

# The Framework for Labor Market Systems Reform for Jobs Initiative Sites

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## **Part I. Jobs Initiative Background**

**A. It's about systems reform.** The Jobs Initiative has from the beginning aimed at changing “systems” to increase the odds that low-income young adults will obtain good jobs and develop long-term attachment to the labor force.

**B. It's time to plan for systems reform.** One assumption behind the design of the Initiative was that sites would spend several years testing ideas and building capacities before they attempted to effect changes at the system level. After three years, the time to begin planning such an effort—an approach to systems reform—has arrived.

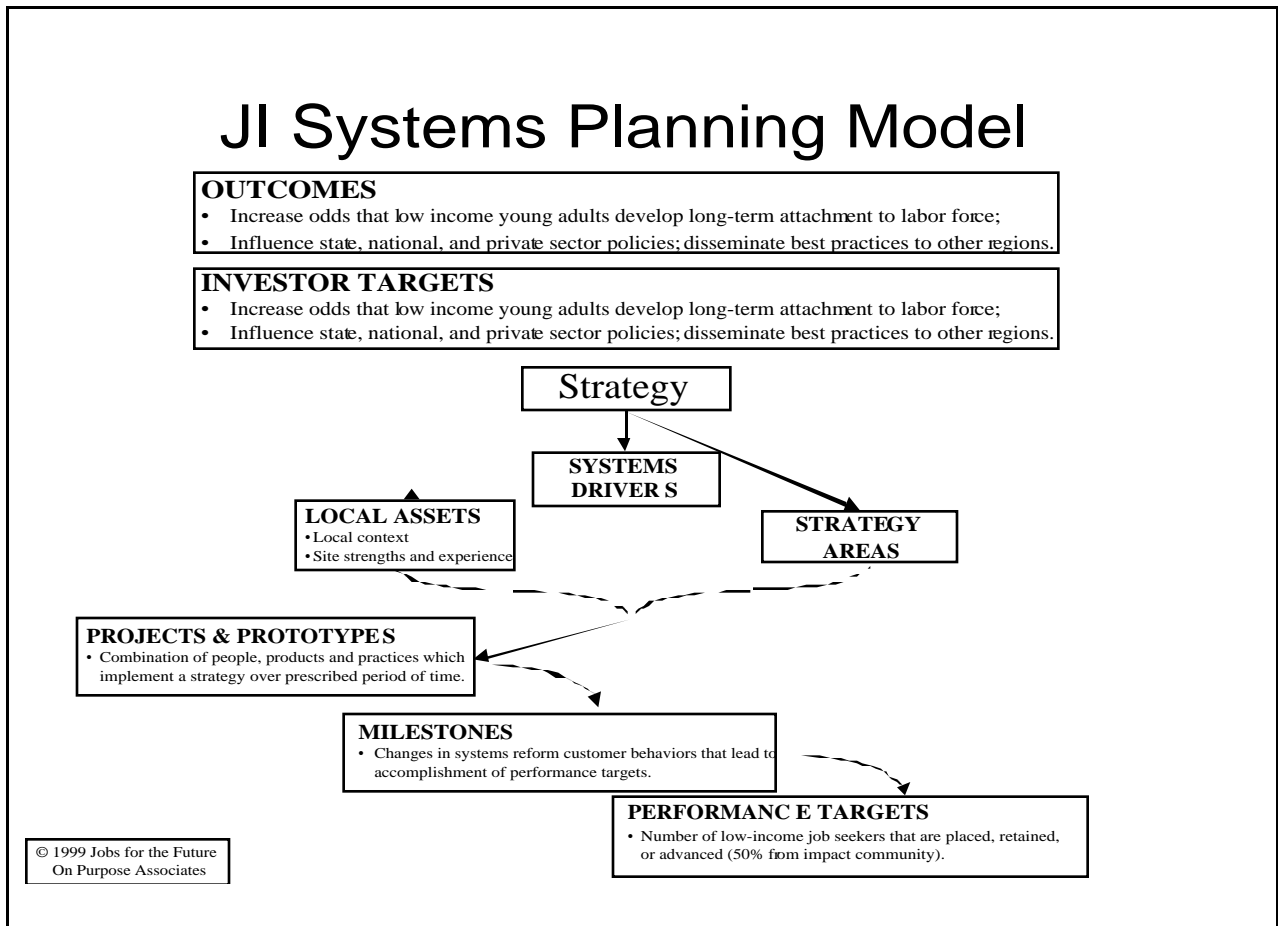
**C. The Jobs Initiative's outcomes-based planning model.** For the systems-planning phase, the model, provided by the Rensselaerville Institute, is organized around articulating:

- ⇒ Outcomes;
- ⇒ Investor targets;
- ⇒ Strategies that are sustainable, at scale, and achieve quality of results;  
and
- ⇒ Systems reform projects and prototypes, with performance targets and milestones.

**D. There is useful knowledge about systems reform in general and labor market systems in particular.** The purpose of this document is to provide Jobs Initiative sites with a framework for thinking about what is meant by “systems reform” and how it might best be accomplished. To develop this framework, we've tapped into our experiences in labor market reform and changing other systems, consulted with experts in the field, and talked with site teams (see Appendix).

**E. The framework we offer is meant to support your outcomes-based planning.** It is a resource, not an answer. Specifically, it can be used to plan your systems reform strategy, your system projects, and related milestones and performance targets.

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## Part II. Our Assumptions about Labor Market Systems

Our framework starts with a particular view of what kind of systems reform will help achieve the JI outcomes. We see the *labor market system* as the focus of change. Other frameworks for systems reform might focus elsewhere, on the political system, for instance, or on the private financial institution system. Focusing on the labor market system brings many useful opportunities into view, but it also means that some things will not be illuminated.

**A. What is a labor market system?** In general, a system is an assembly of capacities that function together and produce a common result.

In the case of the Jobs Initiative, the specific system is broadly defined as a metropolitan or regional labor market. This system produces employment outcomes; it fills vacant jobs with people seeking jobs. The system operates as a

market, which means it is based on the voluntary exchange of value; essentially, an employer exchanges wages and benefits for the labor of a worker. Employers, workers, and communities all get economic value out of the labor market's activities.<sup>1</sup>

- ⇒ Employers obtain labor, which allows them to make products and services, which generates revenues and profits. In addition, labor market activities may help employers avoid the costs of finding and retaining workers. For many employers, the problem is more than just filling job vacancies. They are looking for workers who can increase the business productivity—another economic value they hope to obtain from the labor market. Without the ability of employers to fill jobs with qualified workers, their profitability may be at risk.
- ⇒ Workers obtain incomes and benefits, and they may also obtain new skills as well as relationships that make them more competitive for better jobs, either within the firm they work for or in other firms. In general, we assume that increased competitiveness results in increased income; for instance, college-educated people make more money than high school dropouts. Workers' ability to compete in the market will have a great influence on their family income and career opportunities.
- ⇒ Communities benefit generally from the economic activities the labor market helps facilitate. Governments get revenues from these activities. And governments can avoid costs, such as unemployment insurance and welfare, thanks to labor market activities. Communities rely on the activities of the labor market to keep them economically viable and healthy.

