

Strengthening Our Workforce from Within:

Adult Education's Role in Furthering Economic Growth in Greater New Orleans

EXECUTIVE SUMMARY

Today's adult workers need a broader and stronger set of skills than they have in the past, and they must continually update their skills if they are to adapt to rapidly evolving technologies and industries. Literacy skills—including reading, writing, numeracy, and computer skills—are the foundational skills workers need to respond to this changing environment. And soft skills, including social skills and work habits, are becoming increasingly important as many jobs require direct interactions with consumers or teamwork to solve complex problems.

The New Orleans metro currently has a skills gap.

Greater New Orleans is increasingly becoming a knowledge-based economy. Since 1980, the industrial drivers of our regional economy have shifted from those requiring less education (tourism, food manufacturing, etc.) to those requiring more education (higher education, medical research and training, etc.).

Unemployment rates by educational attainment point to a likely mismatch between the skills of available workers and the skills demanded by the emerging knowledge economy. In the New Orleans metro, workers with a high school diploma or less had an unemployment rate of 14.5% in 2010, compared to 8.4% for workers with some college or an associate's degree, and 3.5% for workers with a bachelor's degree.

Additionally, researchers at the Brookings Institution found a gap between the skills required by jobs in the New Orleans metro and the skills supplied by the metro labor pool. While 46% of the working-age population had a high school diploma or less, only 32% of jobs advertised are available for workers with that level of education, and only 38% of all jobs—vacancies and existing jobs—are available to these workers. The opposite is true for adults with a bachelor's degree or higher.

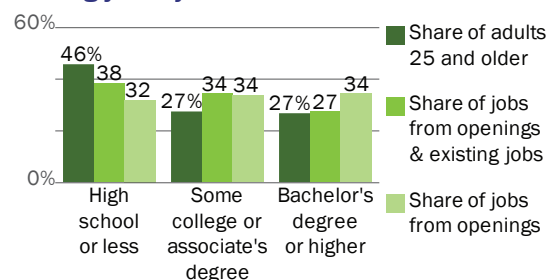
New Orleans has a greater share of low-skilled workers than the U.S.

The best available data suggests that 26% of the New Orleans metro's current working-age population are low-skilled and likely low-literate compared to 23% nationally. High school dropouts and high school completers are 13.6% and 10.7% of the 18-64 population, respectively, compared to only 10% and 8.7% of the U.S. While New Orleans has a smaller share of low-skilled working-age adults than cities like Memphis and Detroit, New Orleans has a significantly larger share of low-skilled working adults than cities like Raleigh and Washington, D.C.

K-12 schools won't supply a new workforce until the year 2060.

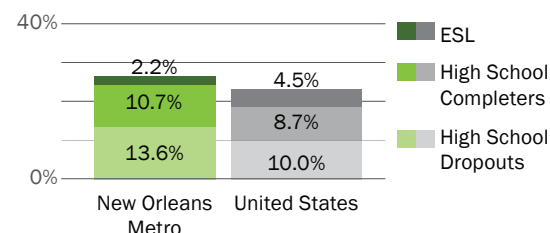
While improving K-12 schools is essential to increase the skills of our workforce in the long-term, it will take decades to fully take effect. Even if there's a significant migration of young professionals into New Orleans, fully two-thirds of the city's 2025 labor pool will be adults who are currently working-age New Orleanians in 2010—well past the reach of K-12 schools. If we fail to build the skills of native low-skilled workers in the short-term, we will continue to have a surplus of adults with low skills, which contributes to high unemployment, high incarceration rates, lost productivity, and cash-strapped governments.

Share of adults 25 and older, job openings, and existing jobs by level of education



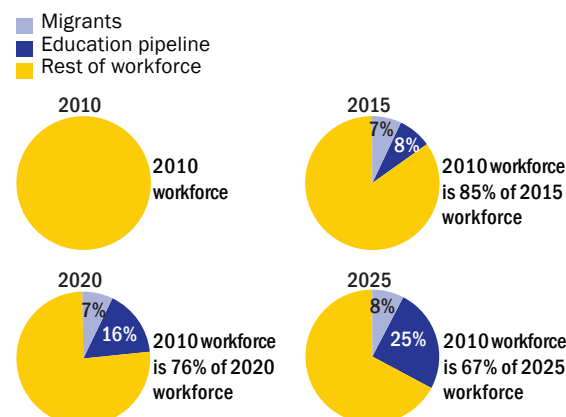
Source: Rothwell, J. (2012). *Education, Job Openings, and Unemployment in Metropolitan America*. Brookings: Washington, D.C.

