; flat funding meant that WIA paid for less training as tuition costs rose. At the same time that WIA realigned the service delivery structure, work-focused policy in public assistance programs put an additional pressure and demand for services on the workforce development system without accompanying funding or significant policy guidance. In addition, some TANF policies conflict with workforce development goals since TANF focuses on lowering caseloads and getting people into any kind of job — rather than labor market advancement or skill building.

Of course, most people who look for skill-building opportunities do not go looking for a “workforce development” provider; rather, they look for a training program at one of the variety of public and private post-secondary schools. But, the training and education opportunities in these systems are not necessarily offered as part of career and education

pathways. There are important initiatives at the state level to build pieces of these pathways — most prominently the development of “programs of study” in vocational education and the institutionalization of “bridge” programs in adult education and community colleges. But the full complement of workforce, training and education components that should make up robust career and education pathways remains fragmented.

The fragmentation impedes the systems’ ability to support worker advancement through the labor market. It also limits the development of “just-in-time” solutions that address specific industry or business workforce challenges. The labor market will increasingly demand shorter-term training; quickly changing technological and business practices will mean that individuals will need to get training many times over the course of a career. While many workers access training through their employers, employers are not very likely to turn to publicly funded systems to get help solving their workforce challenges. Although the public workforce development services should not replace private workforce solutions or private financing, they should be responsive to businesses’ workforce needs to be effective.

The structure of public financing can be a barrier to building flexible service delivery structures. Funding for workforce services has never been robust. Despite the one time influx of funding for WIA and other workforce initiatives through the American Recovery and Reinvestment Act (ARRA) in 2009 and 2010, there is no indication that this will lead to a long term reversal of the trend of flat or reduced federal funding for workforce development. A more likely trend is that there will be increased attention to leveraging resources in related public systems. For example, if workforce strategies are more closely tied to business needs, funding through economic development projects — for example, public investment in infrastructure and green industries — will be more likely. The future of public funding in any of the public systems or programs that provide/fund workforce development services will also depend on having accurate and relevant information to estimate the return on investment to customers, funders and the community.

As workforce policy focuses on skill-building and human capital investment to improve prosperity for employers and individuals in the region, it must be complemented by other policies that support economic security of individuals, their families and communities. Policies that address the impact of low-wages — whether robust work support services that fill the gap between low wages and basic needs, or labor market standards that mandate higher wages and benefits — are needed to complement education and career advancement strategies.

In summary, the workforce development system and related systems in the metropolitan region operate separately, but local, industry-specific cross-system workforce collaborations have emerged. These cross-system strategies are models of the kind of adaptive, flexible workforce strategies that will be needed as the region’s industrial base and population grows and changes.

The region's systems will continue to be limited by lack of mechanisms that promote coordination in the region, as well as by inflexible public funding. Lack of cross-system coordination may also limit the extent to which initiatives to develop career and education pathways are built to be fully accessible to individuals and adaptable to the skill demands in the region's labor market.

## CHAPTER TWO

# A NEW VISION FOR WORKFORCE DEVELOPMENT

The following vision statement for workforce development for the region was developed, consistent with the *GO TO 2040* Regional Vision for Metropolitan Chicago:

- *The region's workforce will have the appropriate skills for jobs in the regional labor market.*
- *The region's businesses will experience only limited skilled labor shortages.*
- *Public investments in the region's human capital will occur through workforce development programs or other training that will prepare students and workers to excel in the diversified jobs of the future and that will support the economic stability and prosperity of the region's households and businesses.*

With two thirds of the state's population and jobs, the Chicago metropolitan region is expected to continue to be the hub of significant economic growth into the foreseeable future. As a global destination for both businesses and workers, continuous change in the demography of the population, jobs and business development are expected.

These shifts mean that the services, programs, systems and networks that make up the region's workforce development system must be flexible and adaptive in order to provide people with education and skill development opportunities and limit the skill shortages experienced by the region's businesses.

By ensuring that businesses do not experience skill shortages and that all workers can access education, skills training and other workforce services, the region's workforce development system will contribute to and drive economic prosperity of the region.

## CHAPTER THREE

# RECOMMENDATIONS

The emerging trends and challenges for workforce development indicate that the workforce development system must have a stronger, more focused role as the mediator of workforce solutions for businesses and individuals in the region. At the same time, the workforce development system must make sure that there are accessible “on ramps” to careers and further education for the least skilled individuals. Information transparency, coordination, innovation and facilitating community-focused solutions are the key themes for the advancement of a workforce development system for 2040.

As outlined in the previous sections the workforce development “system” is essentially a network of systems, programs, services and service delivery entities. The main public systems that affect the provision of workforce development services are the workforce development system (mostly WIA), the education systems (secondary and post-secondary) and economic development programs. Human services programs do not directly provide much workforce or education services, but they can serve as an entry point to those services, as well as provide supports to very low-income workers.

The extent to which these systems can work together has a great impact on the effectiveness of the workforce development strategies that reach members of the region’s workforce and business community.

Thus, the region’s workforce development network/system must accomplish two overarching goals to reach the vision we have outlined:

- Coordinated workforce, education, and economic development planning and information systems across the region;
- An integrated and adaptive career and education pathway system driven by skill needs of employers and accessible to all workers in the region.

When these two goals are reached, workers and businesses in the region will experience minimal barriers and delays to solving their workforce and labor market challenges. The goals are interdependent — to have an integrated and adaptive education and training delivery system across the region will depend on coordinated planning amongst workforce, education and economic development across the region.

At a minimum, coordinated planning and information systems are needed to increase the ability of all the systems (education, economic development and workforce development) to be proactive rather than reactive. The kind of coordination needed also requires a balance between the advantages of a regional approach and the necessity of localized solutions.

“Coordinated planning” does not mean creation of a regional service delivery system, nor does it need to mean a “regional plan” that applies to every part of the region. The strategic activities recommended are intended to drive coordination between and amongst the current systems, rather than to create another layer of a system. These goals do not mean reorganizing existing systems, agencies or boards. We do not suggest a new system because moving the “boxes” into a new structure will not guarantee better service delivery and outcomes.

The recommendations recognize that there are state and local programs, entities and systems, but that there is no regional system for workforce development, education or economic development. To accomplish a region-wide vision for workforce development in the absence of region-wide institutions, it is critical to build on what already works, create a way to conduct multi-system projects and enhance strategies that are community-focused.

Therefore, to accomplish these goals and achieve the 2040 workforce vision, the Workforce Development Advisory Committee makes the following specific recommendations to leaders in the Chicago region for actions that should be taken between now and 2040.

### *Information Systems*

1. Assess data and information that is collected, needed and used by the region’s workforce, education and economic development programs.
2. Establish a region-wide, integrated, transparent data/information network or consortium to guide the region’s job seekers and businesses to appropriate workforce solutions.
3. Establish ongoing monitoring to determine whether the data and information systems are functioning to serve individuals and businesses in the region.

### *Planning Systems*

4. Assess existing regional economic development, workforce development and education coordination across the region.
5. Establish common goals among workforce, education and economic development systems in the region.
6. Build cross-system coordination into these workforce, education and economic development systems.
7. Establish mechanisms to monitor and ensure long term coordination.



## *Career Pathways Mechanism*

8. Complete an environment scan of existing career pathways initiatives in the region.
9. Establish a cross-system “pathways” working group.
10. Implement a regional, cross-systems pathways coordinating hub, responsible for ongoing mapping of career pathways for industries and occupations.

## *Local Infrastructure*

11. Conduct an environmental scan of current community-focused workforce development entities.
12. Identify strengths and weaknesses of local service delivery networks.
13. Determine optimal community-focused service delivery.

## *Flexible Public Funding Streams And Policies*

14. Conduct a comprehensive documentation of existing public funding streams used for workforce development in the region.
15. Influence new policies in public funding streams, as appropriate.
16. Monitor impact of more flexible funding.

In the following pages, we summarize the strategic activities that underpin each of these recommendations and then discuss and outline each one in more depth. Finally, in Chapter Four, we outline key workforce progress indicators we believe should be tracked over time in the Chicago region.

Note: this report focuses mostly on the role of the workforce development system rather than the related systems. With the right tools and connections amongst systems, the role of the “workforce development system” will mediate system activity more effectively and its resources can focus on those who wouldn’t be able to access services and education and training opportunities.

Ultimately the “system” would operate more like a coordinated network of services. Public policies and funding would facilitate workforce information, access for those who need it the most and would include mechanisms for collaboration. The recommended strategies focus on creating those mechanisms to bridge the existing systems for specific purposes.

We acknowledge the challenge that there is no single source of regional leadership for workforce development. The recommendations focus on building from what already exists

and using the current strengths in the systems that exist. There are existing workforce and economic development initiatives in the region that can bring the institutional weight of state agencies to the implementation of these recommendations. In addition CMAP has an institutional presence, but it has a limited track record with the workforce development systems, policy and stakeholders. Moreover we strongly caution that any implementation avoid mandating (or even being perceived as mandating) a one-size-fits-all approach to workforce development in the region.

In addition to building from existing initiatives in the region the implementation of the recommendations must also draw on workforce development expertise housed in neutral entities across the region to strengthen its credibility. To an extent, these organizations can provide a way to navigate political and administrative territorial issues. In the recommendations we highlighted the organizations and associations that can serve important functions that will build a coordinated set of systems towards common workforce development interests in the region. The involvement of these organizations will also help to ensure that coordination results in better workforce development services for individuals and employers that improve the region's economic prosperity.

If coordination is built in, we believe that new strategies and service delivery structures can emerge in the future. The three areas that will be most critical for the region are: the development of career and education pathways; the existence of a strong community-focused infrastructure; and the establishment of flexible public funding resources. Focusing on these three service delivery issues and having coordination and integration will allow the region's workforce development system to respond to expected demographic and labor market shifts and demands.

## SUMMARY OF RECOMMENDED WORKFORCE DEVELOPMENT GOALS, OBJECTIVES AND RECOMMENDATIONS

Goal	Objective	Recommendation
Coordinated workforce, education, and economic development planning and information systems across the region	Integrated, transparent information systems to guide the region’s job seekers and businesses to appropriate workforce solutions	Assess data and information that is collected, needed and used by the region’s workforce, education and economic development programs
		Establish a region-wide, integrated, transparent data/information network
		Establish ongoing monitoring to determine whether the data and information systems are functioning to serve individuals and businesses in the region
	Mechanism for coordination of workforce, education and economic development systems where they intersect that facilitate workforce development services for the region’s individuals and businesses	Assess existing regional economic development, workforce development and education coordination across the region
		Establish common goals
		Create mechanisms for coordination among these systems. Build cross-system coordination into the workforce, education and economic development systems
		Establish mechanism to monitor and ensure long term coordination
	Integrated and adaptive career pathway system that are accessible for all workers in the region	Mechanism for coordination amongst ongoing development of education and training pathways
Establish cross-system “pathways” working group		
Implement cross-system pathways “hub”		
A strong community-focused workforce development infrastructure across the region		Conduct an environmental scan of current community-focused workforce development entities
		Identify strengths and weaknesses of local service delivery networks
		Determine optimal community-focused service delivery
Establish flexible public funding streams and public policies that support that flexibility		Conduct a comprehensive documentation of existing public funding streams used for workforce development
		Influence new policies in public funding streams
		Monitor impact of more flexible funding

## *Goal: Regional Planning and Information Systems*

The first goal is to achieve coordinated workforce, education, and economic development planning and information systems across the region.

Unlike traditional education systems, workforce development is not a system with a fixed structure for funding, governance or administration, rather it is a kind of ongoing nexus between: jobs and workers; workers and training; and employers and training. The Workforce Investment Act is the federal program that serves as a central hub for local service delivery and local oversight. Because the purpose and funding of the federal workforce programs has changed significantly over the past two decades, other services and programs (local, state and federal) now make up a broader network of services with the WIA programs.

This network of workforce development programs and services serves an important intermediary function in the labor market. While imperfect, they must respond to a number of changing markets, but can also influence those markets – help educators to adapt, help employers to adapt, and help the un- and underemployed navigate the labor market and education systems.