Labor markets are also based on competition: workers compete for the best jobs, while employers compete for the best workers. And the market is regulated by public policies, such as the minimum wage and the right to bargain collectively.

**B. Labor markets have a great many elements.** In general, these can be described as supply-side, demand-side, and intermediating entities, individuals, or groups. Supply-side elements, such as education institutions and training organizations, provide job seekers; they include the people seeking work. Demand-side elements, such as business firms or industrial sectors, provide employment. Intermediaries connect supply- and demand-side elements to each other and may be located within either the supply- or demand-side or in between. Overall, then, a labor market involves hundreds of thousands, even millions of individuals, tens of thousands of employers, and a great many supply-side and intermediating organizations.

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<sup>1</sup> These and other types of “return on investment” are described in papers and memos for the Jobs Initiative by the Corporation for Enterprise Development.

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These actors engage in an enormous number of activities that produce employment for job seekers. Prominent among these activities are: recruitment, assessment, education/training, placement, retention support, and advancement support.

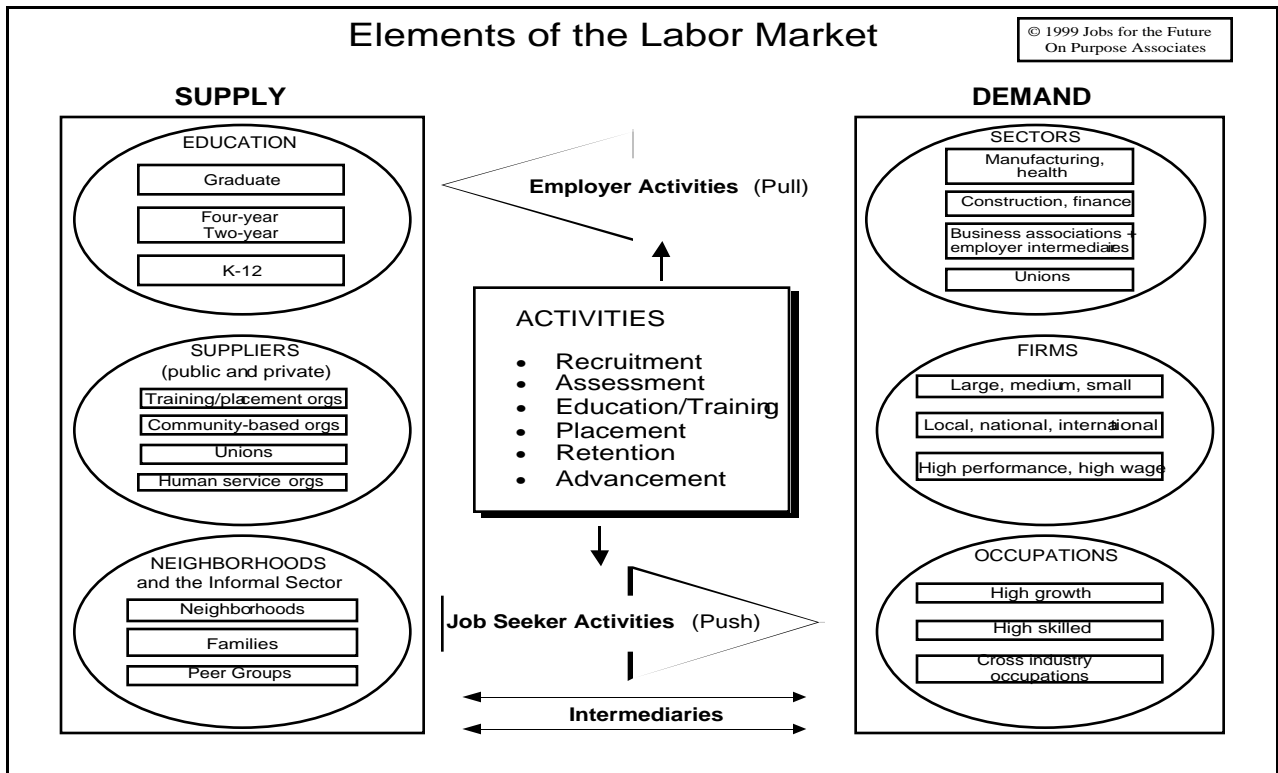
Most of these activities take place in both the supply- and demand-sides of the labor market. Training, for instance, is performed by “in-house” corporate employers as well as by community colleges. Retention support may be provided by an employer or union, or by a family, public agency, or community-based organization.

**C. Labor markets have complex dynamics that often go unrecognized.** The interactions within and among the supply- and demand-sides of the labor market have quite complex dynamics. For one thing, demand is not static. It goes up and down with the business cycle, and it is sector and occupation specific. And the skills that are required to perform certain jobs change, due in part to changes in technology. Nor is supply static. It also changes with the business cycle. And it may be affected by demographics, for instance, when large numbers of college students graduate and enter the labor market.

Often, though, entities on either side of the labor market don't recognize this dynamism. A local trainer might, for instance, set up a computer training course without consulting with local employers about their skill requirements, and then turn out graduates who are unqualified for the work that is available. Or an employer might place a newspaper advertisement for workers assuming that people will apply, and find that no one does because there is a labor shortage and the people who might be available for work do not get their information out of newspapers.

In trying to change the way labor markets function, it is important to recognize that these complex dynamics exist and that, therefore, simple solutions are likely to have little effect.

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**D. Labor markets have fundamental “drivers.”** Although labor market systems are enormously complex—involving millions of individuals in tens of thousands of organizations taking countless actions—the activities of most organizations and individuals in the system are usually heavily influenced by a small number of *drivers*; these are underlying “forces” that guide or “rule” behavior of the labor market systems.

In labor market systems, we find that five key system-reform drivers shape the actions of most elements in the system. These drivers may intermingle; they are not mutually exclusive. In Jobs Initiative labor markets, there is potentially a sixth driver that has been created by the JI site itself.

In all labor markets, differences deriving from race, class, gender, culture, and similar factors affect the way all the drivers operate. Their impact on each driver will differ in each labor market, operating more overtly through power and authority in one, and more subtly through relationships in another. In some instances, the impact of these differences can be beneficial; an example is set-asides for minority contractors. In many instances, however, their impact is harmful to the members of these groups, by obstructing their ability to succeed in the labor market.