Share of population 18-64 by target population, 2008-10 (three-year average)



Source: GNOCDC analysis of IPUMS USA microdata from the American Community Survey 2008-2010.

New Orleans adults age 18-64 in the current and projected population, 2010-2025



Source: Authors' projections based on American Community Survey 2011, Population Estimates 2011 vintage, and Census 2010.

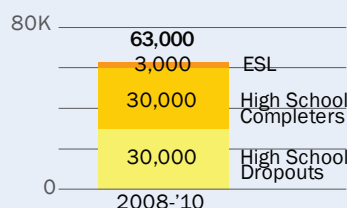
Literacy = reading, writing, numeracy, and computer skills.

Low-skilled Adults in New Orleans, 2008-2010 (three-year average)

To inform the planning efforts of New Orleans educators and support service organizations, this section provides detailed estimates of the number of New Orleanians in each literacy target group, and the overall demographic characteristics of this target population.

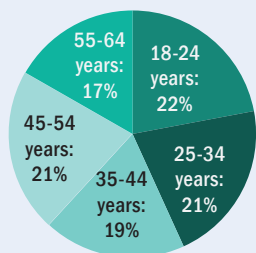
Estimates of the low-skilled 18-64 population by target group

There are 63,000 low-literate and low-skilled adults ages 18-64 in New Orleans. The vast majority are high school dropouts¹ and high school completers,² with about 30,000 adults in each group. The remaining 3,000 speak English as a second language (ESL).³



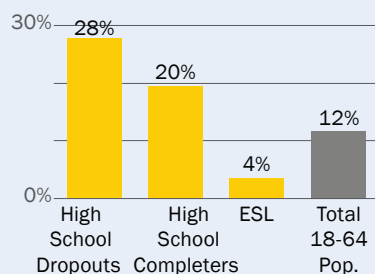
Share of low-skilled population 18-64 by age

Low-skilled adults are relatively evenly distributed across age groups from 18 to 64. Education and training for all age groups are necessary to optimize workforce productivity.



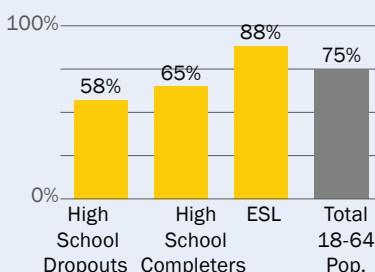
Share of 18-64 population with a disability

While 12% of the overall 18-64 population reports a disability, about 28% of high school dropouts and 20% of high school completers report a disability. Providers may need to increase their capacity to serve adults with disabilities.



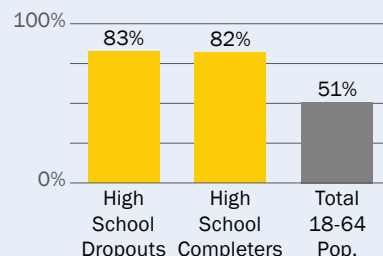
Share of 18-64 population in the labor force

Only 58% of high school dropouts and 65% of completers were employed or seeking work compared to 75% of the overall 18-64 population. Training targeted to current openings in well-paying fields can increase workforce participation among discouraged workers.



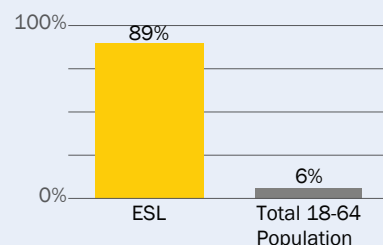
Share of 18-64 population that is African American

African Americans make up 51% of the working-age population, but 83% of high school dropouts and 82% of high school completers. Connecting low-skilled minority populations with literacy and job training can boost equity and regional economic growth.