The workforce development system can influence education strategies by bringing relevant labor market information to curriculum development. It can also refocus economic development strategies so that they can respond to business demands for a skilled workforce. While there are instances where workforce development strategies improve the effectiveness of education and economic development strategies, the extent to which they support, leverage or influence education and economic development strategies appears to be almost random when looked at from a regional perspective. While coordinated strategies are most effective when they are locally driven, there should be a regional strategy that focuses on making sure these kinds of coordination can happen.

Coordinated planning and information systems would create a broader, more open mechanism for the innovation and more efficient service delivery. It would also increase the ability of all the players (education, economic development and workforce development) to be proactive rather than reactive. The challenge that coordination is intended to address is the fact that while different systems have “workforce development” goals, they: don’t always mean the same thing by “workforce development”; aren’t required to coordinate or even communicate with other systems that also have workforce development goals; and the workforce development “system” does not have authority over the workforce development goals or strategies of other systems.

The kind of coordination that is needed for the region also requires a balance between the advantages of a regional approach and the necessity of localized solutions. “Coordinated planning” does not mean the creation of a regional service delivery system, nor does it need to mean a “regional plan” that applies to every part of the region. The strategic activities

outlined below are intended to drive coordination between and amongst the current systems, rather than create another layer of a system. In addition, the objectives and strategic activities will address the need for better use of information amongst systems as well as more transparency and accessibility of information to the breadth of workforce development stakeholders.

## INFORMATION SYSTEMS RECOMMENDATIONS

Objective: Integrated, transparent information systems to guide the region’s job seekers and businesses to appropriate workforce solutions

### Recommendation One: Assessment

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Assess data and information that is collected, needed and used by the region’s workforce, education and economic development programs.</p> <p><b>Specifics:</b> Starting with existing state and local data and information initiatives, the assessment must, at a minimum:</p> <ul style="list-style-type: none"> <li>• Identify the sources of information and data that is needed, currently used, and collected by the region’s workforce, education, economic development and, where appropriate, human services programs.</li> <li>• Identify gaps in information and data, determine any inconsistencies in information and analyze overlap in information currently collected by each system.</li> <li>• Evaluate how to link existing information collection systems where possible (rather than creating new ones).</li> <li>• Analyze current strategies that collect, use and transmit workforce information to different stakeholders (internal and external), including the Illinois workNet information system, CWICstats, Chicago Jobs Council’s Workforce and Information Resource Exchange, and e-portfolio strategies.</li> </ul>	<p>18 months to 2 years to complete</p>	<p>At a minimum, the entity to lead this work must have:</p> <ul style="list-style-type: none"> <li>• Strong data capability;</li> <li>• Experience with education, workforce and economic development data systems;</li> <li>• Credibility with stakeholders.</li> </ul> <p>Because there are a number of workforce information-related projects underway, the entities responsible must be consulted and involved in the assessment. These include:</p> <ul style="list-style-type: none"> <li>• The Chicago LEADS Data Consortium (CWICstats) housed at Chapin Hall, University of Chicago</li> <li>• The Illinois Department of Employment Security staff responsible for labor market statistics for the region.</li> <li>• DCEO regional staff.</li> </ul>

<ul style="list-style-type: none"> <li>• Determine additional data sources that may be needed.</li> <li>• Determine current and potential users and assess their satisfaction with and ability to access and apply information for their needs.</li> <li>• Document information transactions between each system, within each system and with end-users.</li> <li>• Determine types of information that are not being adequately communicated now: is it because the information doesn't exist or because the system is just not good at getting the information out?</li> <li>• Produce a summary assessment report with recommendations for data sharing, new data collection and improvements to transparency and communication to end-users.</li> </ul>		<ul style="list-style-type: none"> <li>• ICCB data systems analysis of the Shifting Gears Initiative.</li> </ul>
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### Recommendation Two: Integration

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Establish a region-wide, integrated, transparent data/information network or consortium to guide the region's job seekers and businesses to appropriate workforce solutions.</p> <p><b>Specifics:</b> The network would exist to facilitate three kinds of things:</p> <ul style="list-style-type: none"> <li>• Data/information sharing across workforce, education and economic development systems, to do this: <ul style="list-style-type: none"> <li>• Consider how newly collected information will inform regional planning for each system (inform funding decisions, program model development, economic development investments, education reform...):</li> <li>• Require/incent economic developers to share relevant business planning information with workforce and education systems;</li> <li>• Stronger integration of the data; collating; cross-tabulating; etc.</li> </ul> </li> <li>• Development of innovative ways to transmit data/information to end users:</li> </ul>	<p>Within three years of the assessment phase</p>	<p>The idea is to have a regional workforce development data consortium. Similar to the LEADS Data Consortium (CWICstats), a non-governmental entity would be the optimal location for such a consortium. In this case, the regional consortium could solve any data sharing that cannot happen directly, could develop and recommend innovative strategies for transmitting data for use. Ideally, CWICstats could be regionalized.</p> <p>In the case of end-users who are individuals, the development of tools that are "user-friendly" would accommodate the language and literacy levels of the region's population.</p> <p>There is a political element to</p>

<ul style="list-style-type: none"> <li>• Create incentives for economic development, workforce development and education systems to want to integrate their information;</li> <li>• Develop user platforms that accommodate the various target audiences including individuals, businesses, economic developers, workforce development administrators, education planners, curriculum developers, job developers, career planners, case managers, workforce boards, etc.;</li> <li>• Explore predictive model that can identify future skill needs;</li> <li>• Build in mechanisms to verify accuracy of information;</li> <li>• Track outcomes other than completion, especially long-term labor force outcomes;</li> <li>• Embed geography into the data;</li> <li>• Build towards just-in-time data inputs;</li> <li>• Allow data inputs and modeling for the end user;</li> <li>• Info system that can demonstrate economic impact and show the consequences in terms of jobs and other factors for workforce and economic development and education planners.</li> <li>• Establishment of a joint process to ensure that data/information is transparent, accessible and delivered so that individuals and businesses can use it: <ul style="list-style-type: none"> <li>• Identify a regional workforce problem and use integrated information to inform it: i.e. pilot the use of data system before going to scale;</li> <li>• Improve inter-agency / inter-system communication;</li> <li>• Create venues for players from each system come together and share their work;</li> <li>• Develop ways for this information to filter down from top level of agency to mid and frontline level;</li> </ul> </li> </ul>		<p>data sharing, including data privacy issues.</p>
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<ul style="list-style-type: none"> <li>• Maintain data sharing agreements to ensure that regular updates can happen efficiently;</li> <li>• Recommend development of new formats for data/information delivery.</li> </ul>		
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### Recommendation Three: Monitoring

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Establish ongoing monitoring to determine whether the data and information systems are functioning to serve individuals and businesses in the region.</p> <p><b>Specifics:</b> Publish a report card or assessment and include recommendations for improvement.</p>	At a minimum every three to four years	<p>This responsibility should be connected to or fall to the coordinating mechanism described below.</p> <p>This should be conducted by an entity that has a neutral position with respect to the public systems.</p>

## PLANNING SYSTEMS RECOMMENDATIONS

Objective: Mechanism for coordination of workforce, education and economic development systems where they intersect that facilitate workforce development services for the region’s individuals and businesses

### Recommendation Four: Assessment

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Assess existing regional economic development, workforce development and education coordination across the region.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Separately convene the key economic development, education, and workforce development leaders elected to assess their specific workforce development activities and initiatives and potential for coordination;</li> <li>• Consult with key municipal and county elected officials to determine how</li> </ul>	18 months	<p>The assessment phase must be conducted by a neutral entity with expertise in workforce development or a partnership of two or more. The assessment phase could be located at CMAP as a regional entity and led by some combination of CJC, Women Employed, NIU, and CUED.</p> <p>Economic development leaders include Metro Economic Growth Alliance (MEGA); World Business Chicago; Chicagoland</p>



<p>workforce development coordination can meet municipal economic development priorities;</p> <ul style="list-style-type: none"> <li>• Each convening will identify current areas of overlap in services (including co-location, shared staffing), funding, administration;</li> <li>• Each will identify gaps in coordination (i.e. where are the systems not working together that they should be?);</li> <li>• Examine future trends;</li> <li>• Identify barriers to coordination;</li> <li>• Evaluate state-level workforce, economic development and education planning and projects for the Northeast Illinois region to determine opportunities for support, etc.;</li> </ul> <p>The resulting assessment report will include recommendations to:</p> <ul style="list-style-type: none"> <li>• Describe how coordination can improve service delivery for individuals and businesses;</li> <li>• Establish an ongoing format for regular cross-system convening;</li> <li>• Make recommendations for steps towards coordination;</li> <li>• Commit to establishing common goals; appoint person with authority to establish common goals;</li> <li>• Make recommendation for ongoing monitoring.</li> </ul>		<p>Chamber of Commerce; and Chicago LEADS.</p> <p>Education leaders from secondary career and technical education; community colleges; adult education providers; non-profit training institutions; proprietary schools; and four year institutions.</p> <p>Workforce development leaders from Metro Workforce Boards; WIA administrators, CJC as proxy for CBOs; other CBO-based networks.</p> <p>At a minimum, key local elected officials should include mayors, those who serve on the region's WIBs and any involved with CMAP.</p>
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### Recommendation Five: Common Goals

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Establish common goals among workforce, education and economic development systems in the region.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Identify current employment-related and skill-related goals/outcomes across workforce, education and economic development systems that the systems have in common;</li> <li>• Prioritize transparency and access to</li> </ul>	<p>18 months</p>	<p>Stakeholders described above who have authority to set and implement goals.</p>

information; <ul style="list-style-type: none"> <li>• Establish agreement on measurement of goals by each system;</li> <li>• Establish reporting mechanism of common goals (report card; annual report; etc.);</li> <li>• Each system aligns goals.</li> </ul>		
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### Recommendation Six: Cross-System Coordination

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Build cross-system coordination into these workforce, education and economic development systems.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Incent the development of initiatives that are shared by all three systems. Start with a pilot. A first initiative could be in the transportation industry: it’s regional; there’s a labor shortage; influx of federal spending is likely to have an impact on the industry.</li> <li>• Establish time-limited forums for development of cross-system solutions to meet specific workforce challenges.</li> <li>• Require or incent common planning, but do not punish for lack of common goals.</li> <li>• Develop customized workforce information for economic development and education planners; for example, an industry workforce profile for use by economic developers.</li> <li>• Determine what audiences need to be communicated to and tailor message accordingly (employers, job seekers, developers, educators, students).</li> <li>• Coordinate communication to external audiences, including the development of guiding message for the workforce development, economic development and education systems.</li> <li>• Convene stakeholders to determine an ongoing process and role for research and development and the incentives for program administrators to participate in evaluation; need to be sure there aren’t perceived penalties for “poor” outcomes.</li> </ul>	<p>18 months</p> <p>Development in this section occurs at the same time as and should be informed by the establishment of common goals above.</p>	<p>The entity to lead this must have the ability to effect policy and funding decisions. Although these activities don’t mandate policy or funding, their effect will be limited unless there is institutional authority behind them.</p> <p>The mechanism developed in the previous objective should play a role in this.</p>

<ul style="list-style-type: none"> <li>Determine a process to help evaluate and align existing processes and workforce training systems and determine what needs to be changed and how to make it more effective.</li> </ul>		
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### Recommendation Seven: Monitoring

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Establish mechanisms to monitor and ensure long term coordination.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>Monitor transparency of information and communication systems;</li> <li>Monitor best practices on the region’s workforce initiatives, including reviewing program evaluations, determining need for further evaluation; determining whether there are adequate measures of customer outcomes (for example, did employers get the skilled workers they needed; did individual workers get credentials and/or employment they sought);</li> <li>Develop a return on investment tool;</li> <li>Explore shared funding for testing new ideas</li> </ul>	Two years	<p>Could be “administratively” – task force, committee -- or “legislatively” (contracts, formal agreements, incentives, written policies that all agree to).</p> <p>This will depend on the recommendation above.</p>

### *GOAL: CAREER AND EDUCATION PATHWAY SYSTEM*

The second goal is to have an integrated and adaptive career and education pathway system driven by the skill needs of employers and accessible to all workers in the region.