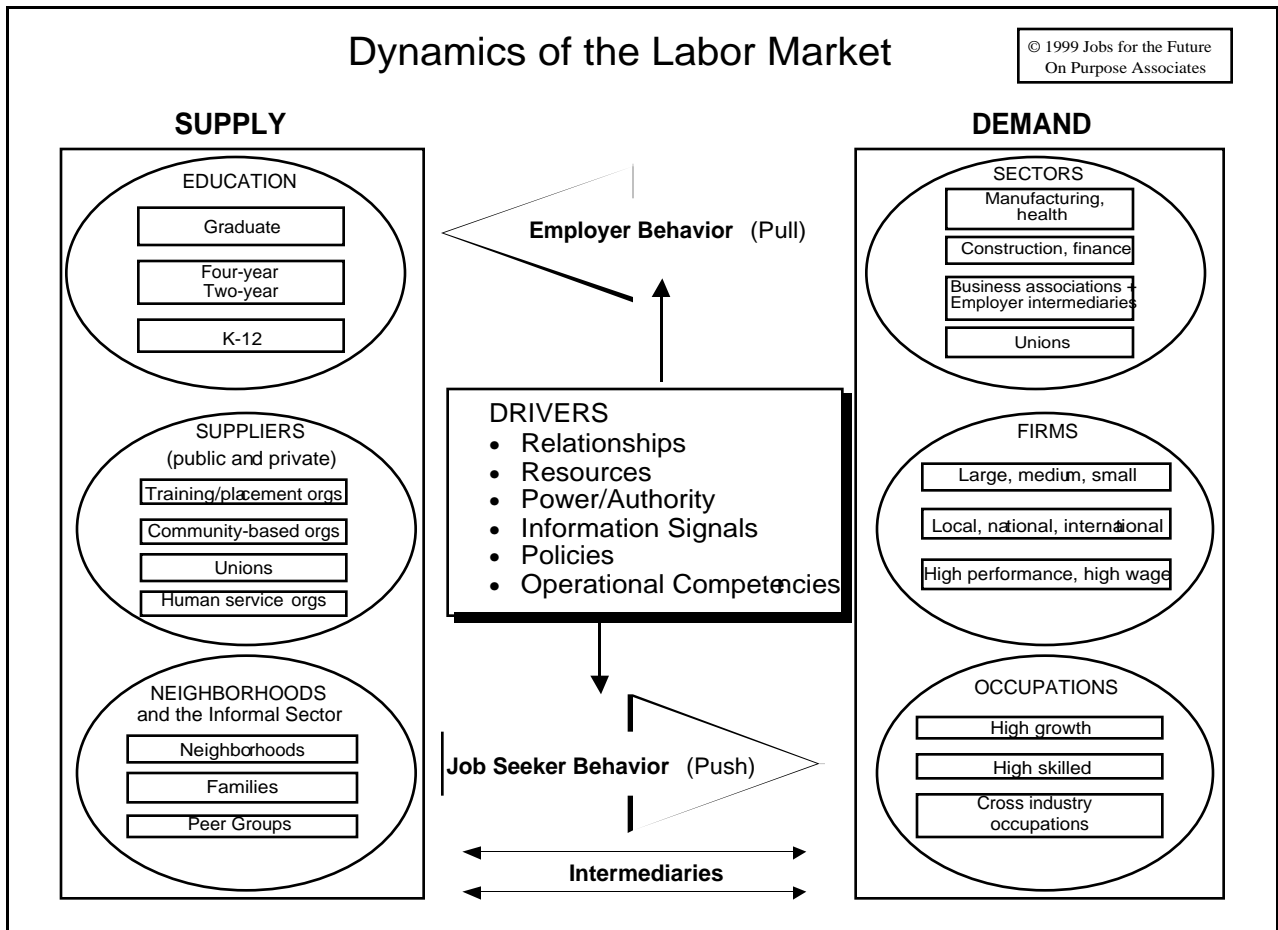
The drivers are relationships, resources, power and authority, information signals, policies, and Jobs Initiative operational competencies:

- ⇒ **Relationships:** A labor market is a tangle of relationships; actors may, for instance, collaborate with one another, contract with one another, or compete with one another. Employers work together to design an apprenticeship program they can all use. Governments contract with nonprofit organizations to provide placement services to welfare recipients; workers pay tuition to community colleges to upgrade their skills. Small firms compete with one another for customers; public agencies compete with one another for tax dollars.
- ⇒ **Resources:** Substantial financial resources flow through labor markets—to pay for training and education, recruiting, assessment and screening, as well as other activities. A large proportion of these funds is controlled by employers. However, publicly controlled funds are the most significant source of labor market resources for the Jobs Initiative target population of low-income young adults. The availability of resources can have an important influence on the actions of individuals and institutions in the system. Incentives are a particularly important form of resource flow: rewards and sanctions for certain actions. That's why many employers offer bonuses for performance by employees or suppliers. It's why governments offer tax breaks or health insurance subsidies to employers who hire welfare recipients.
- ⇒ **Power and Authority:** Within the labor market, some individuals and organizations have the power to make decisions that will affect others. Employers, of course, have the power to hire and fire workers. They may also demand a certain level of quality in the products they obtain from suppliers, which may lead those suppliers to upgrade the skills of their workers. Governments have the authority to issue regulations that employers must follow, such as workplace safety rules or hiring practices. Community-based organizations and media organizations may have access to political authority.
- ⇒ **Information Signals:** A tremendous amount of information flows through a labor market system. Newspapers carry help wanted ads; the Internet carries resumes to employers; informal networks—of workers, employers, for instance—spread the word about vacancies. Various tests provide employers with assessments of job seekers' skills. Government figures project future job growth in certain occupations. The quality of information is important and so is access to the information.
- ⇒ **Policies:** Formal and informal rules, created by government, employers, or others, also influence behavior of actors in the labor market. For instance, government has laws that prohibit job discrimination or require welfare recipients to find work. Employers and unions have policies in the form of collective bargaining agreements. A group of employers may have an agreement about sharing the cost of a training center. A family may have an informal
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understanding about how much of a wage-earner's paycheck will be saved to pay for more education.

⇒ ***Jobs Initiative Operational Competencies:*** The many activities in a labor market—such as assessment, education, training, and placement—are performed with varying degrees of efficiency, cost-effectiveness, and quality. The competence among actors to perform these functions well, sometimes called “best practice,” and the competence to improve their performance can affect the behaviors of others. JI sites have invested significantly in projects to improve or build new competencies in their labor markets. Once achieved, these competencies may spread among suppliers and be demanded by employers. Organizations regarded as newly or highly competent may increase their market share.

