

How Do You Measure Success?™

CASE STUDY:

***BRIDGING THE SKILLS GAP – A
STORY OF ECONOMIC IMPACT***

CAREEREDGE FUNDERS COLLABORATIVE



Isolate the impact.

Improve the outcome.

Make decisions with confidence.

BACKGROUND

A new approach to workforce development is underway in Florida. CareerEdge Funders' Collaborative is an innovative partnership of business, civic and philanthropic organizations that leverages public and private dollars to help area employers fill their workforce needs, as well as help area employees and job-seekers gain the skills these employers are seeking. This “dual-customer model” is a win-win for employers and individuals.



Through extensive collaboration, CareerEdge and employers identify worker “skill gaps,” then develop training programs to close these gaps. This approach can be summed up in CareerEdge’s goals:

- To help low-skill/low-wage workers advance into higher-skill/higher-wage careers
- To provide employers with the skilled workers they need to complete in a rapidly changing economy.

This approach is also a win for the local economy. New jobs are created, workers move up the career ladder earning higher wages, and employers are better positioned with a skilled workforce to compete and grow. Over \$8 million from new and increased wages are flowing back into the local economy – generated from a \$1.54 million investment in the area workforce, as determined by a CareerEdge-sponsored study.

NEEDED: INDEPENDENT EVALUATION

This new approach is being closely watched by funders and policy makers, as it is a shift away from traditional State-run workforce development efforts. Being dependent on those funder dollars, CareerEdge leadership recognized the critical importance of an objective evaluation of their programs. Within months of start-up, they engaged Capital Analytics as a third-party evaluator to qualitatively and quantitatively evaluate the outcomes of CareerEdge’s activities. This independent and professional evaluation ensures a thorough investigation of outcome measures and allows CareerEdge to clearly see the impact it is having on the communities.

THE DUAL-CUSTOMER MODEL

CareerEdge’s dual-customer model is promoted by the National Fund for Workforce Solutions, one of CareerEdge’s funders. This model emphasizes the importance of meeting the needs of both the individuals participating in training and the employers seeking a trained workforce. CareerEdge requires that employers create training plans for individuals seeking to gain the necessary skills, while also committing that participants will be on a path to receive wage increases and promotions. Some employers focus on short-term, skills-based training, while other employers are helping their staff earn their GED or an advanced degree.

The CareerEdge implementation of this dual-customer model is unique in that it focuses on both the lower-skilled worker and the mid-skilled worker. Typically, there are many more training and development resources available for low-skilled employees through public funds, and for high-skilled workers through employer training budgets, but workers in the middle are often left out. Including these workers ensures that all employees have a chance to advance their skills. Developing these middle workers and moving them up the career ladder provides job openings for lower-skilled workers. Access to unrestricted funds makes this possible.

MEASURABLE IMPACT

CareerEdge has made significant progress against its mission and contributed to the ongoing workforce development efforts in the area. From engaging local employers and serving thousands of individuals, to shifting the thinking of a local community college and being asked by the Florida State Senate to share its success, CareerEdge is making an impact.

From December 2011 to March 2012, CareerEdge served 1,526 individuals: 357 job-seekers and 1,169 incumbent workers while partnering with 12 area employers. Participants have completed over 6,200 classes and earned a total of 4,325 certificates/credentials. Further, in only one year, 293 job-seekers found employment, 294 employees earned wage increases, and 221 earned promotions.

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The new employees were able to “step in and be successful on day one.”

Employers are reporting increased satisfaction by their employees, improved service to their customers, and reduced turnover. One manufacturing company, which hired over 150 job seekers through CareerEdge, reports a turnover rate of 10-12% for its CareerEdge hires vs. 20% for those hired through its traditional means.

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CareerEdge sanctioned a study to quantify the economic impact to the community. From investments of \$1.54 million through 2011, CareerEdge’s programs resulted in \$5.62 million in new wages for the formerly unemployed and additional raises of \$2.98 million for incumbent worker participants. Participants are seeing their annual household incomes increase by an average of \$3,376.

SYSTEMS CHANGE

“Systems change” is a philosophy that acknowledges that improved outcomes sometimes require changes in the way that decisions are made about policies, programs, and the allocation of resources – and, ultimately, in the way services are delivered to constituents. Systems change is not easy, as it requires the building of collaborative bridges among multiple – and often conflicting – agencies, community members, and other stakeholders. For CareerEdge’s mission to be most successful and for employers and individuals to get the greatest benefits from participation, all the partner organizations—employers, educators, and the local workforce board—recognized the need to make changes to their processes and systems.

Evidence of CareerEdge’s influence on systems change in Florida’s workforce development arena can be seen among these partners.

Among employer partners:

- *Career Laddering* –acknowledging lower-level workers as a valuable part of the organization’s human capital and building career laddering opportunities for them; training mid-skill workers for advancement, resulting in open positions for lower-level workers.

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“Our senior management team believes in staff development. CareerEdge helps facilitate it.”

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- *Focus on Staff Development* – bringing more training in-house, customizing training to employee needs, compensating employees while in training, and investing training dollars in low-wage positions.
- *Changing Hiring Practices* – recognizing the value of rigorous assessment and screening processes; providing basic job skills, soft skills and “attitude” training after hire but before beginning work.

Among the education partners:

- *Community College Engagement* – viewing employers as customers, developing employer-specific curricula, adopting flexible enrollment and scheduling policies to accommodate employers and workers.
- *Partnering in Workforce Development* – changing organizational structures to be responsive to community employment issues, becoming leaders with a true desire to serve the needs of the unemployed and under-employed workforce.

Throughout the workforce system:

- *Working in partnership with the local Workforce Board* – collaborating on best uses of private and public funding; tapping restricted government funds for residents of urban, economically disadvantaged neighborhoods.
- *Creating a Regional Leadership Council* – creation of a workforce development leadership council to coordinate and prioritize efforts across agencies, educators, and employers.
- *Recognition by the State Senate* – the Senate invited CareerEdge to share the collaborative’s model for success. Legislators are very interested in new approaches to workforce development programs, especially those that are outcomes-based, as is the CareerEdge model.

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“The presence of CareerEdge has greatly impacted the ability of State College of Florida to more effectively serve the employers and individuals in our community.

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JUST THE BEGINNING

Workforce development is hugely important to Florida, and to the rest of the nation. By understanding what works and what doesn’t and by quantifying the outcomes, new models can gain traction and be implemented in other communities. CareerEdge is on the cutting edge of such a shift in how the public and the private sectors come together to develop and leverage the amazing asset of human capital.