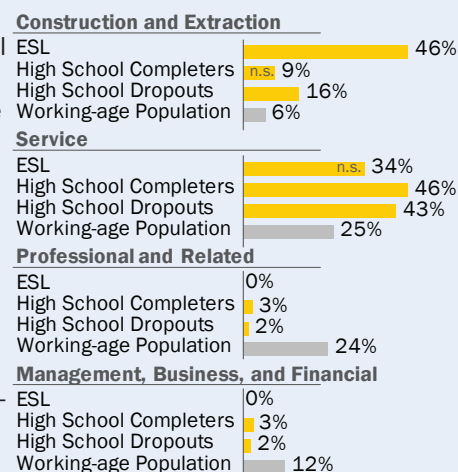
Share of 18-64 population that is Hispanic

Hispanics represent 89% of the ESL population. Hispanics constitute just 6% of the city population, but as that percentage continues to rise so will the demand for targeted ESL services.



Share of 18-64 pop. within select broad occupational sectors

Among high school dropouts and high school completers with jobs, over 40% work in service occupations compared to only 25% of all 18-64 year olds. Another 16% of high school dropouts and 46% of the ESL population are in construction occupations, compared to only 6% of the overall 18-64 population. Employer-based training and career ladders in these industries could yield increased productivity among these workers.



Source: GNOCDC analysis of IPUMS USA microdata from the American Community Survey 2008-2010.

1. High school dropouts: Defined as adults 18-64 with no high school diploma (or GED) [who are not ESL].
2. High school completers: Defined as adults 18-64 with no more education than a high school diploma (or GED), living below 200% of the federally defined poverty level, and not enrolled in school currently [who are not ESL].
3. English as a second language (ESL) learners: Defined as adults 18-64 who speak English poorly or not all, and have a high school diploma (or GED) or less.



Case studies

New York cooks up a recipe for student success. Kingsborough Community College's Building Bridges to Success program equips low-level students to pass culinary industry certification exams and prepares them to transition to community college. The program is co-led by an adult basic education instructor and a chef and allows students to gain experience developing a business plan and catering campus events. (http://www.acp-sc.org/docs/ACP_News_V1_Issue4.pdf)

Employee owned company in South Bronx Builds careers for minority women. Cooperative Home Care Associates in the South Bronx is a worker-owned home health care cooperative that trains and employs low-skilled, low-income, minority adults as home health care aides. The cooperative serves as a model employer that offers higher wages and benefits, supportive services, full-time work, opportunities for career growth, and reduced turnover. (<http://www.chcany.org/index-1.html>)

Meeting the Chicago metro's workforce shortages. To address work shortages in Chicago, the Instituto del Progreso Latino, working with Wilbur Wright College and industry partners, launched Carreras en Salud or "Careers in Health." The program targets Latinos and offers English classes, a preparation course for the health care field, entry-level health care work, and a support team of tutors, advisors, and counselors. (http://www.idpl.org/idpl_carreras_en_salud.html)

Helping formerly incarcerated men succeed. STRIVE International, located in East Harlem, NY, offers soft skill training and credential-bearing hard skills training to minority men with criminal records or past drug addictions along with support services, so that the men can secure and maintain living wages in high growth occupations. (<http://striveinternational.org>)

Optimizing the human capital of individuals with disabilities. Hudson Community Enterprises, located in Jersey City, NJ, took a donated Fed Ex truck and turned it into a business that employs individuals with disabilities in 70% of its jobs. (<http://www.hudson-community.org>). The nonPareil Institute, located in Plano, TX, prepares students with high-functioning autism for fulfilling white-collar careers. (<http://www.npitx.org/>)

Using state funds to support the state's economy and train the under- and unemployed. The Urban League and Allied Construction Industries' Construction Connections trains and certifies unemployed and underemployed adults including ex-offenders and minorities for work in the construction industry. The program is funded by the Ohio Department of Transportation (DOT), and graduates obtain jobs with construction companies that have received large DOT contracts. (<http://www.gcui.org/index.php/programs1/jobs/>).