In response to these drivers—relationships, resources, information signals, power and authority, policies, or JI operational competencies—many organizations and individuals in the labor market system shape their behaviors. Government tax incentives, for instance, may influence thousands of firms. Information signals about which occupations are growing may influence thousands of job seekers and students. Relationships between companies and organized labor may influence the workforce development approaches of hundreds of firms. The availability of resources to invest in training may influence thousands of education and skills-training providers. Operational competencies in assessing skills and job readiness may influence the actions of thousands of job seekers.



**E. Drivers have several dimensions in a systems reform initiative.** We have described drivers as a small number of underlying forces in labor market systems that influence the behaviors of many organizations and individuals. They are manifested in several ways:

- ⇒ ***The current condition of system drivers in the labor market:*** In every labor market, the drivers have taken on certain characteristics. The relationships among employers may be highly competitive and adversarial, as may be the relationships among non-profit providers or between employers and labor unions. Or when it comes to policies, government policies may not include performance contracting. Or for resources, many employers may not invest significantly or at all in upgrading their workers' skills.
- ⇒ ***The use of drivers as Jobs Initiative site assets for reform:*** Drivers—the underlying forces—are a source of influence that Jobs Initiative sites can wield. All JI sites have relationships—with employers, policymakers, the media, and so on—that they may be able to use to create changes in the labor market. The sites also have financial resources that they can use to support or change behaviors of players in their labor market systems. And the sites have developed

operational competencies—knowledge and practice—that may influence the actions of others. So drivers, in addition to driving behaviors in the system, are side assets for systems reform.

⇒ **The transformed condition of drivers:** When Jobs Initiative system reform efforts are effective, the drivers in the labor market are changed—modified, strengthened, created, or otherwise transformed—in ways that yield systems reforms and better outcomes.

The chart below provides examples of the different dimensions of two drivers.

Driver	Current Condition of Driver	Drivers as JI Site Assets	Transformed Condition of Driver
Relationships	Competitive relationships among employers, public agencies, non-profits	Friendships with CEOs, public policy makers, formal alliances with employer groups	Firms collaborating; government and non-profit-sector long-term partnerships
Information Signals	Little information about regional economy, formal notice of job vacancies; no performance data on training and education providers	Analyses of growth sectors in the economy, assessments of employer satisfaction with training providers	Skill standards for entry level jobs across the economy; publicized performance data on providers; informal channels for publicizing vacancies.

Viewing systems reform as an input-output model, the current condition of drivers are an input to reform efforts, drivers as assets are forces that sites may use to effect reform, and the transformed condition of drivers is an output.

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### Part III. Our Systems Reform Approach

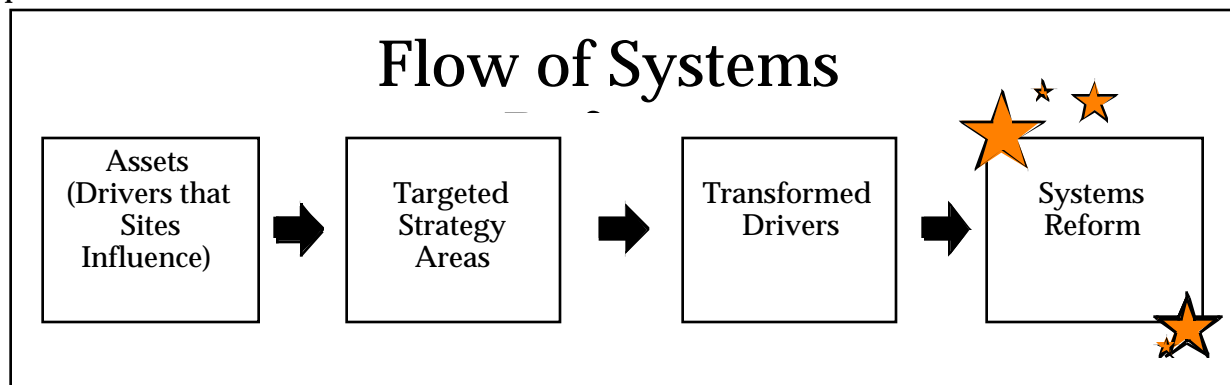
**A. The challenges of scale and leverage:** The Jobs Initiative is based on the belief that today’s labor market systems produce poor outcomes for low-income young adults. It defines success in the labor market as placement in a family-wage job, with benefits, retention, and opportunity for advancement.

Of course, some low-income young adults succeed in the labor market without any targeted interventions on their behalf. And some interventions have helped small numbers of low-income young adults succeed in the labor market.

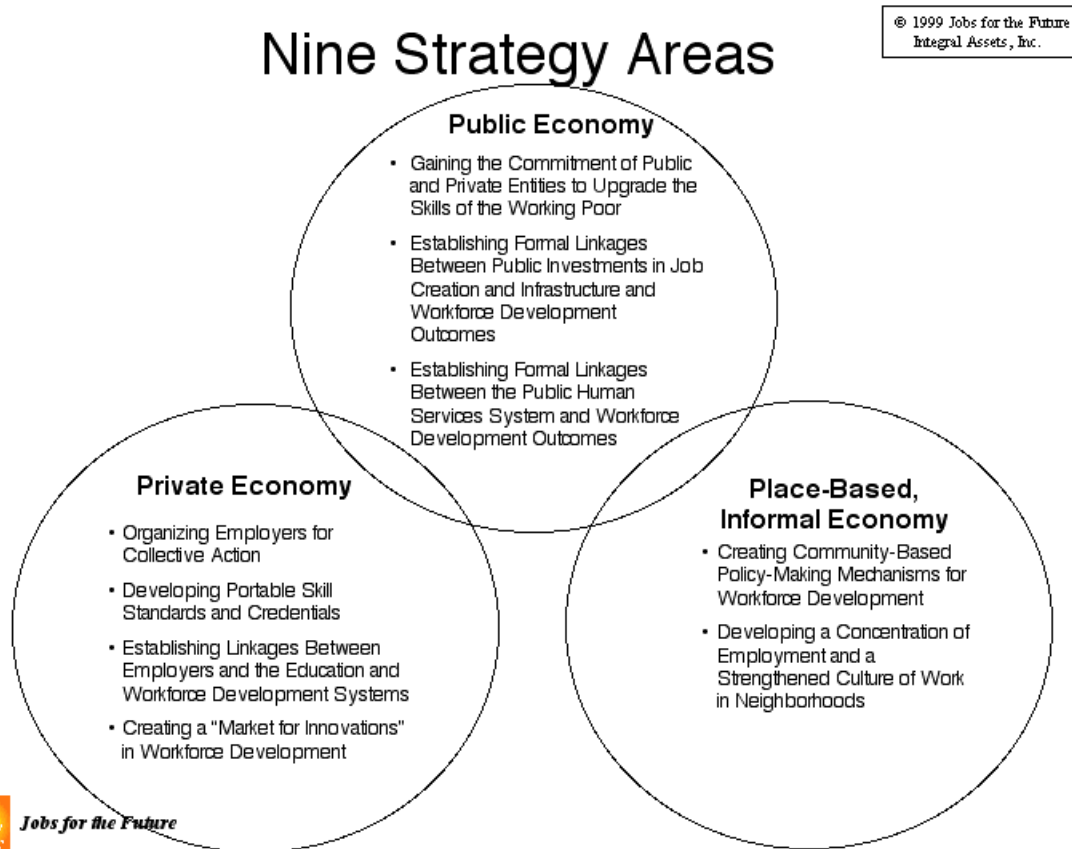
However, nothing yet addresses the fact that *tens of thousands of low-income young adults in every metropolitan labor market do not succeed*. Even during a prolonged national economic boom, this population suffers from massive joblessness or underemployment. Nothing has yet changed a labor market system so that it produces better employment outcomes at significant scale for this segment of the population. That is the objective of the next phase of the Jobs Initiative.

