National Fund for Workforce Solutions

Implementing the National Fund for Workforce Solutions

Second Annual National Evaluation Report

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Executive Summary

Major Observations and Findings

Growth

The second year of the National Fund for Workforce Solutions (NFWS or National Fund) saw major growth:

- The number of NFWS funding collaboratives across the country increased from 10 in 2007 to 22 in 2009.
- The number of funders supporting the collaboratives grew from 183 in 2008 to 256 in 2009.
- The number of workforce partnerships reporting data increased from 37 in 2008 to 63 in 2009.[1]
- The number of participants served by the workforce partnerships over the course of the initiative grew from 6,306 in 2008 to 18,036 in 2009.
- The number of employers receiving services from the partnerships increased from 504 in 2008 to 998 in 2009.
- The number of participants receiving degrees or credentials increased from 679 to 9,735; the number receiving a GED or high school diploma grew from seven to 402; and the number receiving an occupational skills certificate or credential increased from 388 to 3,309.

Relationship to Employers

There was also evidence of employer engagement in most workforce partnerships and, particularly in the more mature partnerships, of changing practices on the part of employer partners.

Influence of Sector

The sectors served by workforce partnerships were very different from one another in their occupational structures, labor force needs, labor force demographics, and competitive dynamics. These differences had

[1] While 63 partnerships reported on some data, only 56 reported participant information. Additionally, the collaboratives reported contact information on 84 workforce partnerships. We assume those not reporting participant information or not reporting at all have just started.

implications for the populations served, the kinds of programs workforce partnerships offered, the services received by both individuals and employers, and participant outcomes.

Emerging Strategies

Many of the collaboratives were new enough that they had not yet developed an overarching strategy. Among those that had, there appeared to be two principal approaches.

The first was to fund or develop sector partnerships with strong employer engagement that were capable of brokering the range of services low-income, low-skilled individuals need to access good jobs in the targeted industries. In the process, these partnerships also sought to make the changes necessary in employer and institutional behavior to achieve this goal.

The second strategy sought to more fully embed National Fund key principles into the practices of public institutions, especially one-stop career centers and community colleges, allowing them to assume much of the brokering role.

Career Pathways/Career Advancement

Partnerships also followed different approaches to career advancement, particularly for new entrants. Some were based on an understanding of the industry's career pathways; often participants continued to be guided and supported after they found a job. Other strategies focused on providing participants formal skills and credentials, while a third approach simply helped low-skilled, low-income individuals gain access to jobs in industries that offer opportunities for decent wages and benefits.

Systems Change

Most of the collaboratives and at least half of the workforce partnerships articulated strategies for changing institutional or organizational behavior, employer practices, or public policy. Compared to the collaboratives, the partnerships' strategies tended to be more tightly linked to work within specific sectors and with particular targeted populations. The collaboratives focused more on broad organizational and policy changes.

Advocacy Efforts

Advocacy efforts by both the national NFWS actors (the national investors, Jobs for the Future, the Council on Foundations) and the regional/rural funding collaboratives centered largely on the Obama administration and the new federal monies coming to the states. National NFWS presented information to the administration and Congressional staff on what had been learned from effective practices that was relevant to federal investments and policies in workforce and education. The collaboratives helped mobilize local stakeholders to advocate for how the local funds should be used and to take maximum advantage of the new funding.

Impact of Recession

As in 2008, the severe economic downturn was the major challenge facing the National Fund at all levels:

- both philanthropic and public investors faced serious financial constraints;
- employers had few jobs or career advancement opportunities and so less incentive to work with the partnerships;
- some community-based organizations lost funding and were unable to provide expected services to partnerships' participants;
- one-stop career centers were flooded with dislocated workers and so found it harder to focus on low-income individuals; and
- there was heightened competition for seats in the community colleges and other training programs.

Internal Challenges

In its second year, the National Fund continued to have internal challenges as well. As in 2008, a key concern was the extent to which collaboratives and partnerships were fully implementing the initiative's core principles and creating effective sector brokers. A number of the funded "partnerships" were actually better described as sector training programs, more restricted in their commitments and purposes than the NFWS intended.

Introduction

In September 2007, the Annie E. Casey, Ford, Hitachi, and Harry and Jeanette Weinberg foundations and the U.S. Department of Labor formally launched the National Fund. They were joined by The Prudential Foundation, the Wal-Mart Foundation, the Microsoft Corporation, the John S. and James L. Knight Foundation, and the California Endowment. The purpose of the initiative was to build workforce partnerships rooted in industry sectors and to transform institutions to improve labor market outcomes for low-income individuals and employers.

By 2009, the National Fund was operating in 22 regions, had served over 18,000 individuals and almost 1,000 employers, and had leveraged more than $100 million in local monies from both public and philanthropic funders.

This report describes the National Fund in its second year of implementation.

Characteristics, Goals, and Strategies

The National Fund's ambitious goals included expanding high quality workforce services for low-income individuals and employers, implementing innovative models of service delivery, and driving reform in workforce institutions and employer practices. To achieve these ends, NFWS considered five strategies to be the cornerstone of its approach:

- regional or rural funding collaboratives composed of local and regional public and private funders;
- workforce partnerships in industry sectors that build long-term relationships between employers and service providers;
- sector-specific workforce strategies;
- career pathways that offer entry-level workers and existing employees career advancement opportunities; and
- alignment and coordination of local workforce programs, organizations, and funding sources to better serve both low-income workers and employers.

National Strategy and Implementation

The second year of the National Fund presented the initiative with the opportunity of a new federal administration offering new resources and policy openings and the twin challenges of managing an initiative that had, by several measures, more than doubled at the end of the first year and was severely tested by a deep recession. As a result, the three major national activities for NFWS in 2009 were: seeking to embed the principles of the National Fund into federal policy; going "deeper" with the collaboratives to help ensure successful implementation; and creating a stronger internal management structure to be able to support an increasingly complex initiative.

The immediate focus of policy attention was the American Recovery and Reinvestment Act (ARRA) that sought to pump increased federal resources — including resources for workforce development — into an economy in recession. The guidance and Requests for Proposals (RFPs) for the Department of Labor's ARRA funding reflected an emphasis on sector, career advancement, and dual customer, principles advocated by the NFWS investors and staff.

The intensified work with the collaboratives helped to support a growth in workforce partnerships, participants, and employers. The attention to strengthening the management structure resulted in a new committee and leadership structure among the investors and, at the end of the year, the hiring of a NFWS executive director.

The Funding Collaboratives

2009 saw growth and change at the funding collaborative level as well. The 22 funding collaboratives operating and reporting were a mix of experienced funder groups working together for several years, and very new coalitions. More than half (55 percent) were just over a year old at the time of reporting.

The number of local organizations joining and investing in the collaboratives grew by approximately 40 percent, from 183 in 2008 to 256 in 2009.

As in 2008, philanthropic organizations were the principal funders, but 20 of the 22 funding collaboratives were public-private partnerships with investment by the public sector as well. Employers and employer associations represented 15 percent of funders.

The number of collaboratives focusing on the energy sector or implementing a "green" strategy increased significantly from 2008. However, the principal sectoral targets continued to be healthcare, targeted by all collaboratives; construction, targeted by 15 collaboratives; and manufacturing, targeted by 13 collaboratives.

By the end of 2009, all collaboratives had funded one or more workforce partnership, compared to 80 percent a year earlier. Forty percent of collaboratives supported four or more partnerships. Collaboratives reported funding 84 partnerships, compared to 37 in 2008.[2]

Some key differences in collaboratives' strategies appeared to include the following:

- *The importance of developing sector intermediaries.* Employer-focused workforce partnerships were a central tenet of the NFWS strategy, but funding collaboratives differed in the degree to which they seemed to be trying to develop sophisticated sector brokers. Some clearly articulated these expectations in their RFPs by working actively with relevant stakeholders and by providing ongoing support and guidance to the partnerships they funded. Other collaboratives were less clear in their expectations and appeared to maintain a more arms-

[2] However, only 63 provided data to NFWS; the others were probably very recently funded.

length relationship with grantees. Over the last year, however, several of the collaboratives reporting that they had originally made investments in sectoral training programs were adjusting their strategies to ensure future investment in workforce partnerships.

- *The importance of transforming public institutions.* Most, if not all, collaboratives were committed to making changes in public workforce and educational institutions to better serve employers and low-income individuals, largely through the work of the partnerships. However, a small number of collaboratives made the transformation of public institutions —particularly community college programs and one-stop career centers — the cornerstone of their strategy. The differences in strategy became more evident in 2009, but the programs were still too new to be able to evaluate outputs and outcomes.

- *The relative emphasis on economic development and economic competitiveness versus low-income, hard-to-serve populations.* All collaboratives had a "dual customer" approach, focusing on the needs of both employers and low-income individuals; however, their original lens and emphasis differed. Most began from the traditional concerns of philanthropy for the underserved, but some had roots in public economic development efforts or in employer-led attempts to address skill shortages. The resulting partnerships had different strengths and weaknesses. In some cases, the former lacked serious employer involvement, while the latter might less effectively target and serve populations with serious barriers. As described below, in 2009 there appeared to be growing convergence in these approaches due to NFWS' efforts.

- *The extent of focus on policy and advocacy.* There was both continued variation in the public policy strategies of the collaboratives and important differences in the extent to which each made policy advocacy a priority. In 2009, however, there was near universal focus on the federal ARRA funds and other federal monies flowing to the states and the regions.