Coordination of information and planning will improve the strategies of the workforce, education and economic development systems. There has also been innovation in the design and delivery of workforce development services — including the development of components of career pathways and education pathways. In this existing work, there is consensus that successful workforce strategies are:

- Responsive to both employer and worker needs;
- Adaptive to changing workplace and labor market conditions;
- Designed to be accessible.

The full range of career and education pathways is not yet developed and, in general, service delivery is inconsistent across the region. The delivery system for the workforce education and training services must be able to adapt to changes in the labor market, whether they are basic skill requirements across occupations, specific hard skills for occupations, or broader industry shifts that change how workers advance. The same delivery system must be able to effectively connect to the traditional public education systems, which are a key source of training, and to respond to unanticipated shifts in the regional economy.

It appears that most of the development of pathways is driven primarily by one system or is coordinated from a specific location or within a specific industry or set of occupations within an industry. For example, there are current efforts to build the educational infrastructure for career pathways through the implementation of new “programs of study” in the secondary and post-secondary system. At the same time, sectoral strategies that develop a skills training strategy for a specific set of employers in one industry in one geographic location are also emerging. Each strategy may be inaccessible to some individuals and to some businesses, and there could be duplication as they expand. Moreover, as the need for more short-term training and modularized curriculum grows, collaborative approaches may be more effective at reaching the needs of the varied groups of employers and individuals.

In order for the implementation of these new educational pathways to be effective for the region’s workforce and businesses, they should be developed with the intent of forming an integrated and adaptive career pathway system or systems across the region. Since there are employment, education and workforce training components to any robust career pathway, the systems all have roles in their development. Moreover, to ensure that they are responsive and accessible, they will depend on a strong community-focused delivery system and the availability of flexible resources.

## CAREER PATHWAYS MECHANISM RECOMMENDATIONS

Objective: Mechanism for coordination amongst the ongoing development of career and education/training pathways

### Recommendation Eight: Environment Scan

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Complete an environment scan of existing career pathways initiatives in the region.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Convene key workforce, education and labor market experts to map existing</li> </ul>	Six months	<p>The entity that leads this should be:</p> <ul style="list-style-type: none"> <li>• Independent of any systems;</li> <li>• Have an in depth knowledge of the field of career and education pathways;</li> </ul>

<p>pathways initiatives;</p> <ul style="list-style-type: none"> <li>• Produce summary of existing efforts in the region;</li> <li>• Recommend structure and membership of a “pathways” working group described below.</li> </ul>		<ul style="list-style-type: none"> <li>• Have existing relationships with the key stakeholders.</li> </ul> <p>Key entities include regional stakeholders involved in the Shifting Gears initiative, including DCEO and ICCB; regional education administrators involved in the implementation of Perkins IV; and any entities developing or implementing pilots of career pathways or components of career pathways (adult education/ESL; occupational skills; etc).</p> <p>Women Employed is well-positioned to lead this.</p>
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### Recommendation Nine: Working Group

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Establish a cross-system “pathways” working group.</p> <p><b>Specifics:</b> Start from the environmental scan to:</p> <ul style="list-style-type: none"> <li>• Determine which populations are not well served currently and what their unmet needs are (for example: basic education, ESL, support services, transportation, etc.);</li> <li>• Consult with economic developers, industry experts and employers to establish a baseline of skills to be self-sufficient, considering employment opportunities and skill needs;</li> <li>• Make recommendations for each system’s role in developing and contributing to education and training pipeline;</li> <li>• Produce an implementation plan for a regional “hub” that will be responsible for an ongoing “mapping” of career pathways for industries and occupations.</li> </ul>	<p>18 months</p>	<p>The entity that could serve this function must have strong relationships with the workforce system, the region’s colleges, and economic development.</p> <p>At a minimum, key entities include metro workforce boards, representatives from area community colleges; ICCB; representatives from the region’s key industries (manufacturing, TDL, health care, information technology and financial services are the most likely); Women Employed; DCEO.</p>

### Recommendation Ten: Coordinating Hub

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Implement a regional, cross-systems pathways coordinating hub, responsible for ongoing mapping of career pathways for industries and occupations.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Make sure that existing labor market analysis is available to provide appropriate industry focus for any sectoral initiatives in the region;</li> <li>• Make sure efforts of each system are linked and/or not duplicative;</li> <li>• Update and revise career and education pathway “maps” to adjust to changes in labor market, population of job seekers, economic shifts;</li> <li>• Evaluate performance and effectiveness of career and education pathways and implement accountability measures;</li> <li>• Focus on short-term strategies that are integrated more closely with work – “employment-based learning”;</li> <li>• Recommend new strategies based on emerging best practice models (informed by LEADS, Shifting Gears, TJ pilots, bridge programs).</li> </ul>	<p>By end of 2011</p>	<p>These activities should be integrated with the coordination function described under the first goal and related objectives and strategies.</p> <p>The entity that could serve this function must have strong relationships with the workforce system, the region’s colleges, and economic development.</p>

### LOCAL INFRASTRUCTURE RECOMMENDATIONS

Objective: A strong community-focused workforce development infrastructure across the region

### Recommendation Eleven: Environment Scan

Recommendation	Anticipated Timeline	Key Entities
<p>Recommendation: Conduct an environmental scan of current community-focused workforce development entities.</p> <p>Specifics:</p>	<p>One year</p>	<p>The entity that leads this must have deep familiarity with both community-based service delivery organizations and</p>

<ul style="list-style-type: none"> <li>• Collect names of contractors under public programs and foundation-funded programs;</li> <li>• Create maps by type of service and the entities (public, non-profit, private) that provide the services;</li> <li>• Determine major service gaps;</li> <li>• Show how frontline services do/do not provide an “on ramp” to a career or educational path.</li> </ul>		<p>workforce development.</p> <p>Key entities include Chicago Jobs Council; foundations that fund community-based workforce services; LISC; Metro Workforce Boards; local adult education planning councils; experts on ESL service delivery.</p>
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### Recommendation Twelve: Identify Strengths and Weaknesses

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Identify strengths and weaknesses of local service delivery networks.</p> <p>Specifics:</p> <ul style="list-style-type: none"> <li>• Interview people involved in the work (providers, funders, advocates, participants);</li> <li>• Assess types of support that service providers need in order to remain strong or grow.</li> </ul>	<p>Six months</p> <p>Could be concurrent with above strategy</p>	<p>The entity that leads this must have deep familiarity with both community-based service delivery organizations and workforce development.</p> <p>Key entities include Chicago Jobs Council; foundations that fund community-based workforce services; LISC; Metro Workforce Boards; local adult education planning councils; experts on ESL service delivery.</p>

### Recommendation Thirteen: Determine Optimal Delivery

Recommendation	Anticipated Timeline	Key Entities
<p>Recommendation: Determine optimal community-focused service delivery.</p> <p>Specifics:</p> <ul style="list-style-type: none"> <li>• Establish principles;</li> <li>• Determine most appropriate way to get providers that support (for example, through new funding, or coordinated private funding, or coordination of providers);</li> <li>• Determine better ways to link existing providers with each other while also fostering the inclusion of new providers (for example, providing technical assistance to new providers, perhaps with assistance from more experienced providers);</li> </ul>	<p>Two to three years</p>	<p>The entity that leads this must have deep familiarity with both community-based service delivery organizations and workforce development.</p> <p>Key entities include Chicago Jobs Council; foundations that fund community-based workforce services; LISC; Metro Workforce Boards; local adult education planning councils; experts on ESL service delivery.</p>

<ul style="list-style-type: none"> <li>• Determine most successful community-based “on ramps” to further education and employment opportunities;</li> <li>• Examine potential role for intermediary organizations to bring neighborhood-based providers together on a project (for example, around strategies for a particular industry).</li> </ul>		
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## FUNDING STREAMS AND POLICIES RECOMMENDATIONS

Objective: Establish flexible public funding streams and public policies that support that flexibility

### Recommendation Fourteen: Documentation

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Conduct a comprehensive documentation of existing public funding streams used for workforce development in the region.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Use CJC’s Big Shoulders, Big Challenges report as a model to do this at the regional level;</li> <li>• Include an examination of which funds are most flexible and what that increased flexibility permits (i.e. CDBG allows for much more flexible program development than WIA);</li> <li>• Analyze funding streams to establish the extent to which they support career pathways and their components;</li> <li>• Based on restrictions of different public funding sources, determine which ones are most appropriate to serve which populations, neighborhoods, etc.;</li> <li>• Make recommendations for changes to current funding streams.</li> </ul>	<p>One year</p>	<p>Chicago Jobs Council could lead this based on experience.</p> <p>Key entities include Chicago Jobs Council; foundations that fund community-based workforce services; LISC; Metro Workforce Boards; local adult education planning councils.</p> <p>This should be connected with career pathways development and should leverage what has been learned through the multi-state Shifting Gears Initiative about analyzing funding streams.</p>



### Recommendation Fifteen: Influence New Policies

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Influence new policies in public funding streams, as appropriate.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Take advantage of current opportunity to influence public workforce funding;</li> <li>• Explore set-asides for new funding through infrastructure investments; upcoming reauthorization of federal programs include WIA;</li> <li>• Analyze most direct route to change: is it most appropriate to work at a federal, state or local level? Who can make it happen?</li> <li>• Determine if new incentives or funding is needed.</li> </ul>		<p>This responsibility is across public and private stakeholders and should be coordinated with state and national organizations.</p>

### Recommendation Sixteen: Monitor

Recommendation	Anticipated Timeline	Key Entities
<p><b>Recommendation:</b> Monitor impact of more flexible funding.</p> <p><b>Specifics:</b></p> <ul style="list-style-type: none"> <li>• Compare to when it was less flexible (over time);</li> <li>• Compare to other funding streams (snapshot).</li> </ul>	<p>Ongoing</p>	<p>The entity that does this must have a region-wide focus, strong inter-governmental relationships, and research staff capacity/expertise.</p>

## CHAPTER FOUR

# INDICATORS FOR EVALUATING THE REGION'S SUCCESS

To understand whether we are making progress in the area of workforce development across the region, important trends should be monitored. Trends of key indicators in the following areas will help to assess how the region's workforce and businesses are prospering and whether workforce development systems are effective at contributing to that prosperity:

- Economic status of the region's workforce;
- Labor market participation of the region's workforce;
- Job opportunities available to the region's workforce;
- Skill levels of the region's workforce;
- Access to workforce preparation and education opportunities;
- Effectiveness of workforce development programs.

Understanding these trends and building a cross-system approach to developing workforce strategies for the region will be critical to fulfilling the workforce development vision for the region by 2040.

### *Economic status of the region's workforce*

Trends in these indicators may show that the economic status of the region's population is weakening – i.e. poverty rates going up; rates of employment going down; or rates of low-wage employment going up relative to higher-wage, higher-skilled employment — and this may indicate that people are unprepared for the jobs in the region's labor market. It is important to recognize that rates of unemployment and low-wages may indicate something about the quality of jobs and the quality of labor market opportunity (i.e. not just skill levels of the workforce). The indicators can also inform other economic development strategies: for example, the need for better job-quality goals in economic development investments that support income attainment goals that we assume result from the workforce development strategies to increase skills of the workforce. The indicators currently being used by CMAP are:

- Median household income;
- Percent of population living in poverty, extreme poverty; and 200% of poverty level;
- Percent of population receiving food stamps;
- Cost of Living Index.

We would also recommend that the region needs to track trends in whether family incomes are meeting a standard of basic needs other than the poverty threshold. There is general agreement that standard measures of poverty no longer accurately reflect income insecurity. Since the early 1990s there has been considerable research on the development

of alternative measures of economic security. In Illinois, these alternate measures have been developed through the Family Economic Self-Sufficiency Standard (FESS) updated by the Heartland Alliance Social IMPACT Research Center.<sup>28</sup> We recommend that an FESS be used as a measure of the economic status of the region's workforce.