One challenge, then, is to generate large-scale change. In order to get to scale, we face the additional challenge of how to gain “leverage.” Jobs Initiative sites have some significant assets, including connections to local leaders and flexible funds to invest in systems reform. But they do not control the entire labor market system; nobody does or can. *So the sites must discover ways to leverage their resources, to use their relatively modest resources to make big changes ripple through the big and complex labor market.*

**B. Using “strategy areas” to get leverage and scale.** Briefly, we think of systems reform as the process of gaining and using the leverage to create large-scale, sustainable change throughout the labor market. We look for powerful opportunities, called “strategy areas,” to create, modify, or strengthen drivers in ways that will lead—leverage—organizations and individuals in the system to produce the desired outcomes.



For the Jobs Initiative, we have identified nine labor market strategy areas. As an organizing principle, we cluster them into three broad “pathways.” Some strategy areas are predominantly in the private economy; the pathway to them is through employers. Some are mainly in the public economy; the pathway to them is through government systems. And some are mostly in the place-based informal economy; the pathway to them is through neighborhoods and families. There is, of course, overlap among these pathways and among the strategy areas, reflecting the complicated dynamics of labor market behavior.



### **Private Economy Pathway Strategy Areas**

- **Organizing employers for collective action** helps firms develop collaborations concerning workforce development, which builds new *relationships* and *resources* into the labor market. Firms may increase investment in workforce development and organize better access to good jobs. Employers may participate in school-to-work programs, implement industry-wide skill standards, and collaborate on cross-firm training and day-care and transportation programs for workers.
  - **Developing portable skill standards and credentials** articulates job skills that employers want. This creates important new *information signals* for training providers, who tailor their services to employer needs, and for job seekers. Workforce development providers and employers agree to use common
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concepts to teach, assess, and credential skills and knowledge for specific jobs and to make this information public.

- Establishing linkages between employers and the education and workforce development systems connects the interests and actions of both educators and workforce development professionals with employers, which creates new *relationships* and *resources* in the labor market. Employers and both schools and workforce development providers share information and collaborate on programs that give students learning experiences in work settings.
- Creating a “market of innovations” in workforce development establishes capacity for developing, testing, and marketing new workforce development practices. These practice yield new *information signals*, *relationships*, and *resources* in the labor market. Employers and providers collaborate to develop better training, services, and other innovations for workforce development.

#### **Place-Based Pathway Strategy Areas**

- Creating community-based policy-making mechanisms for workforce development empowers local workforce development stakeholders to engage in policymaking, which builds *relationships* among employers, providers, and community interests. Broadly representative structures influence local policy and resource investment decisions.
- Developing a concentration of employment and a strengthened culture of work in neighborhoods supports job seekers in targeted neighborhoods. Building informal supportive networks of working adults in specific places, linked to comprehensive training and human services creates new *information signals*, *relationships*, and *resources* for job seekers, families, and providers.

#### **Public System Pathway Strategy Areas**

- Gaining the commitment of public and private entities to upgrade the skills of the working poor provides targeted financial incentives, such as tax breaks, which create new *resources* in the labor market. Public incentives enable firms to invest more in training for low-level employees and to help workforce development providers improve their training services.
  - Establishing formal linkages between the public human services system and workforce development outcomes holds government human services accountable for job placement, retention, and other workforce development results. Linking childcare, health care, substance-abuse treatment, and other services to the placement and retention of low-income job seekers creates new *resources* for job seekers and employers.
  - Establishing formal linkages between public investments in job creation and infrastructure and workforce development outcomes holds public economic development agencies and infrastructure projects accountable for workforce
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development results. Linking public resources for job creation by employers or for construction of public facilities to placement of low-income job seekers creates new *resources* for employers and job seekers.

For each of these strategy areas, Table 1 describes what it looks like when reformed and how reforming the strategy area contributes to the Jobs Initiative outcome of increasing the odds that low-income young adults will develop long-term attachment to the labor force.

**TABLE 1. DESCRIPTION OF STRATEGY AREAS**

Strategy Area	Reformed State (What the change looks like)	Contribution to JI Outcome
Developing Skill Standards and Credentials	<ul style="list-style-type: none"> <li>• Supply and demand sides agree to use common terms/ concepts to teach, assess, and credential the skills/ knowledge needed for specified jobs and to make this information publicly accessible</li> <li>• Supply-side institutions use standards to prepare individuals for existing jobs and confer related credentials</li> <li>• Employers' hiring and promotion decisions based on easy-to-use objective criteria instead of subjective reactions</li> <li>• Job seekers and workers have objective "proof" that they are qualified for particular jobs</li> <li>• Skill standards analogous to specifications in high-performance supply chains, allowing buyer to specify quality standards for purchases, and providing suppliers with mechanism for demonstrating competent performance</li> </ul>	<ul style="list-style-type: none"> <li>• Better prepared/more competitive in job search, promotional opportunities</li> <li>• Greater access to good entry-level and higher level jobs</li> <li>• Credentials improve ability to advance within and across firms</li> <li>• Better access to knowledge of skills needed for jobs to manage careers</li> </ul>
Organizing Employers	<ul style="list-style-type: none"> <li>• Firms' relationships are collaborative-competitive around workforce development, including collective bargaining arrangements with workers on workforce development issues</li> <li>• In order to increase stability and skill level of workforce, member firms have mechanisms for agreeing to and collaborating on a wide-range of workforce development initiatives that can be implemented without fear of losing competitive position to non-cooperating firms with lower costs</li> </ul> <p><i>Examples:</i> sponsoring cross-firm training programs, day-care and transportation programs, participating in school-to-work programs, and implementing industry-wide skill standards</p>	<ul style="list-style-type: none"> <li>• Improves retention-in-job rates within the industry</li> <li>• Increases level of skills needed for promotion or cross-firm mobility</li> <li>• Increases stability of employment prospects</li> <li>• Increases labor management collaboration</li> </ul>