- *The degree of investment in capacity building.* There were two major differences in the collaboratives' capacity-building efforts. The first was whether a capacity-building strategy was in place and the second was the focus of this strategy. During 2009, there was a limited increase in capacity building. In total, 10 collaboratives, primarily concentrated in the earlier cohorts, had capacity-building grantees. Capacity-building strategies of the collaboratives were divided between those strategies that focused exclusively on the funded workforce partnerships and those that more broadly aimed at "field-building." Some of the most established efforts offered evidence of strengthening the abilities of their partnerships and local workforce systems.

- *Role as a local or regional workforce intermediary.* Collaboratives also differed in how they viewed their own role. In this, they formed a continuum from those that emphasized the more traditional and narrow role of funder to those with conscious and sometimes far reaching ambitions to impact local labor markets and workforce systems by connecting employers and service providers; aligning programs, organizations, and funding sources; and changing relevant public policies. 2009 saw greater convergence in this area as well.

In some cases, the challenge of the economy or a lack of clarity on direction slowed the collaborative's implementation. But most collaboratives made good progress in establishing internal structures, identifying strategic approaches, and implementing investments.

The Workforce Partnerships

The greatest changes in the National Fund's second year occurred at the partnership level.

Workforce Partnership Characteristics

The number of funded workforce partnerships grew from 37 in 2008 to 63 in 2009; of these, 56 reported serving participants.[3] The total number of participants increased from 6,306 to 18,036.

The partnerships represented a combination of new initiatives and experienced providers. Some partnerships had been operating since before 2000, but most were very new. Forty-three percent were formed in 2008 or 2009; alternatively, 17 percent of partnerships were formed in 2000 or earlier, and 43 percent were formed prior to the launch of NFWS in 2007.

The largest two partnerships served almost half (49 percent) of participants; the largest partnership served 33 percent. Excluding these two, the median or average number of participants served per partnership was 171.

[3] The collaboratives reported funding 84 partnerships, but only 63 were able to report and of those 56 reported participant data.

The four principal sectors in which the partnerships were operating were healthcare; logistics, transportation, and distribution; construction; and biotechnology.

The healthcare industry was the focus of the largest number (25, or 40 percent) of partnerships. Conversely, there were only three partnerships in the logistics, transportation, and distribution sector, but this included the largest partnership and, therefore, the sector served the greatest number of participants.

Almost all partnerships (59, or 94 percent) offered a non-incumbent program; 25 (40 percent) offered an incumbent program; 22 (35 percent) offered both.

Almost half (49 percent) of the lead organizations in each partnership were either community-based organizations (CBOs) or described themselves as "other nonprofit." Another 22 percent of the partnerships were led by a community college or other educational institution or training provider. Workforce investment boards (WIBs) or one-stop career centers led 12 percent and employers or unions led another 5 percent.[4]

Employers participated in virtually all partnerships (87 percent); most also included community colleges (71 percent of partnerships) and WIBs and/or one-stop career centers (56 percent and 59 percent, respectively).

Strategies and Services for Individuals

The partnerships offered education and training as well as other kinds of services to individuals. The strategy pursued by an individual partnership varied by the sector and the type of program (incumbent vs. non-incumbent).

- *Differences by sector.* In the logistics, transportation, and distribution sector, the principal strategy was access; services provided by the three partnerships operating in this industry focused on job readiness.

  The healthcare partnerships were more diverse. Those that were entirely or principally incumbent worker programs were led either by employers or a labor/management partnership. The key goals were to provide career opportunities for low-level employees and to improve employee retention. The development of career pathways was a central component of their strategies.

[4] These figures understate the number of labor or labor/management-led partnerships since some in that category described themselves as "other nonprofit."

Healthcare partnerships that served only new entrants tended to focus on training for a specific occupation (often certified nursing assistant, licensed vocational nurse, or home health aide) without a clear connection to a career ladder. The level of employer engagement typically was much less.

Roughly half the construction partnerships offered pre-apprenticeship programs, usually targeting individuals with serious barriers to employment, including those with criminal records. The goal was to place participants into a good paying apprenticeship or other on-the-job training opportunity. The level of employer engagement varied considerably. Some partnerships continued to follow and support participants after placement.

In all but one of the biotechnology partnerships, an educational institution —usually a community college —was the lead partner. These partnerships targeted low-skilled, underrepresented adults and transition age youth and provided them with "on-ramps" to college and/or occupational training for entry-level jobs in the biotechnology industry. Employer engagement tended to be high.

- *Differences by program type.* Incumbent worker training was, in most cases, a component of a career advancement strategy built on career pathways. The only significant program outside of healthcare to employ this strategy was in the hospitality sector.

  Some partnerships with new entrant strategies did not end their support for participants once they were placed in jobs. This appeared to be especially true for programs that offered both new entrant and incumbent programs, which, again, were largely concentrated in healthcare. Some partnerships outside the healthcare industry were aggressive in maintaining long-term relationships with participants but many were not.

Goals and Strategies for Employers

Employer goals included addressing skill and labor shortages; diversifying the racial, ethnic, and sometimes gender composition of the workforce; improving employee retention; and improving work quality.

Employers appeared to be active participants in the majority of partnerships. As just suggested, engagement seemed strongest in incumbent worker programs, but this was not always the case. Older, more mature partnerships had higher levels of employer engagement, underlining the importance of sustaining partnerships long enough to provide real value to an industry and to develop employer trust.

In addition to hiring partnership participants, the most common roles played by employers were identifying the labor market and training needs of the sector and working closely with partnerships to design their workforce programs. Employers also were active in screening program participants and, in the case of incumbent worker programs, recruiting participants as well.

Other roles employers played included providing on-the-job training, supplying trainers for classroom programs, offering positions for clinical training, serving as guest speakers, providing internships and externships, offering participants tuition assistance, contributing other funding and support to a partnership, and allowing release time for incumbent workers while they were in training.

Goals and Strategies for System Change

At least half the workforce partnerships had articulated strategies for changing institutional or organizational behavior, employer practices, or public policy. Compared to the collaboratives, the partnerships' strategies tended to be more tightly linked to work within specific sectors and with particular targeted populations.

Community college practices and policies were a concern for many partnerships. Some focused on changing other institutions as well. For example, they tried to influence public organizations and city policies to create set-asides for hiring at-risk individuals; worked with unions to gain access to apprenticeships and union jobs for individuals with multiple barriers to employment; and tried to strengthen the practice of community-based organizations by helping them to focus on career advancement and more effectively engage employers.

Partnerships used a variety of strategies to try to influence employer policies and procedures. One goal was to change or expand the pool of individuals whom employers would consider hiring. Other goals included improving the management skills of front-line supervisors; developing greater understanding of the needs of low-income workers; and creating internal supports for worker retention.

Partnerships also helped employers better define internal avenues of career mobility and encouraged them to create incentives for incumbent workers to gain additional skills.

In general, policy efforts made by partnerships were aimed at complementing services to individuals and employers in a particular industry sector or at changing policies relevant to a target population group. An example of the former was advocacy for professionalization of the community healthcare field and for recognition of "community health worker" as an occupation. An example of the latter was advocacy to improve the ability of individuals with a criminal record to obtain driver's and occupational licenses.

Outputs and Outcomes for Individuals, Employers, and Systems

Outputs and Outcomes for Individuals

Key outputs and outcomes for individuals included:

- Overall, over 50 percent of participants were male. However, excluding the two largest partnerships, 60 percent of participants were female. The gender composition of each partnership reflected its sector focus: the healthcare and biotechnology industries largely served women, and the construction and logistics, transportation, and distribution sectors were overwhelmingly male.

- The largest share (39 percent) of participants was African-American, down from 46 percent in 2008; 24 percent were white, up from 16 percent in 2008. African-Americans were the largest group in most sectors, but their share ranged from 35 percent in biotechnology to 64 percent in construction.[5]

- There were sharp differences in participants' educational attainment by industry. In construction, only 15 percent of participants had some college or above, compared to 61 percent in the biotechnology industry. Conversely, 60 percent of construction participants had a high school diploma or less, compared to 35 percent in biotechnology. Although overall only 8 percent of participants had less than a high school diploma, the share in the construction industry was 14 percent.

- The past year saw a greater growth in the number of those receiving education and training services. In education and training services, the increase was greatest in apprenticeship training (515 percent), basic skills/ESL (356 percent), on-the-job training (227 percent), occupational skills training (202 percent), and other

[5] The only sectors where African-Americans were not the majority of participants were marine trades, energy, and information technology. At the time of this report, the participant numbers in these sectors were very small.

education/training (223 percent).[6]

The largest share (34 percent) of individuals participated in workplace readiness life skills. The dominance of workplace readiness life skills training reflects the mix of services in the two largest partnerships.

- The characteristics of each industry had important implications for the kinds of services participants received. In the logistics, transportation, and distribution sector, individuals participated in only three kinds of training: workplace readiness life skills training, basic skills/ESL training, and 9 percent received occupational skills training.[7]

  In contrast, because in the healthcare industry advancement is closely linked to skill acquisition, 60 percent of participants received occupational skills training. Similarly, fully 78 percent of participants in the biotechnology industry received occupational skills training. But because the strategy in this sector also emphasized access, 48 percent of participants received workplace readiness life skills training.

  In the construction industry, approximately one-third of participants received occupational skills training, and roughly the same share received workplace readiness life skills education. One-quarter of participants received on-the-job training.

- Between 2008 and 2009, the number of participants completing education and training increased from 4,132 to 9,998. All training categories registered a greater number of completions this year than last, and the share of participants completing rose across all categories except computer literacy training and workplace readiness life skills training.

- The number of degrees and credentials received by participants rose dramatically from 679 participants to 9,735. The number receiving a GED or high school diploma grew from seven to 402, and the number receiving an occupational skills certificate or credential increased from 388 to 3,309.

- There was also a major increase in job placements between 2008 and 2009 for non-incumbent participants.