Using public awareness to fill occupational gaps. Alabama's "Go Build Alabama" publicity campaign focuses on craftsmen trades—only one tradesman is taking the place of every four that are retiring. The Alabama legislature established the Alabama Construction Recruitment Institute to partner with contractor and builder associations, trade unions, the Alabama college system, and construction companies throughout the state to recruit and train more young adults into these occupations. (<http://www.gobuildalabama.com/>)

State pathways to a more prosperous and inclusive workforce: Kentucky Career Pathways is a statewide system of regional partnerships comprised of community and technical colleges, adult education providers, employers, economic development and Workforce Investment Boards, one-stop partners, and support service agencies. The initiative trains low-skilled people to work in sectors like health care, manufacturing, construction, and transportation. (http://www.kctcs.edu/System_Initiativies/Career_Pathways.aspx)

Louisville heats up to 55,000 degrees: Greater Louisville launched a community-wide initiative to jumpstart the region's ability to compete in a global economy. This included setting goal to increase the number of residents with two and four year degrees by 55,000 (with a minimum of 15,000 degree holders being African American). The initiative also targets working adults that started a college degree but did not finish, and works directly with their employers to support their efforts to reenroll while maintaining their job. (<http://55000degrees.org/>)

What makes a successful program?

Successful programs include career pathways. Career pathways have increased education, job skills, and wage levels among low-income, low-skilled adults across all age groups.

Research shows commonalities across successful career pathway programs, including:

1. A high-quality education program;
2. A range of student academic and non-academic support services;
3. An industry strategy that focuses on meeting business needs by training students for specific job vacancies at partner businesses.



Most regional job openings will require at least middle-skills.

While boosting skills of lower-skilled workers will undoubtedly yield economic benefits, doing so with a strategy that increases employability is key to maximizing return on investment. A review of current job projections suggests that many middle-skilled jobs will await those lower-skilled adults who go on to obtain an occupational certificate, other credential, or associate's degree.

The New Orleans region will add 26,470 middle-skilled positions from 2010 to 2020—more jobs than projected for low- or high-skilled occupations. When the need to replace existing workers who retire, relocate, or change careers is factored in, there will be 73,000 middle-skilled job openings from 2010 to 2020, and another 30,900 high-skilled job openings.

Projections of demand for workers by skill level required on jobs, 2010-2020

New Orleans region

	Job Openings	2010 Jobs	2020 Jobs
High-skilled	30,900	81,320	93,830
Middle-skilled	73,000	218,230	244,700
Low-skilled	93,500	229,930	255,850
Total	197,400	529,480	594,380

Source: Authors' analysis of Louisiana Workforce Commission occupational projections.

Between 2010 and 2020, the largest number of middle-skilled job openings (15,600) will be in professional and related occupations, which include registered nurses, paralegals, computer support specialists, licensed practical nurses, and pharmacy technicians. Another 10,200 middle-skilled job openings will be in the service sector, which includes nursing aides, medical assistants, police officers, fire fighters, and food service managers.

CONCLUSION

Creating an effective workforce development system that supplies the workers needed for our changing economy in a community with a large share of low literacy adults is no simple task. It requires community-wide vision, specific goals, high level leadership, and the alignment of public and private funding streams targeted to well-informed strategies.

High level economic development leadership can bring together employers in emerging industry clusters with education institutions, training providers, support service providers, and Workforce Investment Boards to identify and solve specific workforce challenges. These industry-led alliances can advocate for new ways to make use of a broader range of funding streams to accomplish their goals. With shrinking government coffers, it will take pooling of more flexible dollars to address workforce training needs. Importantly, this work will require a sustained leadership commitment, because there are no quick fixes.

Other regions have recognized the importance of making workforce skill building among their highest priorities with impressive results. There is no doubt that New Orleanians, working together, can accomplish the same.

What's my Role?

Economic Development Organizations.

Convene employers in industry clusters with education institutions, training providers, support service providers, and WIBs to innovate solutions for industry-specific workforce challenges.

Employers. Work with education institutions, training providers, support service providers, and WIBs to identify and solve workforce challenges and advocate for new ways to make use of a broader range of funding streams.

Educators. Respond quickly and nimbly to provide training in areas of highest job growth and demand.

Policymakers. Leverage flexible funding streams to combine with Workforce Investment Act dollars so that adult learners have a full set of training and support services.

Support Service Organizations.

Coordinate services with educators, WIBs, and employers so learners have the supports they need to focus on training and making the transition to employment.

WIBs. Think boldly about solving nascent workforce challenges in partnership with economic development leaders, employers, educators, and support service organizations.

Philanthropies. Work closely with economic development leaders, employers, and WIBs to provide funding that fills gaps in education, training, and support services.

Acknowledgements, notes and sources

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For full acknowledgments, notes, and sources see the full *Strengthening Our Workforce from Within* report, available at: www.gnocdc.org.