### *Labor market participation*

These trends will tell us about the strength of the region's economy in general and may indicate something about the extent to which the workforce is prepared for the jobs that exist in the economy. Lower rates of employment and workforce preparation may also indicate that the quality (pay, benefits, shifts available and other workplace conditions) of some jobs may not be very good or the location of some jobs may result in some workers choosing to wait for better opportunities. The indicators currently being used by CMAP are:

- Employment rate;
- Unemployment rate;
- Rate of workforce participation.

### *Job opportunities available to the workforce*

These indicators show information about jobs that exist in the region. Trends in the number of jobs available and wages by industry and occupation will show the extent to which there are opportunities that draw people into the region's workforce. The indicators currently being used by CMAP are:

- Jobs per capita;
- Average wages by industry and occupation.

We would recommend two other indicators that need to be measured to evaluate the job opportunities available to the region's workforce:

- First, understanding the trends in commuting time for the workforce will tell us whether business location decisions are impeding the ability of the region's workforce to find job opportunities. These trends may have implications for both economic development and transportation policy.
- Second, understanding trends in the region's employment growth by both industry and occupation is critical to evaluating the job opportunities available to the region's workforce.

### *Skills of workforce*

The rationale for these indicators is that they tell us if people are prepared for skilled jobs. We assume that, given the trends, jobs of the future will increasingly require higher/different levels of basic skills; in addition, to a great extent, educational attainment is related both to income level and to rates of employment/unemployment. The indicators currently being used by CMAP are:

- Educational attainment;

- Adult literacy rate (including ESL);
- Adult numeracy rate.

### *Access to workforce preparation/education opportunities*

These indicators tell us the extent to which less skilled workers may have access to opportunities to build skills. We assume that less skilled workers have lower incomes and will not be able to afford to get more education; we also know that to the extent that employers pay for training for employees, it is for higher-level employees, so low-skilled, low-income workers are unlikely to be accessing training that way. The trend of these indicators is important because if low-skilled workers don't have access to workforce preparation and education opportunities, the region will not be maximizing the potential of its human capital. The indicators currently being used by CMAP are:

- Number of institutions offering certification or certification-seeking adult enrollment in educational institutions;
- Percent of students receiving financial aid (by type of aid, source of aid, and amount of aid).

We recommend the use of an additional indicator that tracks the number of working-age adults (24+) accessing non-credit/credit continuing education opportunities in public post-secondary institutions, in order to understand whether post-secondary education and training opportunities are accessible to working-age adults.

### *Effectiveness of public workforce policy*

These indicators tell us whether our public initiatives are successful at meeting the needs of the workforce and businesses in the region. The results of economic development subsidies tell us whether jobs are created as the result of public investment, and an indicator that measures the effectiveness of workforce development programs will tell us how well public dollars are being spent to prepare workers for jobs in the region's economy.

These indicators will be needed to measure progress in this area:

- The number of jobs created or retained as a result of state economic development subsidy (an indicator currently being used by CMAP.)
- A new measure to evaluate the effectiveness of workforce development programs; we recommend using a measure developed through *CWICstats*.
- A new measure to track the shares of WIA-funded job placements by industry. When state or local policy-makers focus on supporting specific industries in the region, we will also need to know whether the workforce development system is contributing to the support of those industries as well.

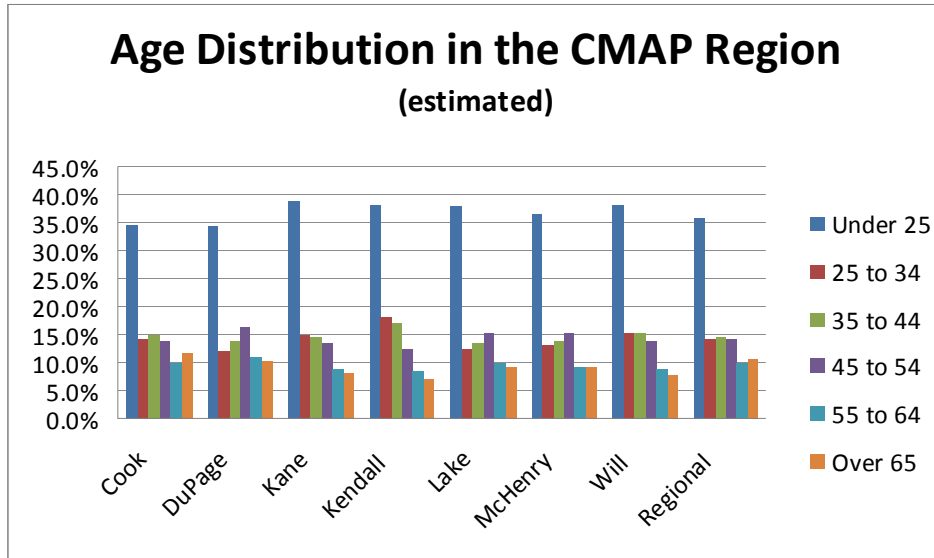
## *APPENDIX I: Terminology*

Like every other area of public policy, workforce development stakeholders refer to many acronyms. In the report, we have made every effort to identify the full terminology before we use an acronym. In addition, the following is a list of acronyms in the report for your reference.

AFDC	Aid to Families with Dependent Children
ARRA	American Recovery and Reinvestment Act
CCT	Chicago Community Trust
CETA	Comprehensive Employment and Training Act
CJC	Chicago Jobs Council
CMAP	Chicago Metropolitan Agency for Planning
CSSI	Critical Skills Shortage Initiative
CUED	Center for Urban Economic Development, University of Illinois-Chicago
DCEO	Department of Commerce and Economic Opportunity
ED	Economic Development
ES	Employment Services
ETIP	Employer Training Incentive Program
FESS	Family Economic Self-Sufficiency
ICCB	Illinois Community College Board
IDES	Illinois Department of Employment Security
IDHS	Illinois Department of Human Services
JTPA	Job Training Partnership Act
LEADS	Leading Economic Advancement, Development, and Sustainability
LISC	Local Initiative Support Corporation
LWIA	Local Workforce Investment Area
MDTA	Manpower Development & Training Act
MEGA	Metropolitan Economic Growth Alliance
NIU	Northern Illinois University
TANF	Temporary Assistance to Needy Families
TDL	Transportation, Distribution and Logistics
TJ	Transitional Jobs
TIF	Tax Increment Financing
WE	Women Employed
WFD	Workforce Development
WIA	Workforce Investment Act
WIB	Workforce Investment Board
UI	Unemployment Insurance

## Appendix II: County-level data

This appendix includes county level data for some of the regional data points developed as background for this report. All of the data was put together by CMAP's planning staff.

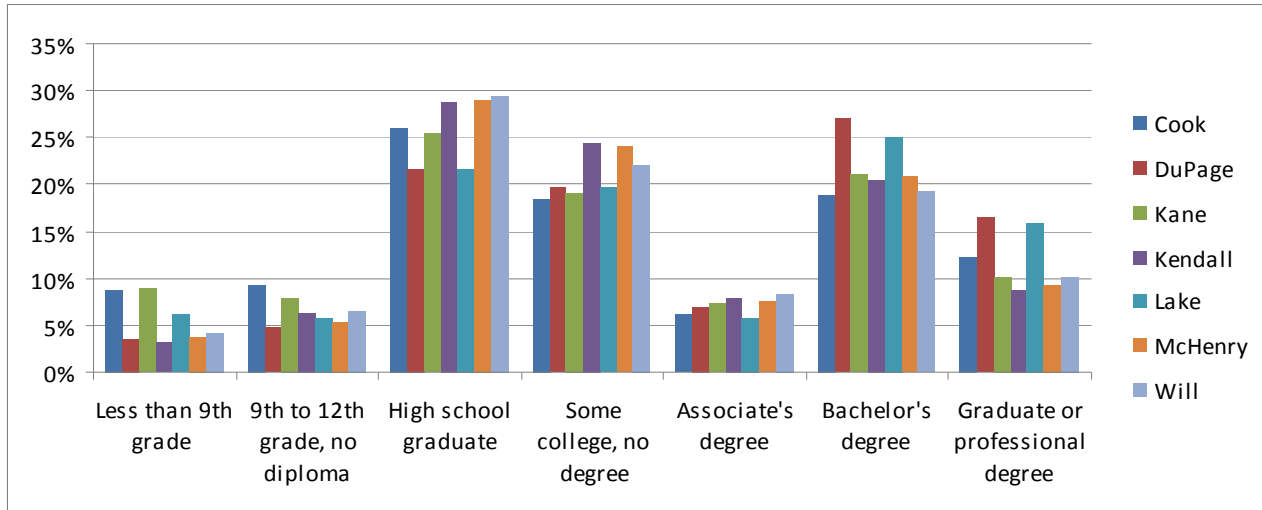


Source: American Community Survey, 2005-07 Multiyear estimation

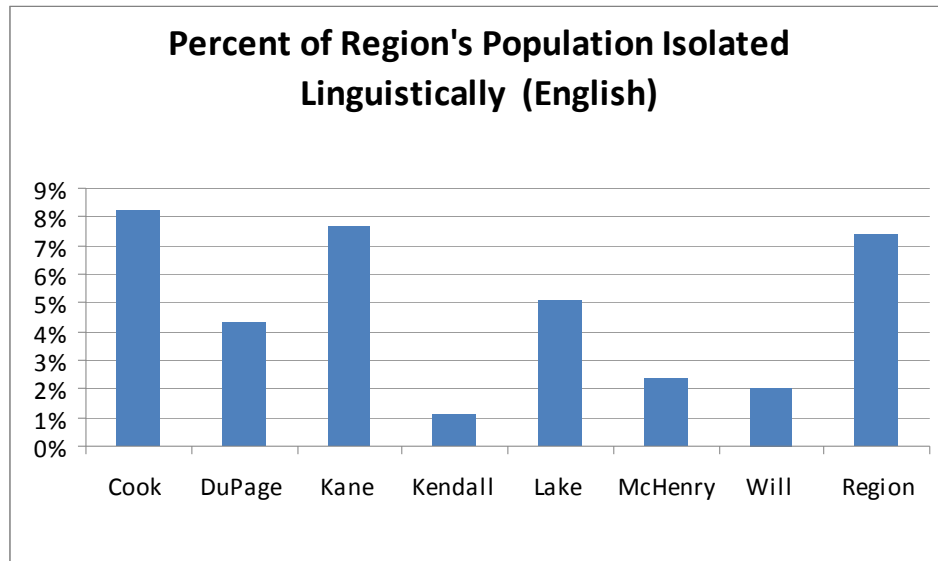
<b>Labor Force of the Chicago Metropolitan Region</b>			
<b>Area</b>	<b>2000</b>	<b>2007</b>	<b>% Change</b>
Cook	2,596,408	2,504,059	-3.6%
DuPage	511,994	516,438	0.9%
Kane	212,203	252,011	18.8%
Kendall	31,290	49,014	56.6%
Lake	325,926	354,846	8.9%
McHenry	145,929	170,822	17.1%
Will	267,410	344,708	28.9%
Region-wide	4,091,160	4,191,898	2.5%
Statewide	6,361,800	6,176,800	-2.9%

Source: CMAP, "Cluster Analysis: Regional Economic Base Analysis" based on IDES sources.