<p>Creating Community-Based Policy Mechanisms</p>	<ul style="list-style-type: none"> <li>• Broadly representative structure(s) with representation from key stakeholders:            (1) make and influence local policy and resource investment decisions (e.g., provide skills upgrades for working TANF recipients)            (2) arrange mutually advantageous connections between supply- and demand-side actors/institutions (e.g., connect employers with CBOs that provide post-placement supports in high-skill/high-wage firms)</li> <li>• Mechanisms based in, or with representation from, target neighborhoods promote the interests of the impact area population while meeting the needs of local employers</li> </ul>	<ul style="list-style-type: none"> <li>• Greater voice in resource allocations and policy development</li> <li>• Increased access to work and education opportunities</li> <li>• Greater community control over workforce development decisions</li> </ul>
<p>Linking Employers and Workforce Development/ Education systems</p>	<ul style="list-style-type: none"> <li>• Effective, transparent mechanisms connect work systems and education systems so that individuals and information flow easily between them  <i>Example:</i> individuals in education institutions obtain experience in related real work settings through internships in local firms</li> <li>• Changes in one arena (e.g., growth of a new industry with new skill needs) reflected in the other (e.g., the relevant education systems revise their programs to support the development of these skills)</li> <li>• Connections and new opportunities provide people who lack family-neighborhood-class connections with access to and support in firms, jobs, education and training for career growth</li> </ul>	<ul style="list-style-type: none"> <li>• Greater access to occupations/firms in previously inaccessible high-wage/high-growth firms</li> <li>• Increased quality of schools and programs previously cut off from industry and employment networks</li> <li>• Through work-based learning, improved SCANS, technical and academic achievement</li> <li>• Increased access to continuous learning opportunities</li> </ul>
<p>Commitment to Upgrading skills of working poor</p>	<ul style="list-style-type: none"> <li>• Public policy incentives for firms and supply-side organizations to devise and implement ways to enhance the skills of low income people and to invest their time and resources in developing skills needed for jobs that pay family-supporting wages</li> <li>• IDA and ITA mechanisms for increasing workers' assets and individual control of training and investment decisions</li> <li>• Comprehensively structured incentives enable the working poor to identify career paths matching their interests and skills and empower them to obtain relevant training</li> <li>• Incentives enable firms to invest in training, realize return on investment, and help supply-side organizations restructure to deliver training</li> </ul>	<ul style="list-style-type: none"> <li>• Skills of working people are upgraded</li> <li>• Marketability and earning power of low-wage working people increased</li> <li>• Increased opportunities for promotion in firms and across firms and industries</li> <li>• Increases in asset holdings and potentially greater political power</li> </ul>

<p>Linking Public Investment in Job Creation and Infrastructure to Workforce Development Outcomes</p>	<ul style="list-style-type: none"> <li>• Deployment of public resources to connect economic development/job creation to workforce development</li> <li>• Transportation infrastructure is linked to workforce development goals</li> <li>• Public investments in attracting new firms and expanding of existing firms in locations accessible to the existing workforce</li> <li>• Transportation structures enable workers to commute easily to and from work</li> <li>• Public resources are used to create permanent jobs for inner city residents</li> </ul>	<ul style="list-style-type: none"> <li>• Increased access to higher-paying jobs in suburbs</li> <li>• Increased access to family-supporting jobs in firms that relocate to the inner city</li> <li>• More stable employment during economic downturns</li> </ul>
<p>Linking Public Investment in Human Services to Workforce Development Outcomes</p>	<ul style="list-style-type: none"> <li>• Essential human services planned and provided in conjunction with workforce development goals for low-income individuals in the labor force</li> <li>• Low-income workers' job-related needs a high priority</li> </ul> <p><i>Examples:</i> health care, child care, substance abuse treatment, shelter from domestic violence</p> <ul style="list-style-type: none"> <li>• Mechanisms support combining public income/other supports and private sector wages for working low-income individuals</li> </ul>	<ul style="list-style-type: none"> <li>• Access to publicly provided health care that closes the gap in employer coverage</li> <li>• Access to round-the-clock child care that meets high regulatory standards for quality</li> <li>• Access to substance abuse programs whose treatment plans call for and coordinate with job training</li> </ul>
<p>Market for Workforce Development Innovations</p>	<ul style="list-style-type: none"> <li>• Market forces encourage development and spread of innovations in practice throughout workforce development system</li> <li>• Effective practices developed in the field are captured in tools and products</li> <li>• Tools and products circulated throughout the country and are tested for effectiveness</li> </ul> <p><i>Example:</i> impact area residents benefit from: training curricula that help new workers learn how to respond effectively to work discipline required by employers but unfamiliar to them; and support groups that help them succeed in new and difficult job placements</p>	<ul style="list-style-type: none"> <li>• Barriers to employment and career opportunities are diminished</li> <li>• Quality of public workforce development services improved</li> <li>• Employers have increased access to user-friendly workforce development products</li> </ul>

Developing Concentration of Employment and Culture of Work in Neighborhoods	<ul style="list-style-type: none"><li>• The concentration and overall proportion of adults working is sufficient to sustain a genuine culture of work</li><li>• There are informal but influential networks of working adults</li><li>• Working adults are regarded as role models by youths</li><li>• Good jobs are available locally that provide opportunities for work and a tax base</li><li>• Local services are configured to support the needs of working people</li></ul>	<ul style="list-style-type: none"><li>• Neighborhood empowerment, greater neighborhood purchasing power, yielding greater political power</li><li>• Access to good jobs through networks of neighborhood residents who are stably employed.</li><li>• Youths' ambitions include stable employment as a result of neighborhood role models</li><li>• Increased family stability</li><li>• Greater ability to integrate family and work</li></ul>
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## Part IV. Developing Strategy Areas

Our framework is a model of how to effect systems reform in labor market systems. To use it in the outcomes-based planning process to create their systems reform strategy, Jobs Initiative sites will have to assess their influence over “drivers” in the system, the current condition of “strategy areas” in their labor markets, and the feasibility of developing specific projects to leverage organizations and individuals in the system.

**A. Assessing labor market context and site assets for influencing systems reform.** Many factors combine to give each labor market a distinct history and distinct characteristics. For instance, the types of industries in a labor market affect the skills workers are likely to have, as well as the cycles of economic expansion and contraction in the region.

In a similar way, each labor market has a history of change efforts. Most relevant to the Jobs Initiative, in each labor market there have been and are efforts to help low-income people get well-paying jobs. Thus, some drivers may have already been shaped in ways that contribute to better outcomes; others may be untouched. So in each site the specific *context* for systems reform must be understood.