[6] The growth in basic skills services appears to be overstated. The services reported by the largest partnership in this category may actually be more appropriately reported in the "other training" or even "supportive services" category.

[7] These data are dominated by the largest partnership. See the previous footnote for problems with its basic skills data.

In 2009, 4,058 non-incumbent participants achieved job placement or slightly more than one-quarter of all non-incumbent participants; this was up from 893 job placements in 2008.

Outputs and Outcomes for Employers

Key outputs and outcomes for employers included:

- In total, 998 employers received services from the partnerships. The two largest partnerships served 200 employers; the remaining partnerships served 798.

- Overall, the smaller partnerships (serving 60 participants or less) provided a greater range of services to a larger proportion of the employers served than did larger partnerships.

- There also was considerable variation by kind of program offered. Three-quarters of all employers (748 employers) were served by partnerships that offered only a non-incumbent worker program.

- The most common service employers received was the screening and referral of job applicants (740 employers), followed by assessment of employers' needs (440 employers), and the brokering of training services (195 employers).

- The number of employers served in the healthcare; construction; and logistics, transportation, and distribution sectors was relatively comparable (298, 255, and 247, respectively). However, the number and mix of services varied significantly by sector.

System Change Outcomes

The number of collaboratives reporting system change outcomes and the total number of changes reported both increased from 2008 to 2009.

Emerging Issues

Strategic Divergence

Among the six oldest collaboratives, there was a notable strategic split. Half were committed to the development of strong sector intermediaries, while three were working to embed National Fund principles in public sector institutions and programs. At least one of the newer collaboratives also was implementing this strategy.

The two approaches could be an antagonistic tension within NFWS. On the other hand, they provide an important opportunity for the initiative to test the outcomes associated with both models.

Career Advancement

Another strategic difference among partnerships was their approach to career advancement. Some implemented strategies specifically designed not just to provide participants access to jobs with good wages and benefits, but also to support them in advancing up a career ladder. Partnerships at the other end of the continuum had strategies focused on access with little or no emphasis on advancement after placement. Yet, some of these access strategies included bridge programs, supportive services, and other intensive efforts aimed at helping low-skilled individuals become job ready.

The Influence of Sector

The strategies collaboratives pursued were importantly a product of the sector in which they were operating. Some industries (such as healthcare) seemed to better lend themselves to career advancement strategies than others (such as transportation).

Another possible concern flowed from differences in the gender composition of industries. As a result, female participants in the partnerships appeared more likely than male participants to receive bachelor of arts (BA) or associate of arts (AA) degrees and occupational certificates, credentials, and licensures. They also appeared more likely to receive case management services.[8]

Employer Engagement

Employer involvement in some of the partnerships was quite limited. In cases where the reason was at least partially a failure on the part of the collaborative to require that partnerships substantially involve employers, that was beginning to change. The deep recession was another reason that partnerships had difficulty attracting and holding the interest of employers.

Strategic Convergence

Despite these divergences, NFWS did seem to have success in deepening the understanding of and commitment to its vision across the collaboratives. As described earlier, collaboratives were moving from funding sector training programs to funding workforce partnerships brokering a wider range of services; collaboratives also were recognizing the necessity of serious engagement by employers. The challenge has been and will continue to be how to have sufficient agreement on vision across all sites to provide coherence to the initiative and still allow for appropriate local variation and for

[8] Because this evaluation does not have access to participant-level data, we cannot be sure about these differences in services received. We are inferring the gender differences from the mix of services by industry and by program type (incumbent vs. non-incumbent).

different approaches to achieving similar goals.

Changes in the Economic and Political Environment

The first NFWS national evaluation report explored the effects that a radically changed economic environment was having on the initiative. This year, as well, stakeholders at all levels underscored the extent of the challenge.

On the other hand, as hoped, the National Fund benefited from the new federal monies available for workforce development and education/training. For example, NFWS, in partnership with five of the collaboratives, received an almost $8 million grant from the U.S. Department of Labor Pathways Out of Poverty funds.

In addition, all the collaboratives participated in efforts to secure ARRA funds for their regions —and many were successful. In addition to the five collaboratives just mentioned, another six reported that their workforce partnerships had received large federal ARRA grants, five had partnerships that received state or local grants from ARRA resources, two supported successful ARRA grant planning efforts by local organizations, and three successfully advocated for the increased ARRA funds to be used to maintain state sector programs.

Even those collaboratives that did not directly receive ARRA funds for their workforce partnerships reported some successes including grants still pending, projects developed for ARRA proposals that may be supported by other sources, and the development of a stronger regional framework for seeking other federal resources.

National Advocacy

The range of important workforce policy decisions being taken by the Obama administration in its first year lent a new urgency to advocacy at the national level. The National Fund investors were particularly concerned to ensure that its core principles be reflected in the purposes for which new money was put out and in the priorities of the U.S. Department of Labor, U.S. Department of Education, and other relevant federal agencies.

Although the investors would have liked to have seen even greater adoption of their principles, they were generally enthusiastic about the extent to which concerns for low-income populations, career advancement and career pathway strategies, and sectoral approaches were included in federal RFPs, administrative regulations, and so on. The question for subsequent years is whether NFWS will continue to place an important emphasis on national advocacy.

Conclusion

By the end of its second full year of implementation, the National Fund had become a large and complex project, operating in 22 regions of the country. Most significantly, the initiative had put in place the necessary local and national program infrastructure to carry out its work, and there was evidence that NFWS had begun to move the needle on its goals:

- workforce partnerships had served over 18,000 individuals and almost 1,000 employers;
- employers appeared to be actively engaged in the majority of partnerships;
- partnerships were generally serving individuals with significant barriers to success in the labor market;
- participants were largely receiving intensive services, including occupational training;
- most participants who had found jobs had been placed in the targeted sector;
- both collaboratives and partnerships were reporting important changes in employer practices, institutional behavior, and public policy to support income and career advancement for low-skilled, low-income individuals; and
- many key principles of the National Fund had made their way into the ARRA RFPs and policy directives from the U.S. Department of Labor.

The National Fund also had engaged over 250 local organizations — philanthropic, public, employer organizations, and others — in funding this effort and many more as partners in a wide variety of capacities.

Rich learnings were beginning to emerge from NFWS practice. For example, the National Fund was operating across a sufficiently wide range of sectors that it was testing and learning about how to best support income and career advancement goals for workers in very different industry settings. Clear differences in strategy and in the experiences of participants across sectors had already begun to emerge.

Similarly, the initiative was broad and diverse enough that it was emerging as a rich laboratory in which alternative strategies for implementing its broad principles were beginning to be tested. These included the most effective approaches to meeting the needs of workers with the greatest barriers and the best ways to diffuse and sustain the National Fund's innovations.

The recession and the fiscal crisis in many states provided both challenges and opportunities for the collaboratives and partnerships. The federal stimulus monies provided an important new source of funding. However, the National Fund continued to have internal challenges as well. A key concern was the extent to which collaboratives and partnerships were fully implementing the initiative's core principles and creating effective sector brokers. A number of the funded "partnerships" were actually better described as sector training programs, more restricted in their commitments and purposes than the NFWS intended.

Year three of the National Fund may well be an important one. One of the apparent lessons from the initiative so far is that mature collaboratives tend to be more effective than newer ones in supporting and directing the work of partnerships and in achieving public policy and other system change goals. Critical challenges for the third year will include deepening the growing shared understanding of and commitment to NFWS core principles among the collaboratives and testing whether, now that so much local capacity has been developed, NFWS can effectively mobilize the local partners and their experiences to influence state and national policymaking.

I. Introduction and National Strategy

Introduction

In September 2007, the Annie E. Casey, Ford, Hitachi, and Harry and Jeanette Weinberg foundations and the U.S. Department of Labor formally launched the National Fund for Workforce Solutions (National Fund or NFWS). They were joined by The Prudential Foundation, the Wal-Mart Foundation, the Microsoft Corporation, the John S. and James L. Knight Foundation, and the California Endowment.

As reported in the first NFWS national evaluation report, NFWS was shaped by a contradiction: an economic environment that placed a premium on skills and education and a policy environment that inadequately supported the acquisition of those assets by large segments of the population. The steep decline in public funding for education and training over the previous decade had eroded the prospects for a robust national workforce system responsive to the needs of workers and employers. The problem had been compounded by policies that emphasized "work first" over investments in skills.

The emergence of NFWS was also shaped by a growing understanding of what works in practice to meet the skills demands of workers and employers. In particular, the NFWS principles were built on three promising approaches:

Sector initiatives are industry-specific workforce development strategies tailored to a particular industry within a defined region. These initiatives develop knowledge of the targeted industry; create linkages to providers and stakeholders; and produce workforce outcomes that benefit employers, workers, and jobseekers.

Career pathways programs are longer-term advancement solutions to employment and skills shortages. They map occupational pathways within specific industry groupings to describe the skills needed to advance up occupational ladders. They also describe how workers can progress through postsecondary education or training that prepares them for these positions. Frequently, they include bridge programs[9] to provide entry points for the lowest-skilled workers.

Workforce intermediaries are local partnerships that bring together

[9] Bridge programs provide individuals with weak English, math, and other foundational skills the remedial education they need to enter vocational and/or academic education and training programs.

employers and workers, private and public funding, and relevant partners to fashion and implement pathways to employment and career advancement for low-income individuals. Workforce intermediary strategies emphasize dual customer approaches, the brokering and integration of services, and innovation.

While some private and public funders as well as state and local practitioners had implemented one or more of these strategies, the majority of efforts were pilots that reached limited numbers of workers and employers. The lessons and results of these practices were, by and large, not incorporated into mainstream public workforce programs or employer practices. NFWS sought to provide a "proof of concept" so as to influence broader and deeper public and private adoption of these approaches.