### Educational Attainment of Percent of Population Age 18 to 64

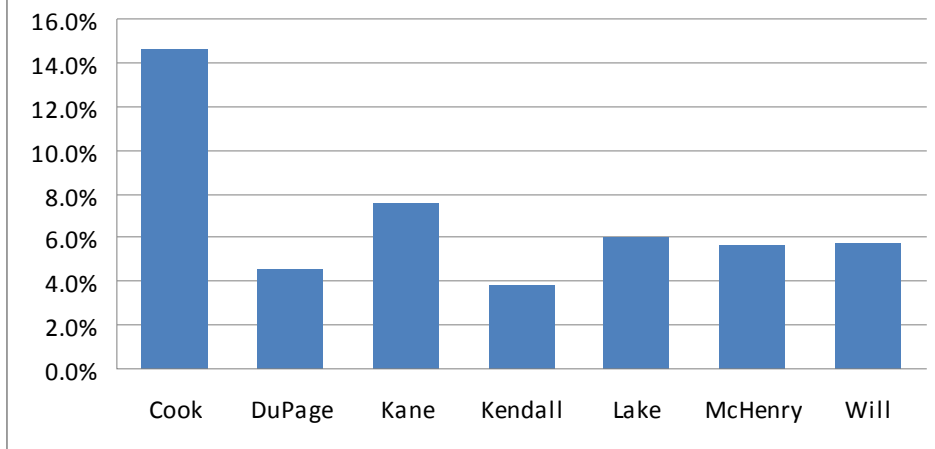


Source: American Community Survey, 2005-07



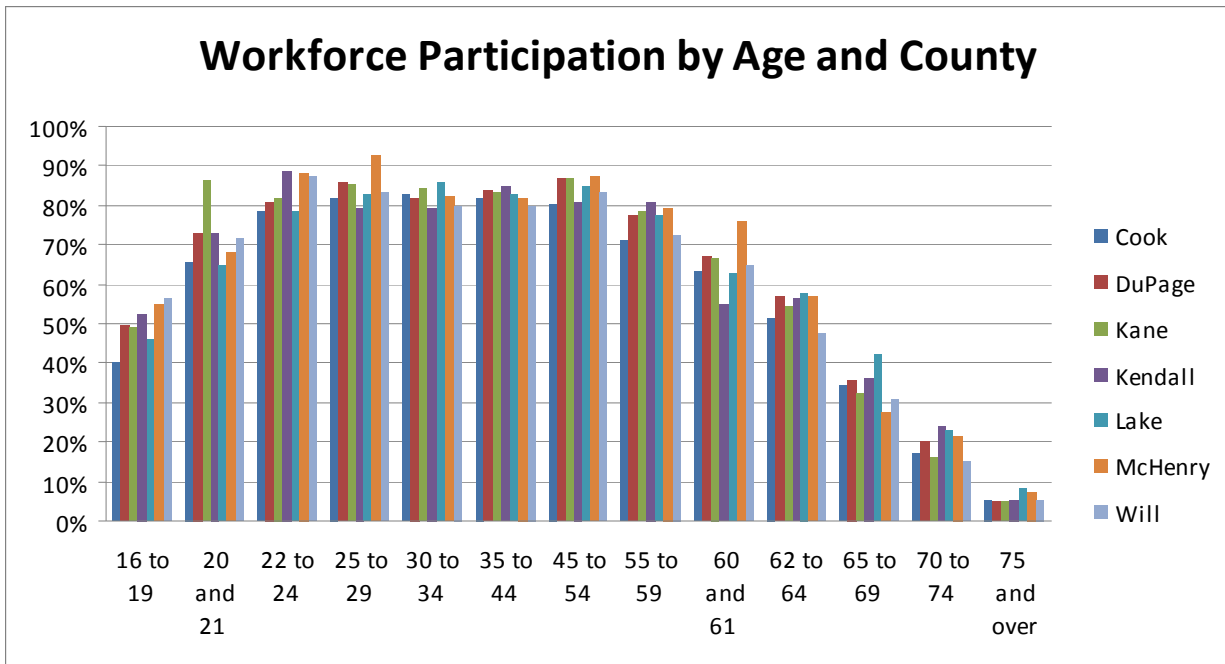
Source: Census 2000

## Poverty Rate by County



Source: 2007 American Community Survey

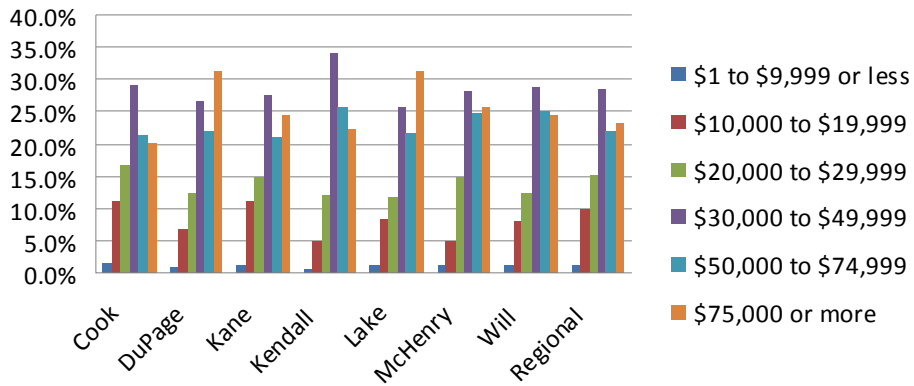
## Workforce Participation by Age and County



Source: 2007 American Community Survey

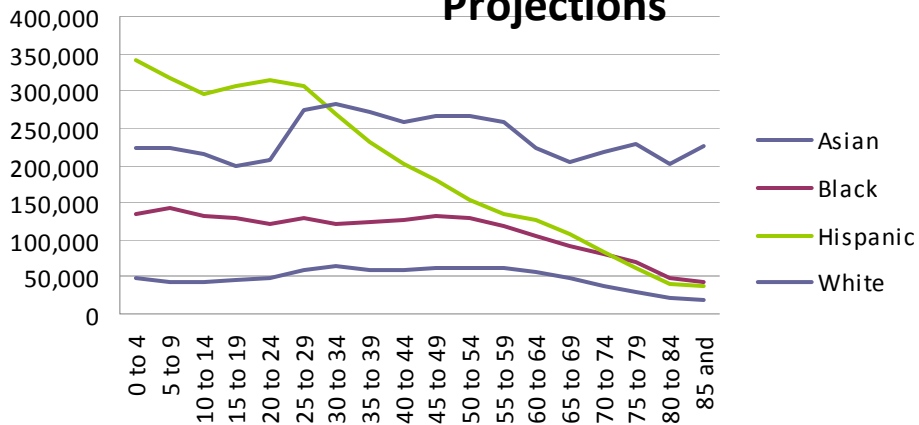


### Earnings of Workers with Year-Round Employment

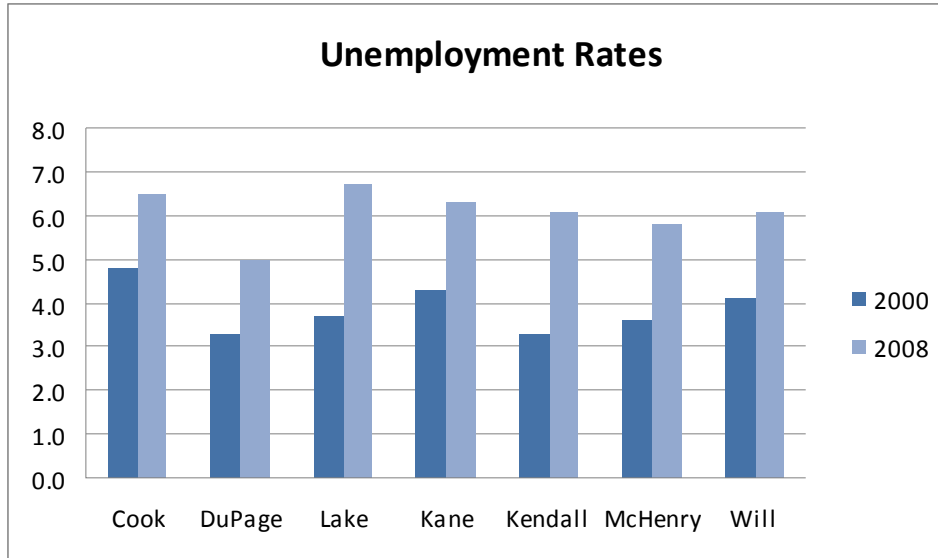


Source: 2007 American Community Survey

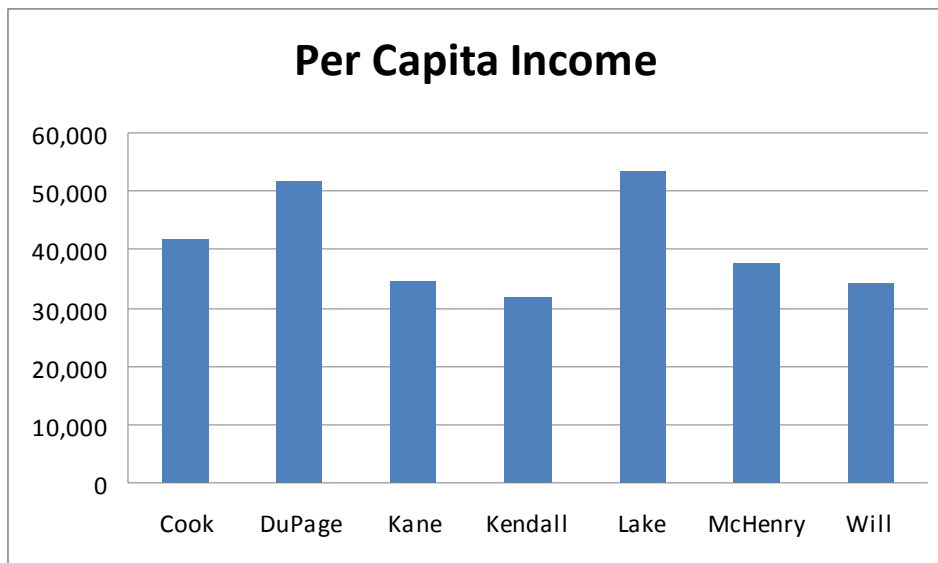
### 2040 Regional Population Projections



Source: CMAP analysis based on Census projections for United States



Source: Illinois Department of Employment Security



Source: Bureau of Economic Analysis, U.S. Department of Commerce.

### Appendix III: Overview of Key Programs

This chart is not intended as a comprehensive summary of workforce development services in the region, rather it is intended only to show the important programs and the varied administrative entities in the region. We use the administrative names of the programs; some programs may be referred to by a different name locally.

<b>Key Workforce Development Programs and Services</b>		
<b>Program Name</b>	<b>Description</b>	<b>Administrative Entities</b>
<b><i>Workforce Development System</i></b>		
Workforce Investment Act Title I—Adult, Dislocated Worker, Youth	Provides core, intensive, and training services to adults through the Chicago Workforce Centers and affiliated sites	DCEO with Local Workforce Investment Areas
Employment Services / Wagner-Peyser (Workforce Investment Act Title III)	Labor exchange program that receives job orders from employers and places job seekers	IDES
Trade Adjustment Assistance	Funds for job search and relocation activities, training and other reemployment services	DCEO
Job Training and Economic Development Grant Program	Community-based providers work in partnership with local businesses to provide training and act as a connection between local employers and low wage/low skill workers	DCEO
Employment Opportunity Grant Program	The EOGP makes grants intended to expand the number of individuals in historically underrepresented populations who enter and complete building trades apprenticeship programs and achieve journey-level status within building trades unions	DCEO
<b><i>Education Systems</i></b>		
Adult Education (Workforce Investment Act Title II)	Provides educational services to persons needing to enhance their basic literacy skills, improve English language proficiencies, or prepare for the GED examination	ICCB
Carl D. Perkins Vocational Act (post-secondary and secondary)	Provides services to prepare students for specific careers upon graduation	ICCB Public schools
Business and Industry Services Centers	Provide assessments, testing, education, training and other business resources to assist local businesses to increase employee skills	ICCB Community Colleges

High Tech School-to-Work Program	Grants to consortia of high technology businesses and local schools to prepare workers for high-paying, high-skill jobs that require advanced technical training.	DCEO
<b><i>Economic/Community Development</i></b>		
Employer Training Investment Program	Funds companies to train incumbent workers to help them keep pace with new technologies and business practices	DCEO
Community Development Block Grant	A flexible grant program that can be used for a number of community development activities, including training and employment-related services	DCEO and local municipalities
TIF Works	Provides businesses in TIF districts with funding to train incumbent workers	City of Chicago only
<b><i>Human Services</i></b>		
Earnfare	Provides adult Food Stamp recipients the opportunity to gain work experience and earn cash assistance at Earnfare work assignments	IDHS
TANF Job Placement with Retention	Provides targeted employment services designed to address the needs of TANF recipients with significant employment barriers	IDHS
Food Stamp Employment and Training with Retention	Provides special target populations of Food Stamp recipients with intensive education, job skills training, pre-employment services, and unsubsidized job placement	IDHS
Work First Program	Pay-after-performance program for TANF recipients, which includes activities such as work experience, community service, vocational training, basic education, job skills, and treatment programs	IDHS