The ability of a site to actually impact drivers depends on its *assets for change*. The site’s influence—its resources, relationships, operational competencies, in particular—must be assessed. At the same time, it is important for a site to be clear about which *barriers to change* it may have to overcome. This overall assessment may suggest that a site has a much greater opportunity to influence one driver or strategy area than another.

When sites are clear about their strengths and which opportunities for systems reform are most promising, they must then plan their strategy for systems reform—which includes understanding drivers, and identifying strategy areas and the related system projects that they will work on to accomplish Jobs Initiative outcomes.

**B. Systems reform and targeting.** Sites are expected to create an interrelated set of systems reform projects for their chosen strategy areas in order to achieve leverage and scale in their systems reform efforts. At the same time, the Casey Foundation expects that at least half of the participants in Jobs Initiative “operational projects” will come from the impact community. This creates a need for sites to target their system-reform projects for positive impact on people in particular neighborhoods. We anticipate that this will lead sites to focus on a mix of place-based strategy areas that can be targeted to specific neighborhoods, public systems strategy areas that can be targeted to specific individuals or classes of individuals as well as places, and private-sector economy strategy

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areas. It is probably more difficult to use only private economy strategy areas to achieve this kind of targeting.

**C. Developing systems-reform projects, performance targets, and milestones.**

For each strategy area, Table 2 offers a description of the players who may be engaged to effect changes, possible system-reform projects, and examples of milestones that help measure progress.

**TABLE 2—BRINGING ABOUT CHANGE IN STRATEGY AREAS**

Strategy Area	Players to Engage	Possible Projects	Milestone Examples
Developing Skill Standards and Credentials	<ul style="list-style-type: none"> <li>• Community colleges</li> <li>• Business associations</li> <li>• State and regional accrediting agencies</li> <li>• Businesses from growing sectors</li> <li>• Postsecondary boards?</li> <li>• CBOs</li> <li>• Training providers</li> </ul>	<ul style="list-style-type: none"> <li>• Develop/implement employability standards across 2+ industries</li> <li>• Implement performance-based assessments (e.g., WorkKeys) in education system and job training program</li> <li>• Incorporate competency-based measures in postsecondary admissions</li> <li>• Identify competencies in 2+ industries and relevant courses of study for postsecondary and job training systems</li> <li>• Move training system to competency-based instruction</li> </ul>	<ul style="list-style-type: none"> <li>• Number of training organizations adopting set of SCANS skills and skills standards and credentials</li> <li>• Postsecondary institutions adopt skill standards.</li> <li>• Number of training institutions adopting competency-based assessment methods.</li> <li>• District adoption of alternative or supplemental competency-based HS level credential</li> <li>• Number of businesses using skill credential as hiring screen</li> <li>• Number of individuals receiving skill credentials</li> <li>• Number of business firms with increased satisfaction with skill level of hires</li> </ul>
Organizing Employers for Collective Action Around Workforce Development	<ul style="list-style-type: none"> <li>• Businesses</li> <li>• Business associations</li> <li>• Unions</li> <li>• State and local economic and workforce development organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Expand promising training program to an industry sector</li> <li>• Establish public incentives for formation/expansion of industry networks, clusters, consortia.</li> <li>• Develop/ implement career ladders within 2+ industries</li> <li>• Develop an employer association's workforce development intermediary capacity</li> <li>• Institutionalize union-sponsored training programs in an industry</li> </ul>	<ul style="list-style-type: none"> <li>• Number of sector-specific training programs with career ladders</li> <li>• % of firms involved in business networks concerned with workforce development</li> <li>• % of workers completing employer-sponsored training</li> <li>• Number of trade associations, sectoral consortia supporting skill training</li> <li>• Number of firms increasing internal financial support for training</li> </ul>

		<ul style="list-style-type: none"> <li>• Develop labor/management capacity to build assets of low wage workers in the industry</li> </ul>	<ul style="list-style-type: none"> <li>• % of firms that use business intermediaries for brokering</li> <li>• Number of promotional opportunities for trainees</li> <li>• Number of employees benefiting from union-sponsored asset-building programs</li> </ul>
<p>Creating Community-Based Policy Mechanisms</p>	<ul style="list-style-type: none"> <li>• Partners in Jobs Policy Network</li> <li>• City Council</li> <li>• Business associations</li> <li>• Local Workforce Development Boards</li> <li>• Federal agencies</li> <li>• Community-based organizations</li> <li>• Businesses</li> <li>• Community residents</li> </ul>	<ul style="list-style-type: none"> <li>• Expand jobs policy network to include community base and policy clout</li> <li>• Institutionalize role of jobs policy network in regional Workforce Development Board</li> <li>• Commit jobs policy network to securing a sufficient financial base for implementing WIA to help residents of impact community</li> <li>• Institutionalize representation of target neighborhood(s) in JPN or Workforce Development Board</li> </ul>	<ul style="list-style-type: none"> <li>• Formation of community board with vested authority to make workforce development policy and resource decisions</li> <li>• Restructuring of unemployment insurance to upgrade skills of working poor</li> <li>• Adoption of performance standards to determine cost effectiveness of training</li> <li>• Adoption of policies allocating resources to promote retention and advancement services for working poor</li> <li>• Integration of non-credit and degree granting programs</li> <li>• Use of unemployment insurance, public service employment as counter-cyclical tools</li> </ul>
<p>Linking Employers and Workforce Development/ Education systems</p>	<ul style="list-style-type: none"> <li>• Firms</li> <li>• High schools</li> <li>• Unions, teacher associations</li> <li>• Postsecondary schools</li> <li>• Business associations and networks</li> <li>• Accreditation agencies and associations</li> <li>• Training and placement agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Establish formal work-based learning component in K-12 or postsecondary curricula</li> <li>• Organize industry-wide internships for public school system</li> <li>• Organize industry-wide job shadows and mentoring for public school system</li> <li>• Establish ed/industry collaboration to develop career/industry "pathways"</li> <li>• Create system-wide compact with industry to hire HS graduates</li> </ul>	<ul style="list-style-type: none"> <li>• % of people participating in work-based learning as part of training plan</li> <li>• Number of firms participating in work-based-learning slots by sector</li> <li>• % of individuals in internships</li> <li>• % of businesses participating in mentorship programs</li> <li>• Number of training programs with increased retention rates</li> <li>• Number of businesses participating in education-business</li> </ul>