The second year of NFWS coincided with a dramatic change in the political and economic context. Labor shortages were replaced by long lines of jobseekers as unemployment rates skyrocketed. Industrial sectors that seemed strong in 2007 faltered while new growth opportunities emerged. States and local governments were forced to cut services as they struggled with deficits. At the same time, there was new political will at the federal level for spending on recovery and investments to help build and sustain a strengthened economy. Some of these investments were in education and training programs as well as in sectors that were expected to provide new sources of employment.

Both the challenge of the economic downturn and the opportunities of a new policy environment changed the landscape for NFWS and the efforts it supported.

By the end of its first year, the National Fund had created the infrastructure for moving towards its goals; by the end of the second year, it was beginning to realize the growth that this initial groundwork promised. By 2009, NFWS was operating in 22 regions, had served over 18,000 individuals and almost 1,000 employers, and had leveraged more than $100 million in local monies from both public and philanthropic funders. The remainder of this evaluation report provides more details on those accomplishments, the initiative's progress towards its goals, and the challenges and opportunities faced.

National Fund Characteristics, Goals, and Strategies

The National Fund's ambitious goals included expanding high quality workforce services for low-income individuals and employers, implementing innovative models of service delivery, and driving reform in workforce institutions and employer practices.

In its second year, the NFWS strategy continued to be based on a national investment platform to support and leverage resources from local funding collaboratives for regional workforce development initiatives.

NFWS defined a *funding collaborative* as a civic leadership and funding group that develops a shared strategic vision for workforce development in its region and that aligns resources from philanthropic, corporate, public, and other funders in an investment strategy to carry out its vision.

The *workforce partnerships* funded by the collaboratives were to build long-term relationships between employers and service providers to respond to identified industry needs for skilled labor and to create pathways for low-income workers to help them secure jobs with family-sustaining wages.

NFWS supported its collaboratives and workforce partnerships through technical assistance, policy advocacy, research, and communications.

NFWS Structure

To facilitate implementation and coordination at the national level, the NFWS funders organized themselves into an Investors Committee to oversee the initiative. The committee had responsibility for setting the overall vision, mission, and objectives of the fund; determining the site selection criteria and selecting collaboratives; leading the fundraising effort; and overseeing the development and implementation of a national communications campaign.

Jobs for the Future, Inc. (JFF) served as the NFWS implementation partner with responsibilities for managing the fiscal systems, site selection process, site support and peer learning, external consultant contracts, and research and evaluation. The Council on Foundations played a leadership role within the foundation community.

Implementation: First Year

NFWS began by funding 10 regional collaboratives; six had prior experience supporting workforce partnerships, including sites that had participated in the Workforce Intermediaries Pilot Project, the experiment preceding the launch of NFWS. Four of the sites were new and had no experience as a funding collaborative.

During its first year, under guidance from the NFWS investors and working with the Council on Foundations and United Way of America (UWA), JFF staff undertook an intensive effort to identify and support the development of new funding collaboratives across the country. As a result, two rural and nine regional collaboratives were funded by NFWS in October 2008. One additional collaborative was selected to join NFWS in October 2009.

The NFWS awarded three-year grants of approximately $150,000 per year to regional collaboratives and $100,000 a year to rural collaboratives with an option to renew for up to two additional years. Exact grant amounts were negotiated with each site. Collaboratives were asked to provide 80 percent of their total funding from local investments.

Implementation: Second Year

During its second full year, the National Fund continued the implementation of its founding strategy, but adapted its activities to a set of changing external and internal conditions. The initiative was presented with the opportunity of a new federal administration offering new resources and policy options and the twin challenges of managing an initiative that had, by several measures, more than doubled at the end of the first year and was tested by a national recession. As a result, the three major national activities for NFWS in 2009 were: seeking to embed the principles of the national fund into federal policy; going "deeper" with the collaboratives to help ensure successful implementation; and creating a stronger internal management structure to be able to support an increasingly complex initiative.

Policy Activities

The initial goal of policy activity for the National Fund in the beginning of the 2009 program year was to help collaboratives work at the state level to increase resources for workforce partnerships. That emphasis on state-level policy changed as the economy eroded, state budgets collapsed, and a new federal administration came into office.

The range of important workforce policy decisions being taken by the Obama administration in its first year lent a new urgency to advocacy at the national level. The National Fund investors sought to have its core principles reflected in the purposes for which new money was put out and in the priorities of the U.S. Department of Labor, U.S. Department of Education, and other relevant federal agencies. Additionally, they wanted to support the NFWS collaboratives and partnerships in taking advantage of new federal resources.

Many of the national investors and JFF staff had prior federal policy experience, long-term working relationships with workforce policy advocates, and connections with the new administration as well as Congressional leaders and staff. They used these assets to advocate for the initiative's core principles. Additionally they drew upon this expertise to provide information to the collaboratives on federal activities and support for policy advocacy at the state and local levels. The immediate focus of policy attention was the American Recovery and Reinvestment Act (ARRA) that pumped increased federal resources —including resources for workforce development — into an economy in recession.

When issued, the guidance and Requests for Proposals (RFPs) for the U.S. Department of Labor's ARRA funding reflected an emphasis on sector, career advancement, and dual customer, principles advocated by the NFWS investors, partners, and colleagues. Additionally, as described in more detail in a later section of this report, NFWS, its collaboratives, and workforce partnerships succeeded in winning millions of dollars in ARRA grants including awards from the Pathways Out of Poverty and State Labor Market Information Improvement competitions; securing funds from increased state and local workforce investment resources; and using the opportunity of the Unemployment Insurance Modernization Act that was a part of ARRA to expand unemployment benefits for low-income populations in at least one state.

Work with Sites

During its first year, the major priority for the initiative's implementation partner, JFF, was to identify and support local regions in creating regional funding collaboratives. At the beginning of the second year and with the doubling of the number of collaboratives, JFF was charged with helping the newer sites ramp-up more quickly and continuing to support the more established sites.

The number of NFWS site coaches was increased to match the growth in collaboratives. For the new sites, the site coaches were asked to assist collaboratives to establish and implement governance structures; develop fundraising capabilities and investment plans; identify and secure local evaluators; and build workforce partnership, system reform, and capacity-building strategies. The coaches' responsibilities for the more established sites varied based on the collaborative's stage of development, expressed needs, and, to some degree, the coach's experience and view of his/her role. Each coach needed to balance a project management role with that of a strategic advisor.

Interviews with collaborative staff indicated that two of their most important motivations for participating in NFWS were the opportunity for peer learning and access to potential new resources. The initiative sought to fill this need during 2009 by offering two national-level peer learning meetings, a monthly webinar series, and support for affinity groups.

The webinar series alternated between policy and practice topics. Policy topics included presentations on national policy initiatives, strategies and talking points for local advocacy around ARRA, and updates on federal legislation. Practice topics included practical issues such as how to organize a collaborative, fundraising, using data, and technology learning tools as well as topics on critical NFWS principles such as supporting career advancement for low-income adults and strengthening connections between adult literacy and workforce development.

In addition to the webinars, affinity groups that included both representatives from the workforce partnerships and the collaboratives were established. These included groups on community colleges, rural issues, construction, manufacturing, green collar jobs, and healthcare.

Management

The rapid growth of the initiative in its first year caused the investors to re-evaluate whether the existing management structure could adequately support its increasing — and increasingly complex —workload. Additionally, the investors recognized a need to be more explicit internally and externally on the goals of the initiative and to deepen its strategy. As a result, NFWS hired an interim executive director to make an assessment of its operations, to work with investors to develop an interim strategic plan, and to provide recommendations for a stronger management structure for the rapidly growing initiative.

The attention to strengthening the initiative's management resulted in a new committee and leadership structure among the investors and, at the end of the year, the hiring of a full-time executive director.

Organization of the Report

This report describes the initiative in its second full year of implementation. It builds on the first baseline evaluation report and provides information on the goals, strategies, and characteristics of the initiative as it has more fully developed.

The report is organized into five sections. These include sections providing qualitative and quantitative information on the funding collaboratives and workforce partnerships; a section describing the outputs and outcomes of the initiative; and a conclusion. There are three appendices at the end of the report. The first, organized by collaborative, has a short profile of each collaborative and workforce partnership that provided data for this evaluation report. The second appendix lists the partnerships in rank order by number of participants served. The third appendix provides additional selected participant data.

The data for this report came from several sources. Unless otherwise noted, the quantitative data on both the funding collaboratives and the workforce partnerships are from reports submitted to the NFWS evaluators in January-February 2010, using the NFWS web-based reporting system. In the case of the collaboratives, the quantitative reporting covered the period of time from the start of their contract with NFWS through December 31, 2009. The partnerships' reports covered the period from the start of their contract with their funding collaborative through December 31, 2009.

These quantitative data on the workforce partnerships were supplemented by qualitative data from the collaboratives' local evaluators. The national evaluation developed a set of common questions on the basic profiles, goals, strategies, and results for each workforce partnership. The local evaluators used these questions in their data gathering and assessment of local workforce partnerships and provided short reports or embedded information on the common questions in evaluation reports prepared for the relevant funding collaborative.

Additional qualitative information on the collaboratives was gathered by the national evaluators through a limited number of site visits, interviews with the collaboratives, and background and other materials the collaboratives or JFF provided to the evaluators.

Information more broadly on NFWS' background, implementation, national initiatives, and national context came from interviews with and materials provided by NFWS national investors, NFWS national partners, national observers and stakeholders, and JFF staff.