## *Appendix IV: Service Delivery Maps*

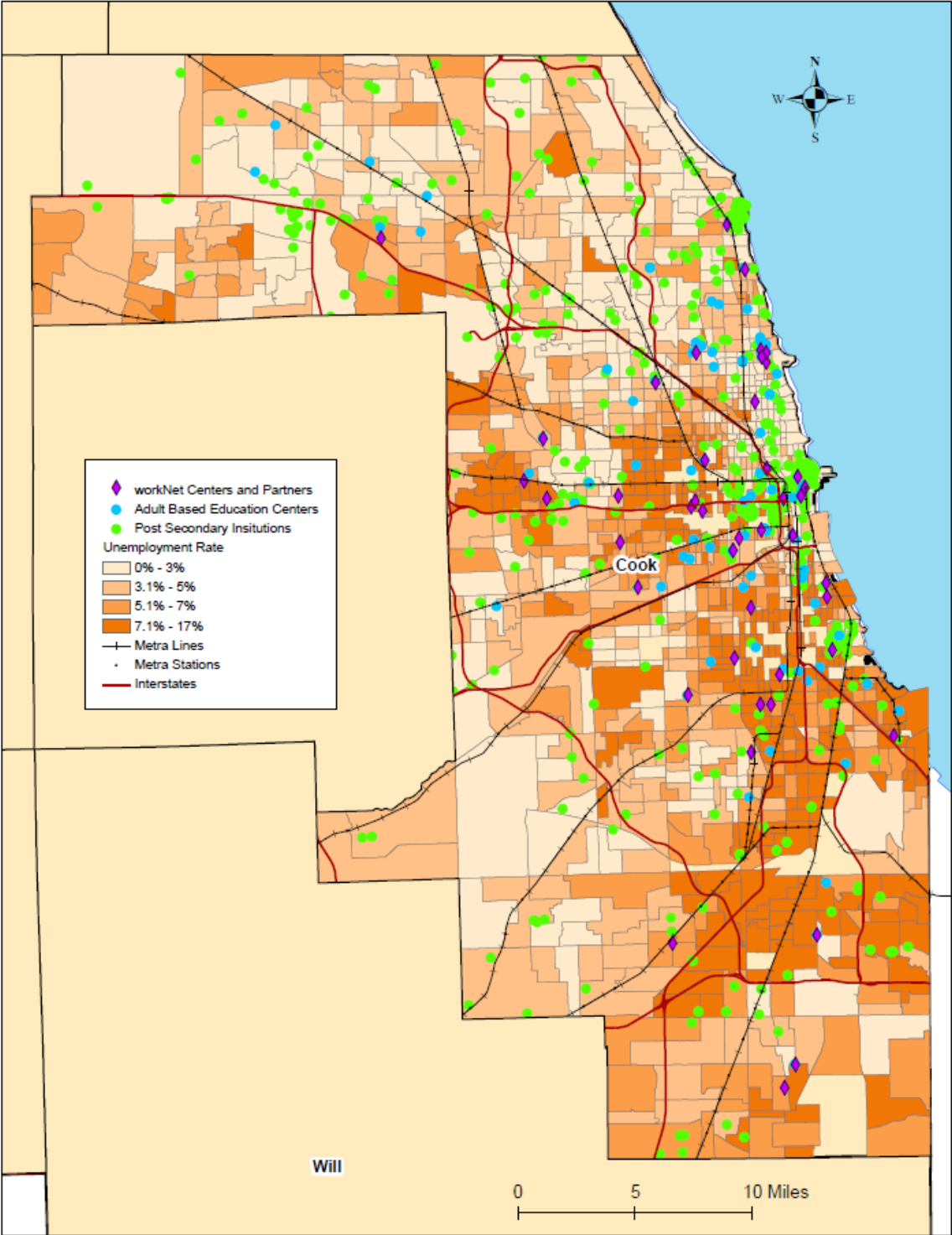
Included in this appendix are maps of the locations of key service delivery points where individuals could receive workforce development, education or training services. These maps provide a way to visualize the network of workforce development entities across the region, but they are not comprehensive since there is no single workforce development system that keeps track of every entity. We used three data sources listed below. It is important to note that community-based organizations and other contractors – a significant portion of the workforce development delivery system in the region – are not identified here.

The information for the entities on this map is from three sources:

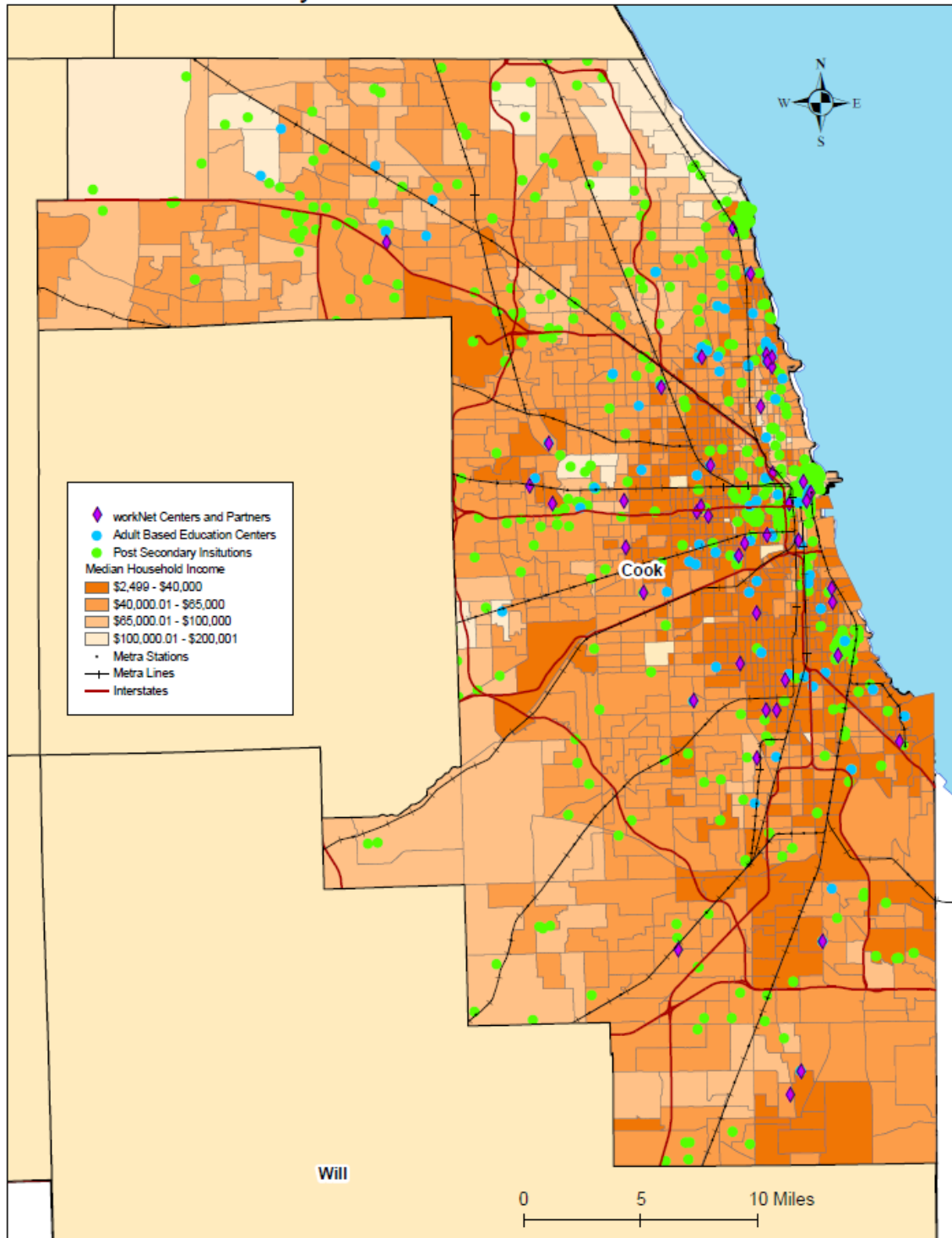
- Post secondary institutions include apprenticeship training, business and secretarial schools, colleges and universities, computer training, community colleges, and other technical and trade schools. The institutions are classified by NAICS codes. The data, provided by Dun & Bradstreet, is current as of October, 2008.
- The location of Illinois workNet Centers in the region is current as of March, 2009, and was provided by the Illinois workNet office at DCEO.
- The adult education locations for the region were found on the Illinois LINCS Web site in January, 2009.

The maps also show the 2000 median household income by census tract, or the 2007 unemployment rate by census tract. The source for both of these is the U.S. Census Bureau. This does not necessarily indicate whether there is sufficient capacity to meet the need, since there's no way to quantify the services at each site. Maps are not intended to estimate capacity vs. need for services, but to give additional information about the region's labor market.

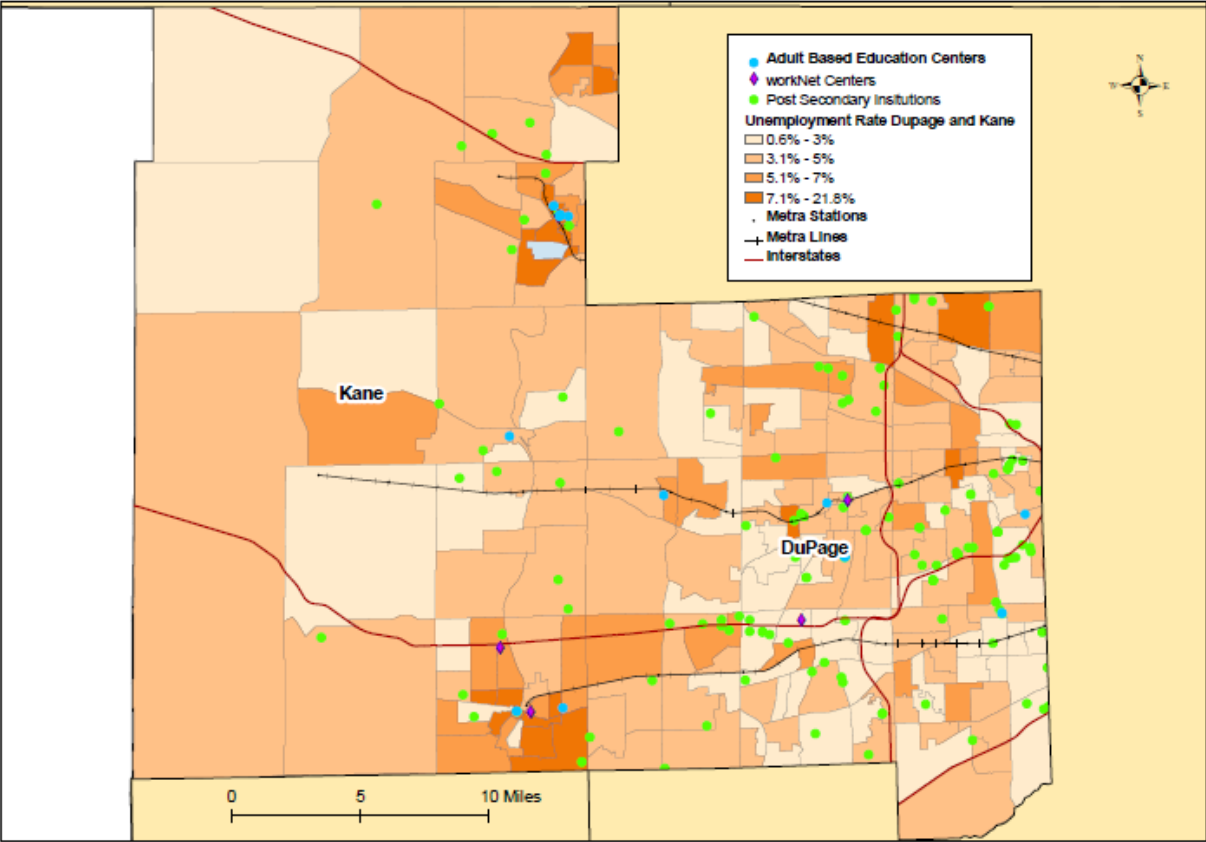
# Workforce Development Institutions: Cook County with Unemployment Rates