			<p>partnerships</p> <ul style="list-style-type: none"> <li>• Number of postsecondary and alternative education institutions with improved retention and graduation rates</li> </ul>
<p>Commitment to Upgrading Skills of Working Poor</p>	<ul style="list-style-type: none"> <li>• Businesses</li> <li>• Business associations</li> <li>• State Unemployment Insurance Agencies</li> <li>• Local Workforce Development Boards</li> <li>• Unions</li> <li>• City Councils</li> <li>• State Legislatures</li> <li>• Community development organizations</li> <li>• Training and placement agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Secure business tax credits for entry-level training (state or local)</li> <li>• Introduce, expand ITAs and IDAs for residents of impact community.</li> <li>• Work with trade association to restructure firms' tuition reimbursement programs to cover educational and skill upgrading for entry-level workers</li> <li>• Organize consortia of firms to pilot new ROI methods for training</li> <li>• Leverage state-level connections to create fund for skill upgrading for working poor</li> <li>• Organize public/private partnership to coordinate support services for entry-level hires</li> </ul>	<ul style="list-style-type: none"> <li>• Number of working poor attending post-secondary education</li> <li>• Number of poor with ITAs or IDAs</li> <li>• % of Pell financing for working poor</li> <li>• Use of Unemployment Insurance to support incumbent worker training</li> <li>• % increase in public dollars spent to finance of skills upgrading of working poor (tax incentives, business write-offs, etc.)</li> <li>• Number of business firms satisfied with graduates from training institutions</li> </ul>
<p>Linking Public Investment in Job Creation and Infrastructure to Workforce Development</p>	<ul style="list-style-type: none"> <li>• Community development corporations</li> <li>• Economic development entities</li> <li>• Community-based organizations</li> <li>• Unions</li> <li>• Regional transportation organizations</li> <li>• Community residents</li> <li>• Business associations</li> <li>• Local and state government</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage relationship with regular transportation authority to establish permanent transportation links between impact area and suburbs with jobs</li> <li>• Leverage state connections to earmark funds for job creation that targets long-term career jobs for impact area residents</li> <li>• Leverage municipal connections to implement policy to support job creation for working poor during economic downturn</li> </ul>	<ul style="list-style-type: none"> <li>• Number of residents accessing jobs outside of neighborhood</li> <li>• % of public dollars invested in job creation efforts that create family supporting jobs for residents</li> <li>• Number of firms with good jobs locating locally</li> </ul>
<p>Linking Public Investment in Human Services to Workforce Development outcomes</p>	<ul style="list-style-type: none"> <li>• Child care providers</li> <li>• Employee assistance program providers</li> <li>• Human service agencies</li> <li>• Substance abuse</li> </ul>	<ul style="list-style-type: none"> <li>• Pilot regional collaborative to establish round-the-clock child care for working poor.</li> <li>• Collaborate with public agencies to fund</li> </ul>	<ul style="list-style-type: none"> <li>• % of public child care dollars dedicated to child care at non-traditional hours</li> <li>• Number of public housing dollars supporting home</li> </ul>

	<p>counseling organizations</p> <ul style="list-style-type: none"> <li>• Regional organizations</li> <li>• Welfare agencies</li> <li>• Housing authorities</li> <li>• Local and state government</li> </ul>	<p>work/family programs and policies to support needs and schedule of working single parents</p> <ul style="list-style-type: none"> <li>• Establish municipal subsidies to support home ownership among low wage workers</li> </ul>	<p>ownership for low-income people</p> <ul style="list-style-type: none"> <li>• Establishment of publicly funded EAP support program for low-income single parents</li> </ul>
Market for Workforce Development Innovations	<ul style="list-style-type: none"> <li>• Training and placement agencies</li> <li>• Employers and employer associations</li> <li>• State and local government</li> <li>• Businesses</li> <li>• Business associations</li> <li>• Community-based organizations</li> </ul>	<ul style="list-style-type: none"> <li>• Pilot test new models of service delivery and develop how-to tool</li> <li>• Develop existing tool into product ready for market</li> <li>• Work with city to implement performance standards for govt WORKFORCE DEVELOPMENT contracting</li> <li>• Establish peer learning network among suppliers</li> <li>• Establish mechanism to invest in CBO capacity upgrades</li> </ul>	<ul style="list-style-type: none"> <li>• % of contracted services that are performance-based</li> <li>• Institute report card on supplier performance</li> <li>• Number of firms implementing one or more innovative programs such as release time for training,</li> <li>• Number of family service programs, including child care, sponsored by union or firm</li> <li>• New product(s) successfully marketed</li> </ul>
Developing Concentration of Employment and Culture of Work in Neighborhoods	<ul style="list-style-type: none"> <li>• Economic development agencies</li> <li>• Firms</li> <li>• Social service organizations</li> <li>• Community service organizations</li> <li>• Regional transportation entities</li> <li>• State organizations</li> <li>• Housing authorities</li> <li>• CDCs</li> </ul>	<ul style="list-style-type: none"> <li>• Collaborate with local CDC to promote development of employment opportunities in impact area</li> <li>• Transportation programs link suburbs to impact area</li> <li>• Establish neighborhood temp-to-perm firm for unemployed residents</li> </ul>	<ul style="list-style-type: none"> <li>• % of adults working in the neighborhood</li> <li>• % of youth in pre-employment settings</li> <li>• % of people in career ladders in neighborhood</li> </ul>

## Appendix

### **Annie E. Casey Foundation Meeting Baltimore, November 17-18, 1998 -Attendees-**

Kate Allen, Brookings Institution  
Julian Alssid, J. Alssid Associates  
Daniel Berry, Greater Cleveland Growth Association  
Keith Bird, Central Carolina Technical College  
Brian Bosworth, Regional Technology Strategies, Inc.  
Peggy Clark, Aspen Institute  
John Cleveland, On Purpose Associates  
Alvin Collins, Maryland State Department of Human Resources  
Sharon Darling, National Center for Family Literacy  
Ronald Ferguson, The John F. Kennedy School of Government  
Susan Gewirtz, The Annie E. Casey Foundation  
Robert Giloth, The Annie E. Casey Foundation  
Margaret Haywood, Jane Addams Resource Corporation  
Clifford Johnson, Center on Budget and Policy Priorities  
Marcia Kingslow, Kingslow Associates  
Judith Kossy, San Diego Workforce Partnership  
Edwin Melendez, The New School for Social Research  
Nancy Mills, AFL-CIO  
Andy Mott, Center for Community Change  
Ellen O'Brien Saunders, State of Washington Workforce Training & Education Board  
John Rauschenberger, Ford Motor Company World Headquarters  
Mary Jean Ryan, City of Seattle  
Steve Savner, Center for Law and Social Policy  
Bill Schweke, Corporation for Enterprise Development  
Marlene Seltzer, Jobs for the Future  
Neil Sullivan, Boston Private Industry Council  
Judith Taylor, Jobs for the Future  
Doug Welch, Abt Associates  
Jeff Zinsmeyer, BankBoston

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