II. Funding Collaboratives

Key Observations

- *The number of NFWS collaboratives more than doubled from its first year to 22 in 2009.*

- *The number of funders active in the collaboratives increased 40 percent.* There were 256 funder organizations in the collaboratives in 2009.

- *The $23.7 million of NFWS funds leveraged over $104 million from the collaborative investors.*

- *The majority of the collaboratives were new, but there also were experienced funders groups.* Fifty percent of the collaboratives were one year old or less; nearly 14 percent had been established for five or more years.

- *The collaboratives varied in their regional scope and geographic region.* Ten primarily targeted cities, six targeted metropolitan regions, and two targeted rural regions. Two worked statewide; two regionally.

- *The fiscal leads of the collaboratives were primarily foundations (11) or local United Way agencies (7).* Two were led by a workforce investment board, one by a chamber of commerce.

- *Funding levels among the collaboratives varied from just over $400,000 to $16 million.* The majority reported annual revenues of over $1 million.

- *The sectoral focus of collaboratives was similar to 2008, but there was an increasing emphasis on "green."* All the collaboratives targeted healthcare, 15 targeted construction, and 13 targeted manufacturing. Eleven had an energy focus.

- *Some collaboratives were more traditional "arms-length" funders; others tended to be proactive in developing and guiding workforce partnerships and in advocacy.* Traditional funders were more likely to fund sector training programs.

- *Collaboratives' strategies differed.* Most focused on developing sector intermediaries, but some prioritized embedding NFWS principles in public institutions. Collaboratives also varied in their focus on economic development and policy advocacy.

Collaborative Background and Characteristics

Age

The majority of the NFWS collaboratives were relatively new at the time of reporting; 55 percent were slightly over a year old. However, the collaboratives also included experienced funder groups that had made aligned workforce investments for five years or more. Six of the collaboratives received support from the initial NFWS investors prior to the initiative's launch (cohort 1), four joined when the NFWS initiative was formally implemented in 2007 (cohort 2), 11 joined NFWS in October 2008 (cohort 3), and one joined in October 2009.

Regional Composition of the Collaboratives

The 22 collaboratives varied in their regional scope and geographic region. Ten primarily targeted cities, including the three biggest cities in the country. Six targeted metropolitan regions and two targeted rural regions. Two of the collaboratives focused efforts statewide and two worked regionally, across state lines.

The collaboratives were primarily located in the Midwest and East Coast, with some representation in the West. There was one collaborative located in the South.

Exhibit II-1: Location and Age of Funding Collaboratives

	East (8)	South (1)	Midwest (8)	West (5)
Initiated prior to 2007	Baltimore Boston New York City Rhode Island Pennsylvania			Bay Area
Funded by NFWS in October 2007	Washington, D.C.		Chicago	Los Angeles San Diego
Funded by NFWS in October 2008	Hartford Philadelphia	Dan River, Virginia	Central WI Cincinnati Des Moines Milwaukee Omaha Wichita	Denver Seattle
Funded by NFWS in October 2009			Detroit	

Source: NFWS Data Reporting System

Organization and Governance

The funding collaboratives varied organizationally. Some were stand-alone operations, but others had connections to wider workforce or economic development initiatives underway in their region. All the collaboratives had staffing support; nine had full-time directors, seven used part-time staff from the fiscal lead organization, and five contracted with partner organizations for management support. Most were organized with a leadership committee as well as committees in areas such as evaluation, public policy, or capacity-building.

The fiscal leads of the collaboratives were primarily foundations (11) or local United Way agencies (7). Additionally, two were led by a workforce investment board, one by a chamber of commerce, and one by a research organization. United Way was the fiscal lead in five of the 12 collaboratives in cohort 3, partly reflecting the outreach and development role played by the United Way of America. (See Exhibit II-2.)

Exhibit II-2: Collaboratives' Fiscal Lead

Foundation (11)	United Way (7)	Workforce Investment Board (2)	Chamber of Commerce (1)	Research Org. (1)
Baltimore Bay Area Boston Central WI Chicago Greater Cincinnati Dan River Metro Milwaukee New York Seattle Washington, D.C.	Denver Des Moines Detroit Hartford Los Angeles Philadelphia Rhode Island	San Diego Wichita	Omaha	PA

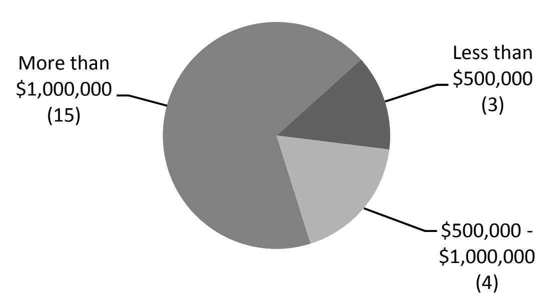
Source: NFWS Data Reporting System

Amount of Funding

In its funding, NFWS required that local contributions represented at least 80 percent of the total budget.[10] This was one method of identifying local commitment and supporting robust regional investments. NFWS provided up to $150,000 per year for regional collaboratives and $100,000 for rural collaboratives. In the last program year (October 2008 through September 2009), the collaboratives' total budgeted revenues ranged from slightly over $400,000 to $16 million. While in the last evaluation report cohort 1 collaboratives tended to have greater total budgeted revenues than those of cohort 2 or cohort 3, in the second year of the initiative almost 75 percent of the collaboratives reported annual budgets over $1 million. (See Exhibit II-3.)

Local contributions were either "pooled" or "aligned." Pooled funds were those collected and held by one partner with investment decisions made by the overall funding collaborative.

Exhibit II-3: Collaboratives by Annual Revenue (n=22)



Source: NFWS Data Reporting System

[10] Baltimore has not received funding from NFWS, but some of its funders were also NFWS investors and they directly invested in the collaborative's workforce partnerships and pooled funds to support a staff person and other common activities.

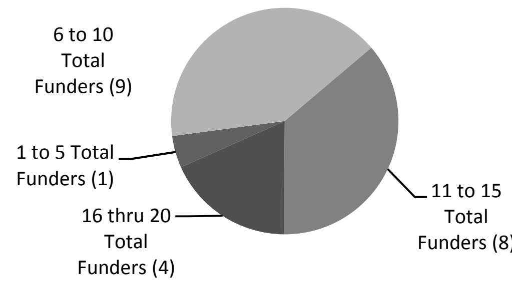
A few collaboratives reported some difficulties in raising funds. The difficulties were primarily related to the recession: declining foundation endowments, reductions in state funding, reduced employer contributions to United Way, and declines in employer contributions. However, all the collaboratives were able to make their promised NFWS match. Collaborative staff said that some investors saw the pooling of funds from multiple investors as a way for their contribution to have more potential for impact, particularly in a period of constrained resources.

Types of Investors

In total, the collaboratives reported 256 funder organizations for 2009 compared to 183 in 2008. Eighteen of the 21 collaboratives that had reported in 2008 increased the number of investors in 2009; three sites reported no change; and one reported a loss of one investor.

The number of funders within each collaborative ranged from four to 27. (See Exhibit II-4.) The $23.7 million of NFWS funds leveraged over $104 million from the collaborative investors and that amount is expected to grow over the years as new funders participate and current funders renew commitments.

Exhibit II-4: Collaboratives by Number of Total Funders (n=22)



Source: NFWS Data Reporting System

Philanthropic organizations were the largest funding group (60 percent). All the collaboratives reported philanthropic funding, but the percentage of the philanthropic investors within each collaborative ranged from 28 percent to 92 percent.

Public agencies were the next largest group of funders (20 percent) with 20 of the 22 collaboratives reporting pooled or aligned public funds. The percentage of public sector investors in each collaborative ranged from zero for the two rural collaboratives to a high of 53 percent. Employers and employer associations represented 15 percent of the funder types within the collaboratives. Thirteen collaboratives reported having employer funders. (See Exhibit II-5 on the next page.)

The character of the funding sometimes shaped how it could be used. For instance, public funds could not be easily pooled and so often were aligned to support the collaboratives' workforce partnerships and other grantees. In general, when public funds were pooled, the collaboratives used somewhat more flexible sources of public funds.[11] The funding to collaboratives from workforce investment boards was overwhelmingly aligned funds. Employer contributions were generally fees related to participation in the collaborative or contributions related to investments in activities targeted to their sectors of interest.

Sectoral Focus

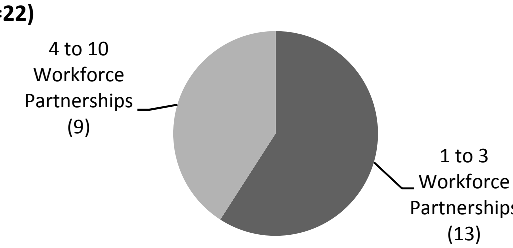
All the collaboratives included the healthcare industry as a target, 15 identified the construction industry, and 13 identified manufacturing. (See Exhibit II-6 on the next page.) The number of collaboratives with an energy focus increased from six to 11 since 2008. Additionally, the collaboratives had a "green" focus in at least four of the sectors they were targeting. Almost all collaboratives that reported construction and energy as a target sector were targeting green jobs.[12]

Types of Investments

Investments in Workforce Partnerships

At the end of the second year, all the funding collaboratives had established one or more workforce partnerships. Forty percent of the collaboratives supported more than four partnerships. (See Exhibit II-7.)