# Workforce Development Institutions: Cook County with Median Household Income

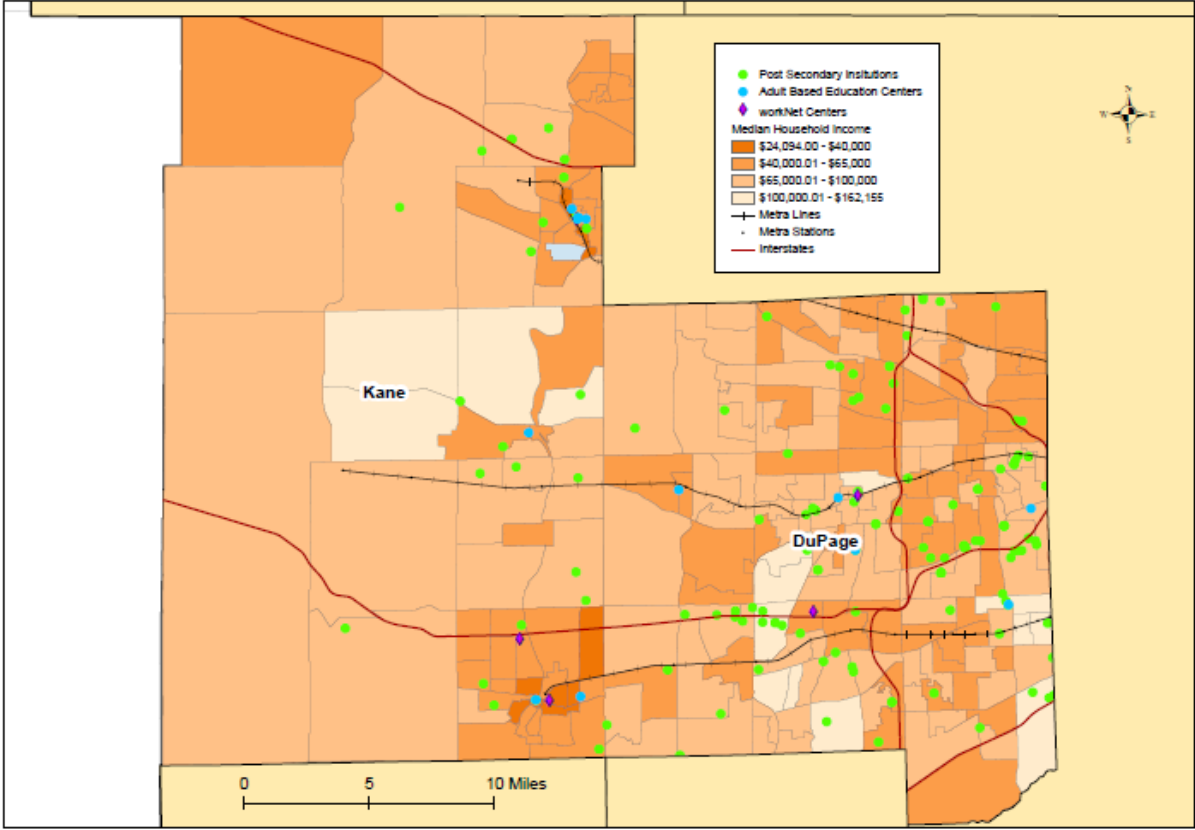


Workforce Development Institutions:  
DuPage and Kane County with Unemployment Rate

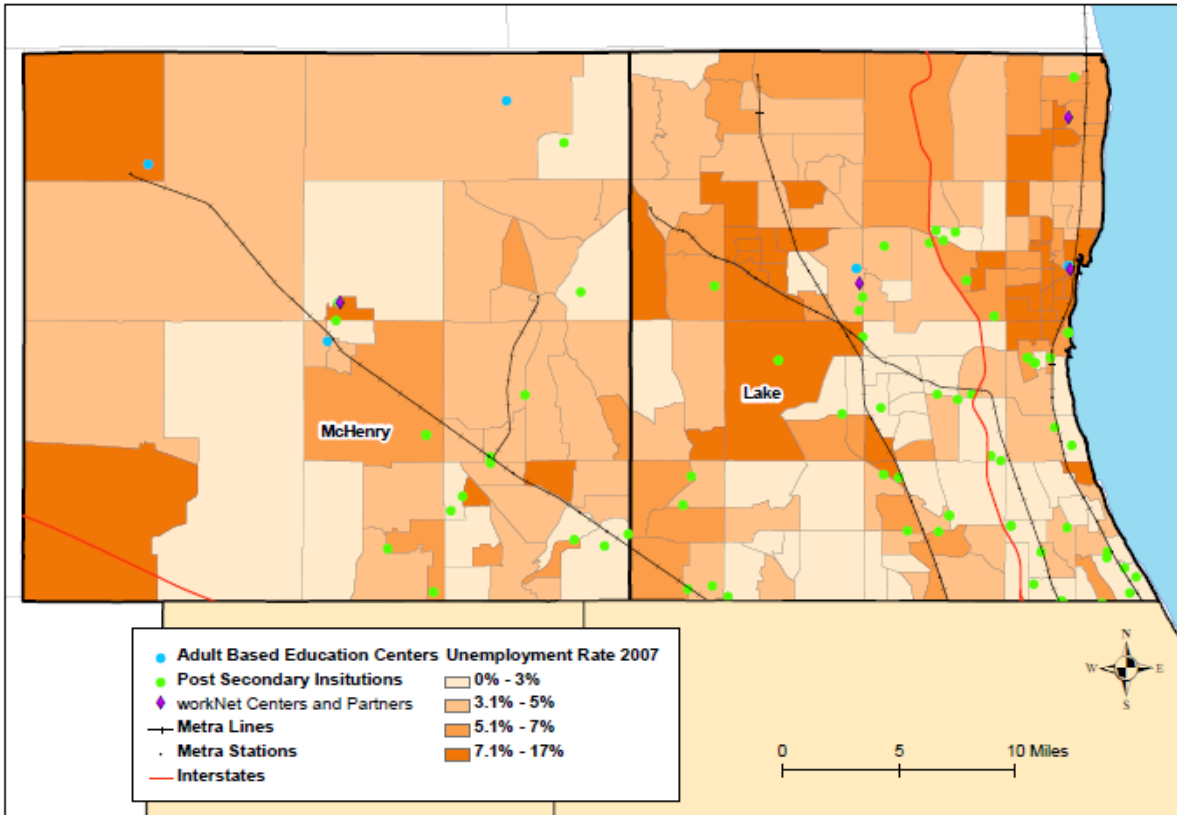




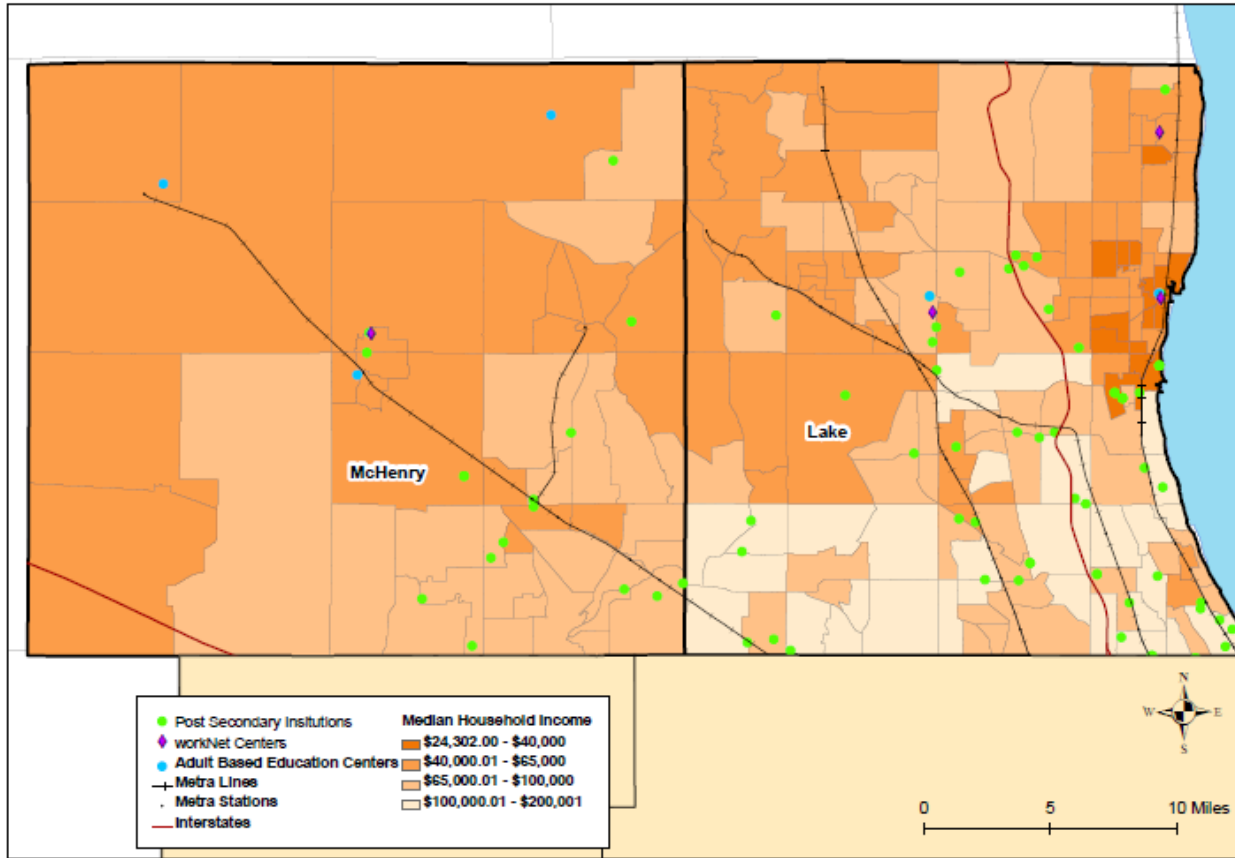
Workforce Development Institutions:  
DuPage and Kane County with Median Household Income



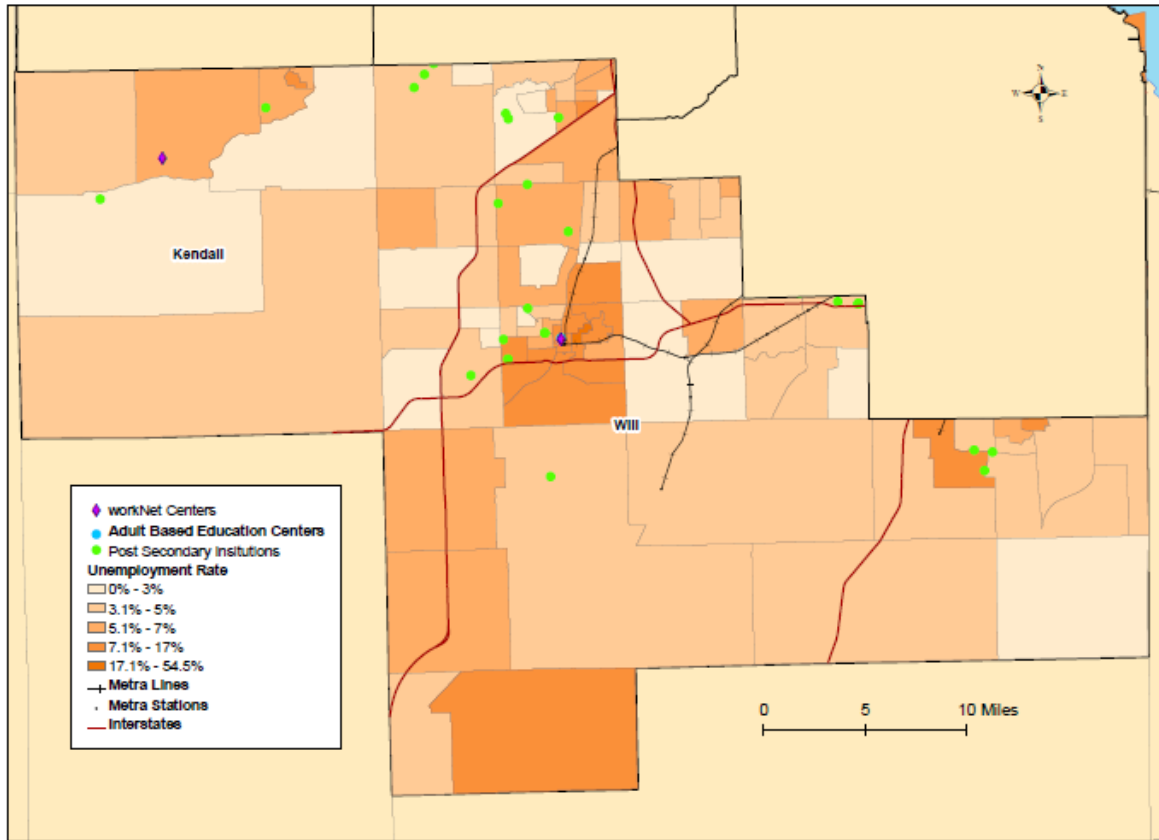
Workforce Development Institutions  
 McHenry and Lake County with Unemployment Rates