Exhibit II-7: Collaboratives by Number of Workforce Partnerships (n=22)

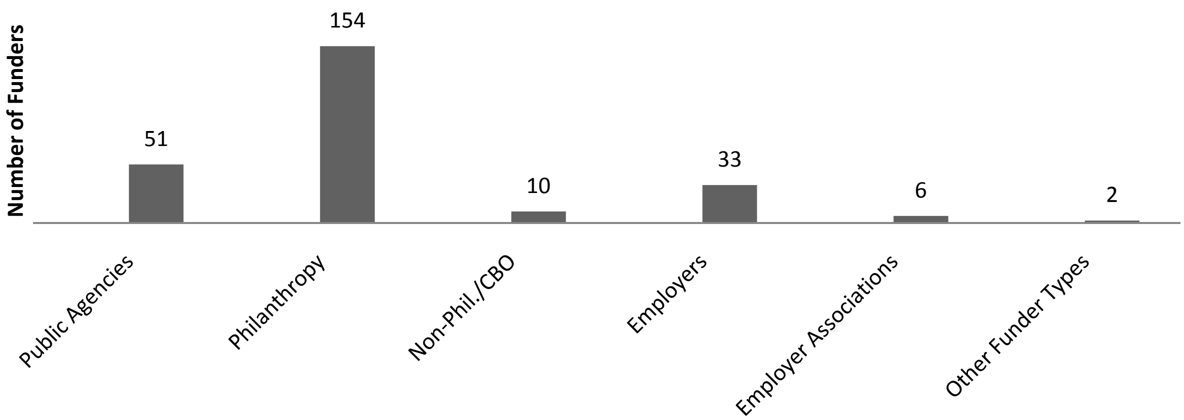


Source: NFWS Data Reporting System

[11] Examples of more flexible public funds included contributions from a "linkage" fund in Boston and the Mayor's Innovation Fund in New York. One collaborative received aligned training funds set aside from a state settlement with the tobacco industry. Even those sites with more traditional sources of public funds utilized the more discretionary components such as state Workforce Investment Act (WIA) funds and community college discretionary funds.

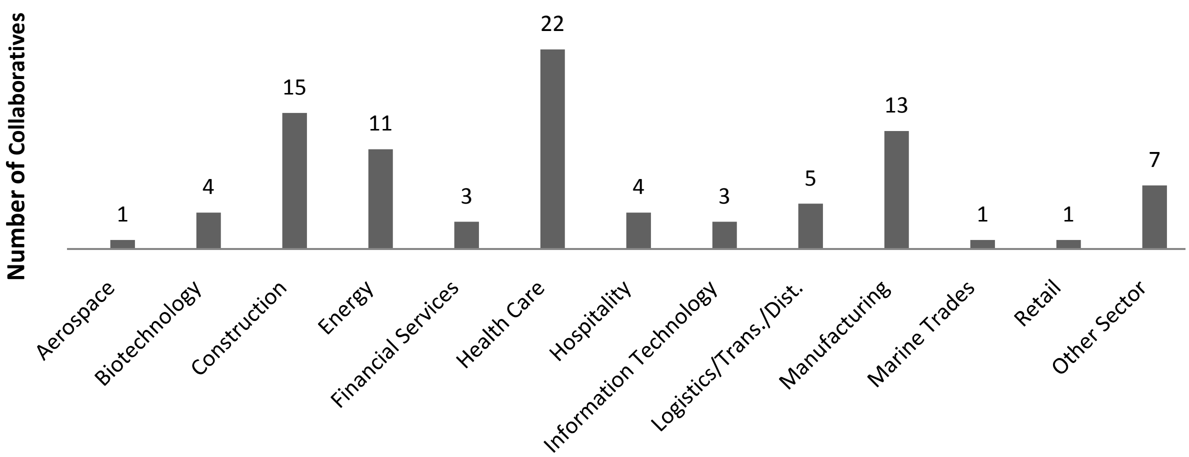
[12] Thirteen of the 15 collaboratives targeting construction and 10 of the 11 collaboratives targeting energy were also targeting green jobs.

Exhibit II-5: Number of Collaborative Funders by Funder Type (n=22)



Source: NFWS Data Reporting System

Exhibit II-6: Collaboratives by Target Sector (n=22)



Source: NFWS Data Reporting System

The collaboratives reported funding 84 workforce partnerships, a sharp increase from the 37 workforce partnerships reporting in 2008. However, 21 of the partnerships were unable to provide data for this year's evaluation report, which most likely meant that they were recently funded.[13]

The growth in partnerships appeared to be primarily related to the newest collaboratives' investments. During the second full year of NFWS, all the collaboratives — including the collaborative funded by NFWS in October 2009 — reported that they had invested in workforce partnerships.

Although each cohort had at least one large workforce partnership, cohorts 1 and 2 were responsible for 68 percent of all participants. Eight-four percent of the employers receiving services also were from cohorts 1 or 2.

Investments in Capacity-Building Grantees

Nine collaboratives had invested in capacity-building grantees; only two of these were in cohort 3.[14]

[13] Fifty-two percent of those partnerships not reporting data were from the collaboratives formed after October 2008. Three of the more established collaboratives had recently launched new initiatives and also had a few partnerships not yet ready to report.

[14] The New York City collaborative did not report a capacity-building grantee during this reporting period because this work is being done under a previously issued contract. Capacity-building, however, remains a key component of its strategy.

Funding Collaborative Strategies

Introduction

Collaboratives were mandated by their memoranda of understanding with NFWS to make three types of strategic investment: in workforce partnerships , systems change, and capacity-building.[15] The following NFWS principles also were meant to frame the overall work of each collaborative:

- a commitment to providing services to low-income, low- skilled individuals with the intent of improving their career and income prospects;
- a dual customer focus with an equal commitment to supporting workforce goals for individuals and employers;
- strategies and services designed to support and promote career advancement; and
- a focus on a sector to better understand employer needs, identify the prospects for low- income workers, and have greater potential for influencing a regional industry.

[15] Collaboratives were also asked to make investments in local evaluations and research.

Activist vs. Traditional Collaboratives

However, the collaboratives' strategies also were shaped by how they viewed their own role. In this, they formed a continuum from those that played the more traditional and narrow role of funder to those with conscious and sometmes far-reaching ambitions to impact local labor markets and workforce systems. Activist collaboratives were more proactive in selecting sectors, guiding partnerships, and fostering broader system change.

Choosing Sectors

Activist collaboratives identified the sectors in which they would make investments based on labor market research or industry feedback. Some were extremely active in initiatiating sectoral programs by recruiting employers, identifying strategies and resources, and/or selecting the intermediary charged with leading the sectoral partnership. Others selected sectors through a competitive RFP process, where they carefully specified the criteria for a workforce partnership.

Guiding Workforce Partnerships

The activist collaboratives also provided ongoing support and guidance to the partnerships they funded, while more traditional collaboratives were less clear in their expectations and appeared to maintain a more arms-length relationship with grantees.

In some cases, the result of less active guidance was the funding of sectoral training programs rather than workforce partnerships. These programs provided training for occupations within a specified industry, but tended not to have strong relationships with employers. Also, the training programs, dependent on the collaborative's funding, generally ended when their grants were completed and were, therefore, less likely to support longer-term career advancement strategies.

The more experienced collaboratives reported that they had become increasingly knowledgeable about how to select and nurture strong partnerships. Based on that knowledge, their selection criteria included factors such as the strength and management capabilities of the lead organization, the quality and breadth of the partner organizations, the strength of the connection to educational institutions, the active engagement of employers, and the quality of career advancement strategies. Mature collaboratives also tended to have an active process of ongoing site review and technical assistance.

Serving as Labor Market or Regional Brokers

Compared to traditional funders — either public or philanthropic — the activist collaboratives functioned as broad labor market or regional intermediaries. For example, one collaborative's selection of three diverse sectors — healthcare, biotechnology, and construction — offered a variety of entry points for different demographic groups within the low-income neighborhoods being targeted. The long-term sustained focus on low-income residents by multiple partnerships increased the reach and breath of the collaborative's investments.

Similarly, another activist collaborative built on over 20 years of sectoral initiatives in healthcare within its region. Interviews with healthcare employers in this region indicated the influence of this sustained work.

Again, more traditional collaboratives had shorter time horizons and were much less likely to have an overarching view of their labor market.

Intermediary Strategies

Among those collaboratives committed to developing workforce partnerships rather than just sector programs, most were committed to industry partnerships with strong employer engagement capable of brokering the range of services low-income individuals need to access good jobs. In the process, these collaboratives also sought to make changes in employer and institutional behavior.

A subset of collaboratives pursued a somewhat different strategy. At least six collaboratives, including three of the original workforce intermediary pilot sites, were attempting to embed the brokering role within public institutions such as community colleges and one-stop career centers. These collaboratives saw changing public policy and public institutions as essential to developing a program at the scale needed to reach large numbers of low-income individuals and employers.

The two approaches appeared to mirror each other's strengths and weaknesses. In the one case, a primary challenge was whether a strategy based in public institutions could provide the intensive interventions necessary to connect individuals facing multiple barriers to jobs and careers offering family-sustaining incomes. Alternatively, a principal challenge faced by collaboratives supporting smaller partnerships offering highly customized services was whether they could expand the reach of these efforts sufficiently to have any meaningful impact on low-income individuals and employers. However, both efforts had to address each kind of challenge to some degree.

Strengthening and Changing Institutions

Apart from these strategic differences, most collaboratives sought to strengthen the ability of their community colleges to serve low-income individuals and employers. In some cases, the collaboratives directly funded a community college through a workforce partnership or capacity-building grant. More commonly, the collaboratives encouraged or required their partnerships to implement strategies that strengthened the community colleges' ability to effectively serve low-skilled, low-income individuals.

In both cases, the community colleges were given support and incentives in areas such as providing work-based learning, offering classes and services at more convenient times and locations, developing new certificate programs, aligning pre-college training with credit bearing courses, and more deeply involving employers in curriculum development.

Similarly, some collaboratives invested in institutions such as labor unions and community-based organizations in a deliberate effort to strengthen their capacity to serve a target population, better engage employers, or expand a type of offering. For instance, several collaboratives invested in labor-management partnerships, helping them to expand their training offerings from an "employee benefit" to a structured program supporting career advancement of new and entry-level workers.

All the collaboratives engaged with their workforce investment boards. The workforce investment boards (WIBs) played different roles within the collaboratives including fiscal lead, co-investor, grantee, source of labor market information, connector to sector employers, and strategic partner in systems reform and capacity building. To some degree, the WIB relationship with the collaborative was shaped by how coterminous the regional focus of each entity was and whether there were multiple WIBs within a collaborative's region.

There also were differences among the WIBs in the roles they played within their regions that affected how they interacted with a collaborative. For example, in several collaborative regions, the local WIB was a service deliverer as well as an investor of public funds and needed to choose which role it wanted to play in relating to the collaborative. In two regions, the local WIBs were being reconstituted after being taken over by the state. The collaboratives assisted with these rebuilding efforts and anticipated that new WIBs would play a central role in the collaborative once re-established.

Economic Development vs. Serving the Hard-to-Serve

All collaboratives had a "dual customer" approach, focusing on the needs of both employers and low-income individuals; however, their original lens and emphasis differed. Many of the collaboratives based in economic development or employer-focused strategies selected their sectoral focus based on the importance of the industry to their regional economy and, in some cases, the type of employers active in the initiative. Frequently, these collaboratives grew out of employer-organized efforts to better access and retain a skilled workforce. Alternatively, many of the collaboratives based in organizations with a mission centered on low-income populations generally assessed an industry based on the number and quality of its entry-level jobs and the possibilities for career advancement.

The initial "lens" seemed to influence other factors also such as whether to engage in incumbent worker programming, the choice of target population, and service strategies. The resulting partnerships had different strengths and weaknesses. Some lacked serious employer involvement while others had less emphasis on serving populations with serious barriers.

Capacity-Building Strategies

There were two major differences in the collaboratives' capacity-building efforts. The first was whether a capacity-building strategy was in place at all and the second was the focus of this strategy. During 2009, there was a limited increase in capacity building. In total, 10 collaboratives, primarily concentrated in the earlier cohorts, had capacity-building grantees.

Collaboratives' capacity-building strategies were divided between those that focused exclusively on the funded workforce partnerships and those that more broadly aimed at "field-building." Field-building in this context meant developing leaders, building strong service delivery organizations, and embedding best practices in the local community or region.

The collaboratives that were focused on strengthening their funded workforce partnerships varied in the formality of their strategies. A few collaboratives had capacity-building providers offering extensive technical assistance; other collaboratives described a more organic process of identifying need and then developing a response.

Five collaboratives had a field-building strategy seeking to create stronger practices with provider organizations in the region. Field-building support included an intensive sector practicum, targeted workshops on key topic areas such as green jobs, support for peer networking, and research and dissemination of best practices.

Some of the most established collaboratives had impressive capacity-building efforts underway to strengthen the abilities of their partnerships and their local workforce systems more broadly. In one particularly noteworthy effort to support its workforce partnerships, a mature collaborative hired a local organization specializing in capacity building to provide a combination of individualized technical assistance to each partnership and workshops based on common areas of need. Each partnership was assigned a consultant who worked with its staff to map out a scope of work for the year. This scope was based on evaluation documents and other sources of information that identified needed areas of work. Group training and peer learning were provided based on the identified common needs. There were two peer learning groups, one for project directors and the other for career coaches.

In another field-building effort, a collaborative determined that there was insufficient capacity within its city's provider community to successfully implement a sectoral partnership strategy that could reach a sufficient number of low-income individuals and employers. As a result, the collaborative invested in a sector strategies practicum delivered by an organization with expertise in this work. City organizations seeking to develop or deepen sector strategies applied to participate. The nine-month practicum offered an intensive opening retreat, a series of monthly workshop sessions for staff and partners, and hands-on technical assistance. In these sessions, organizations engaged with national experts as they targeted industry sectors and engaged partners. Work from these sessions fed into a strategy document that acted as the foundation for program and resource development, discussions with key partners, and other critical implementation steps. A second sector strategies practicum began in January 2010 and was focused solely on the healthcare sector.

Changing Employer Practices

For the most part, the collaboratives supported changes in employer practices through their workforce partnerships. In other cases, the collaborative was directly engaged in changing employer practices. Strategies to change employer behavior were less well-developed and articulated by the collaboratives than other systems change straegies. However, at least nine of the sites were engaged in this work.

Collaboratives sharpened the focus of their partnerships on changing employer practices both through funding criteria and technical assistance. For example, the collaboratives that stressed career advancement in their funding criteria created incentives for working with employers to identify and, in some cases, create internal career ladders as well as human resources policies that supported and rewarded skills attainment.

A few collaboratives also were directly engaged in work that was likely to affect employers' human resources practices. One example was work that at least two sites were doing creating or promoting "first source" hiring agreements, giving priority in hiring for publicly-funded construction projects to local workers. Several collaboratives also actively organized or supported the organization of employers to share information on human resource and workplace policies.

Changing Public Policy

The collaboratives' public policy advocacy strategies generally fell into two groups: some saw influencing public policy as a key collaborative goal; others had more limited support for these activities and less certainty in how this fit into their overall initiative.

The first NFWS national evaluation report described great variation in public policy strategies of the collaboratives including the target of the advocacy (state or local government), the types of issues (increased workforce funding or specific policy changes), and whether the collaborative funded a systems reform grantee or directly organized its own advocacy efforts. In 2009, there appeared to be greater convergence in both the engagement of collaboratives in public policy and in the focus of their attention.

The most striking trend was the almost universal emphasis on federal policy and funding. There were two major reasons for this. The first was the severe budget crisis in almost every state. This meant that collaboratives that had been seeking increased state resources for workforce development put less emphasis on that agenda or switched to advocating for sustaining existing funding. Second, the collaboratives focused more on national-level policy efforts because of the increased federal policy and funding opportunities.

Early in 2009, in anticipation of changes in federal policy, most of the collaboratives directly organized or joined regional coalitions to provide information and advice on effective workforce and economic development policies to state and local officials. The collaboratives also played an active role when the passage of the American Recovery and Reinvestment Act provided increased resources for workforce development. (See *Report Spotlight,* page 70, for a fuller discussion of the collaboratives' ARRA activities.)

The roles of collaboratives around ARRA included:

- convening meetings with regional

stakeholders to provide information on the resources within ARRA and to plan strategies for seeking those resources;

- providing planning grants to local organizations seeking federal funds;
- directly seeking federal funds for the collaboratives' partnerships;
- supporting other local efforts to seek federal and state funding; and
- providing advice on the use of new federal funds coming into state and local workforce investment areas.

Overall, more collaboratives reported initiating public advocacy efforts and changes in 2009 than in 2008. This appeared related both to the opportunities presented and the fact that many of the newest collaboratives had begun to implement public advocacy efforts.

Responding to the Recession

Finally, during the reporting period, some collaboratives made adjustments to their sectoral targets based on the recession. For instance, one collaborative began to develop a healthcare partnership when the aerospace industry, its original target sector, experienced cutbacks in employment. Another collaborative supported two of its partnerships to change their sectoral focus when the marine trades and distribution sectors were particularly hard hit by the economic downturn. Other collaboratives delayed implementation of workforce partnerships in new sectors until it was clearer that these industries would again have employment demand.

The recession also caused collaboratives to seek new sectors with prospects for job growth. Interviews with the collaboratives indicated that the increased focus on the energy sector and green jobs was driven both by the anticipation of job growth and by increased private and public resources available to support training for these occupations.

Funding Collaboratives Implementation Challenges

The Recession

The collaboratives clearly were tested by the recession. Their investors faced increased fiscal constraints, employers offered fewer new jobs and had more competition for the positions and advancement opportunities available, and states faced severe fiscal crises making it more difficult to advocate for increased funding for workforce development. As just described, some collaboratives made strategy adjustments to better meet the challenges to their regional economies and the new fiscal constraints.

Implementing NFWS Principles

During 2009, NFWS appeared to have had success in deepening the understanding of and commitment to its vision across the collaboratives. Some newer collaboratives were moving from funding sector training programs to funding workforce partnerships that brokered a wider range of services; some collaboratives that had not done so also were recognizing the necessity of serious engagement by employers.

At the same time, there was still significant variation in the extent to which collaboratives had implemented these practices. Mature collaboratives were much more likely to have fully implemented NFWS principles than newer ones, but age did not appear to be the only determining factor.

Similarly, there were challenges in implementing career advancement strategies. This was partly due to the impact of the recession; however, it also appeared to be related to collaboratives' commitment to this goal.

The variation in implementation of NFWS core principles appeared to be quite different from and unrelated to strategic differences over how to best implement those principles. Instead, the variation appeared to reflect confusion in how to implement those principles and, in particular, how to create effective employer engagement, intermediary-like partnerships, and career advancement strategies.

III. Workforce Partnerships

Key Observations

- *The partnerships were beginning to "come online."* Collaboratives reported funding 84 workforce partnerships, 56 of which reported participant information.

- *More than half the partnerships were new and small; however, there were 23 partnerships (41 percent) with over 100 participants and six that served over 500.* Together, they served 92 percent of participants. The largest partnership served 33 percent of participants.

- *Most workforce partnerships were in healthcare, construction, and biotechnology*. However, the three partnerships in logistics, transportation, and distribution provided services to 34 percent of all participants.