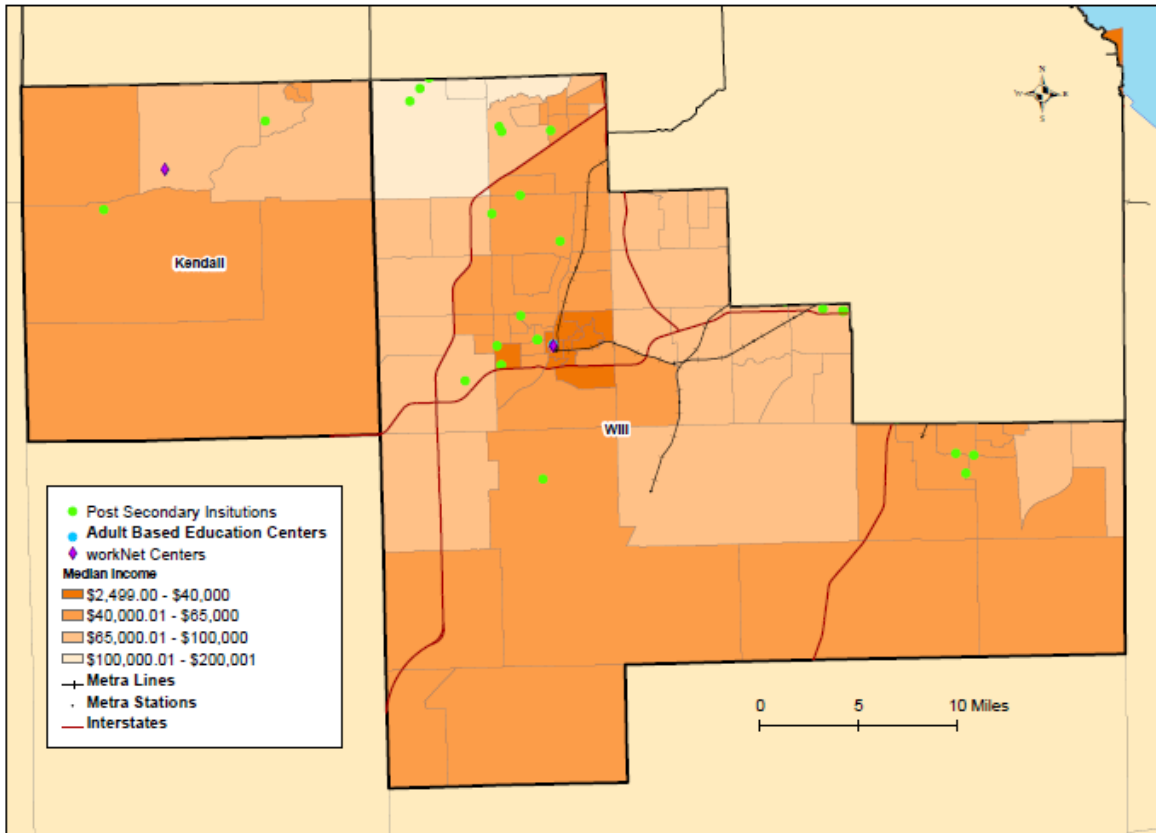
Workforce Development Institutions:  
 McHenry and Lake County with Median Household Income



# Workforce Development Institutions: Will and Kendall County with Unemployment Rates



### Workforce Development Institutions: Will and Kendall County with Median Household Income



## *Appendix V: Historical context of workforce development systems*

The public workforce development services grew out of a long line of public programs that have evolved in the United States since the federal New Deal programs of the 1930s. Since the mid-1960s, the federal government has provided funding for a public workforce system run by states and local governments. It has evolved significantly in terms of design, policy and funding. The current iteration of the federal law, the Workforce Investment Act of 1998, expired in 2003 and has not been reauthorized but has been funded through a series of continuing resolutions.

Prior to the passage of WIA in 1998, federal workforce policy was directed at helping individuals, especially those who were chronically unemployed. Previous federal workforce policy was based on the experience of a labor market in which there were enough jobs that required very little skill and in which workers could expect to stay in the same job for long periods of time. Many people could have long term employment over their lifetime with the education they received in high school, combined with experience or on-the-job training that they received through employment. In turn, public employment programs were focused on those who did not succeed in high school, dropped out of high school and those with little or no work experience.

Historically, both unemployment insurance (UI) and employment services programs (i.e. Wagner Peyser) were the safety net for employed people who lost their jobs through no fault of their own. UI offers temporary, partial wage replacement, while the Wagner Peyser systems funds labor exchange services for people who can quickly get reemployed. The underlying assumption is that the individuals that it serves have a history of strong labor market attachment and therefore will experience only short periods of unemployment.

Like many states, investment in workforce development in Illinois has not been consistent and has recently been characterized by disinvestment. In the 1970s and into the 1980s, Illinois funded industrial training programs which were intended to recruit businesses into the state. When the federal JTPA program was created from CETA, the federal government limited the states' ability to use federal workforce funds for business attraction in the same way. While some JTPA funds continued to be used for some business development activities, the Prairie State 2000 program was launched in the early 1980s. It was intended to include a broad set of economic development initiatives and eventually resulted in the creation of incumbent training programs using state general revenue funds. There were other opportunities to leverage funds at the state-level for workforce development. Some surplus unemployment insurance funds were available for training in the late 1980s, but they did not result in a sustainable funding source. More recently, new state-funded programs have been launched — most notably the Job Training and Economic Development Program, the Employment Opportunity Grant Program and the Employer Training Incentive Program — but state funding has not been secure. Most recently, each program's funding was reduced by half. While Illinois has a history of developing workforce development services that are connected to the economic development efforts of the state, state-funded training investments remain a small percentage of the state's overall budget.

The following table outlines major features of the federal workforce programs since the passage of the Manpower Development and Training Act in 1962.

<b>HISTORY OF FEDERAL WORKFORCE PROGRAMS</b>			
<b>Program</b>	<b>Training types</b>	<b>Eligibility</b>	<b>Intergovernmental relations</b>
Manpower Development & Training Act (MDTA) 1962	Institutional and on-the-job training	Low income and welfare recipients	Federal funding granted directly from 12 regional offices to agencies in local areas. Administration and reporting structures similar.
Comprehensive Employment and Training Act (CETA), 1973	On-the-job training, classroom skills training, classroom soft skills training, work experience in public agencies, and Public Service Employment	Training targeted to low income persons, welfare recipients, and disadvantaged youths	Federal funding granted to prime sponsors in substate regions (about 470).  Performance monitoring reported to U.S. Department of Labor.
Job Training Partnership Act (JTPA), 1982	On-the-job training, classroom skills training, classroom soft skills training, work experience in public agencies	Low income, public assistance recipients, dislocated workers, and disadvantaged youth	Federal funding through states to private industry councils (PICs) in each of 640 service delivery areas.  PIC performance reports to governors, in turn to USDOL
Workforce Investment Act (WIA), 1998	On-the-job training, customized classroom skill training, classroom soft skills training, and work experience in public agencies	Access to core services like job search skills and job referral is unrestricted  Training is targeted to most difficult to reemploy	PICS became Workforce Investment Boards (WIBs) in fewer areas (600) with private sector having majority membership.  Monitoring is reduced relative to JTPA.

*Source: O'Leary and Straits (2004)*

## APPENDIX VI: BIBLIOGRAPHY

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## ENDNOTES

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- <sup>1</sup> Note: this is for 2000; CMAP, Draft Population Projections – MODIFIED, October 21, 2008
- <sup>2</sup> CMAP, Regional Snapshot, p. 4
- <sup>3</sup> CMAP, “Cluster Analysis: Regional Economic Base Analysis” Draft, September 2008
- <sup>4</sup> CMAP, Regional Snapshot, p. 4
- <sup>5</sup> Percentages calculated from table on p. 5, CMAP, Draft Population Projections – MODIFIED, October 21, 2008
- <sup>6</sup> CMAP analysis of U.S. Census 2007 County Population Estimates found at: [http://www.cmap.illinois.gov/census\\_8-7-08.aspx](http://www.cmap.illinois.gov/census_8-7-08.aspx).
- <sup>7</sup> CMAP, “Cluster Analysis: Regional Economic Base Analysis” Draft, September 2008.
- <sup>8</sup> American Community Survey, 2007, provided by CMAP.
- <sup>9</sup> Illinois Department of Employment Security.
- <sup>10</sup> 2007 American Community Survey, 1 year estimates provided by CMAP.
- <sup>11</sup> <http://www.census.gov/hhes/www/poverty/threshld/thresh07.html>
- <sup>12</sup> Mid-American Institute on Poverty calculation of the Family Self-Sufficiency Standard for the region on file with author.
- <sup>13</sup> CMAP, “Cluster Analysis: Regional Economic Base Analysis” Draft, September 2008.
- <sup>14</sup> 2007 American Community Survey, 1 year estimates provided by CMAP.
- <sup>15</sup> 2007 American Community Survey, 1 year estimates provided by CMAP.
- <sup>16</sup> 2000 Census, provided by CMAP.
- <sup>17</sup> CMAP, “Cluster Analysis: Regional Economic Base Analysis” Draft, September 2008, p. 4
- <sup>18</sup> CMAP, “Cluster Analysis: Regional Economic Base Analysis” Draft, September 2008
- <sup>19</sup> The Workforce Alliance, *Illinois Forgotten Middle-Skill Jobs*, September 2008
- <sup>20</sup> New York, Los Angeles and Toronto are the other three.
- <sup>21</sup> “State of Working DuPage County”
- <sup>22</sup> CMAP, Draft Population Projections—modified, October 21, 2008
- <sup>23</sup> See, Robert I. Lerman, Signe-Mary McKernan and Stephanie Riegg, “The Scope of Employer-Provided Training in the United States: Who, What, Where, and How Much?” in *Job Training Policy in the United States*, Christopher J. O’Leary, Robert A. Straits and Stephen A. Wandner, Editors, 2004, W.E. Upjohn Institute.

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<sup>24</sup> The jurisdiction of the nine LWIAs in total include more than the seven counties.

<sup>25</sup> Concurrent with the creation of WIA were efforts to reform career and technical education at the high school level. *School to Work* initiatives were largely defunded at the federal level and replaced with federal policy that focused on the mastery of basic academic skills through *No Child Left Behind*.

<sup>26</sup> See, Illinois Community College System Transitions Report, December 2008.

<sup>27</sup> One hundred and eleven Chicago and south suburban adult education/literacy provider locations are listed on Illinois LINCS. These include some providers that receive funding from other sources than the federal adult education funding stream. The map in Appendix IV reflects the provider locations listed on the LINCS site.

<sup>28</sup> For more information, see: <http://www.heartlandalliance.org/research/family-economic-self-sufficiency/>.