- *The majority of partnerships (59, or 94 percent) provided services to non-incumbent workers, but many (25, or 40 percent) also offered an incumbent worker program.*

- *Almost half of the lead organizations in each partnership were a community-based organization or "other nonprofit."*

- *Employers participated in virtually all partnerships*. Other key partners included community colleges and WIBs and/or one-stop career centers.

- *Strategies for individuals differed by sector and program type.* Logistics, transportation, and distribution partnerships focused on job readiness. Healthcare programs emphasized occupational training and career advancement. Incumbent programs were most likely to focus on career pathways.

- *Employers were active in partnerships and played a wide variety of roles:* identifying need; designing programs; screening participants; and providing internships, financial support, and on-the-job training.

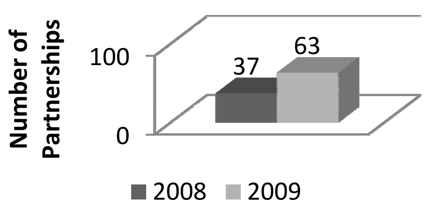
- *Approximately half of the partnerships had system change strategies in place linked to their target sectors and populations.*

Workforce Partnership Background and Characteristics

Overview

The number of funded workforce partnerships grew from 37 in 2008 to 63 in 2009; of these, 56 reported serving participants. (See Exhibit III-1.)[16]

Exhibit III-1: Number of Partnerships: 2008 and 2009



Source: NFWS Data Reporting System

The total number of participants increased from 6,306 to 18,036. These figures are cumulative, but given how many partnerships are still very new it is likely that the number of participants receiving services will continue to increase through next year.

Age of Partnerships

The partnerships represented a combination of new and experienced providers.

Some partnerships had been operating prior to 2000, but most were very new. Forty-three percent were formed in 2008 or 2009; the same share (43 percent) did not receive a contract from a NFWS-affiliated collaborative until 2009.

Alternatively, 17 percent of partnerships were formed in 2000 or earlier; 43 percent were formed prior to the launch of NFWS in 2007. Six partnerships were part of a pilot project that preceded NFWS and, therefore, received contracts as early as 2004. (See Exhibit III-2.)

Exhibit III-2: Workforce Partnerships by Date of Formation and NFWS-Related Contract Date

	Date Formed		Contract Date	
	Number	Percent	Number	Percent
2006 or earlier	27	43%	6	10%
2007	9	14%	12	19%
2008	10	16%	18	29%
2009	17	27%	27	43%

Source: NFWS Data Reporting System

The difference between the date of partnership formation and the NFWS-related contract start date provides some sense of the number of partnerships that pre-existed NFWS, compared to those that were actively organized by collaboratives or formed in response to collaboratives' RFPs. From these data, it appears that the National Fund initiative was responsible for the formation of the majority of partnerships (at least 57 percent) and, in

[16] The collaboratives reported funding 84 partnerships, but only 63 were able to report to the NFWS national evaluation data reporting system, and of those 56 reported participant data.

fact, the actual share is probably higher.[17]

Scale

One way to describe the scale of the partnerships is by the number of individuals they served. By year two of the National Fund initiative, the number of participants served ranged from seven to 5,964, with the median being 75 participants and the mean being 322 participants. Of the 56 partnerships serving individuals, 33 served less than 100 individuals and six served over 500. (See Exhibit III-3.)

Exhibit III-3: Workforce Partnerships by Numbers of Participants Served

Number of Participants Served	Number of Workforce Partnerships (n=56)	Percent of Workforce Partnerships
1-30	11	20%
31-60	12	21%
61-100	10	18%
101-500	17	30%
More than 500	6	11%

Source: NFWS Data Reporting System

The largest two partnerships served almost half (49 percent) of participants; the largest partnership served 33 percent. Excluding these two, the average number of participants served per partnership was 171 and the median was 65.

Sixty four percent (7) of the smallest partnerships (less than 30 participants) were formed in 2009. Of the 23 partnerships serving 100 or more participants, 74 percent were formed in 2007 or earlier. The growth in the number of partnerships was due to new partnerships formed by the newest collaboratives. The increase in participants was driven by the more mature partnerships.

Sector Focus

Partnerships operated in four principal sectors, each very different from the others in terms of its occupational structure, labor force needs, the demographics of the labor force, and the competitive dynamics.

The healthcare industry was the focus of the greatest proportion (40 percent) of partnerships (25). Each collaborative had at least one healthcare partnership; some had more than one. Despite their large number, in aggregate, healthcare partnerships served less than 30 percent of participants. In contrast, only 5 percent (or three partnerships) were in the logistics, transportation, and distribution sector, but these included the largest partnership and, therefore, served 34 percent of all participants. (See Appendix II for a listing of all

[17] Some lead organizations in partnerships appear to have reported the founding date of their organization rather than the date of formation of the partnership.

workforce partnerships by numbers of participants served.)

The other two industry sectors with the largest concentration of partnerships were construction (13 percent or eight partnerships) and biotechnology (10 percent or six partnerships). Construction accounted for slightly less than 8 percent of participants and biotechnology only 3 percent. (See Exhibit III-4.)

Exhibit III-4: Workforce Partnerships by Industry Sector

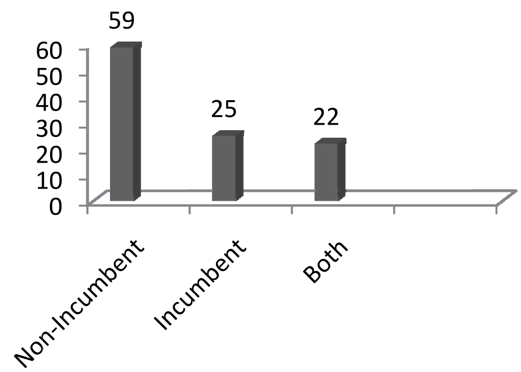
Industry Sector	Partnerships		Participants	
	Number	Percent	Number	Percent
Aerospace	1	2%	19	<1%
Biotechnology	6	10%	551	3%
Construction	8	13%	1,359	8%
Energy	3	5%	28	<1%
Financial Services	1	2%	52	<1%
Healthcare	25	40%	5,353	30%
Hospitality	2	3%	142	<1%
Information technology	2	3%	26	<1%
Logistics, transportation, distribution	3	5%	6,061	34%
Manufacturing	5	8%	151	<1%
Marine Trades	1	2%	17	<1%
Other[18]	6	10%	4,277	24%

Source: NFWS Data Reporting System

Program Type

Almost all partnerships (59, or 94 percent) offered a non-incumbent program; 25 (or 40 percent) offered an incumbent program. The majority of partnerships (37) offered only a non-incumbent program; three offered only an incumbent program; 22 offered both. (See Exhibit III-5.)

Exhibit III-5: Partnerships by Program Type



Source: NFWS Data Reporting System

Nearly half (48 percent) the incumbent worker programs were in the healthcare industry.[19] Ten healthcare partnerships offered both incumbent and non-incumbent programs; one offered only an incumbent worker program.

The other major sectors — construction; biotechnology; and logistics, transportation, and distribution — offered only non-incumbent programs. There was one incumbent worker program in the hospitality sector, one in energy, one in information technology, and two in manufacturing. Excluding

[18] This category includes one large partnership that works both in the construction and manufacturing sectors. The partnership was not able to disaggregate the data by sector for this report, but will for the next annual report.

[19] In fact, the concentration of actual incumbent worker programs is in the healthcare industry.

some community college programs and one partnership that did not disaggregate data by industry, fully 92 percent of incumbent participants were in healthcare.[20]

Lead Organization and Types of Participating Organizations

Almost half (49 percent) of the lead organizations in each partnership were either community-based organizations (CBOs) or described themselves as "other nonprofit." CBO/nonprofit dominance in the partnerships was less in the second year of the initiative than in the first year, when they led 67 percent of all partnerships.

Another 22 percent of the partnerships were led by a community college or other educational institution or training provider. Workforce investment boards or one-stop career centers led 12 percent and employers or unions led another 5 percent. (See Exhibit III-6.)

The role of employers and unions is underreported in these numbers since several employer, union, or labor-management-led programs reported themselves as "other nonprofits" or "other." The qualitative data indicate that the partnerships in which employers and/or unions played a leading role were probably closer to 13 percent.

Employers participated in virtually all partnerships (87 percent). Most also included community colleges (71 percent of partnerships) and WIBs and/or one-stop career centers (56 percent and 59 percent, respectively).

Exhibit III-6: Workforce Partnerships by Lead Organization

Lead Organization	Number of Workforce Partnerships (n=63)	Percent of Workforce Partnerships
Community college	9	14%
Community-based organization	16	25%
Employer	2	3%
Labor union	1	2%
One-stop career center	1	2%
WIB	6	10%
Other nonprofit organization	15	24%
Other postsecondary institution	4	6%
Other public organization	1	2%
Other training provider	1	2%
Other	7	11%

Source: NFWS Data Reporting System

[20] Four of the partnerships that reported serving both incumbent and non-incumbent workers were community college programs serving a general population, but not specifically working with employers to provide services to their existing workforce.

Workforce Partnership Strategies and Services

Goals and Strategies for Individuals

The partnerships offered education and training as well as other kinds of non-training services to individuals. Education and training services included apprenticeships; basic skills, including English as a Second Language (ESL); computer literacy; occupational education; on-the-job training; work readiness; and other training. Non-training services included coaching, case management, job search and job placement, support services, and other. The strategy pursued by an individual partnership varied by the sector and the type of program (incumbent vs. non-incumbent). There also appeared to be differences based on the organizations playing a leading role.

Differences by Sector

As just noted, the initiative's four largest sectors in terms of numbers of participants served were logistics, transportation, and distribution; healthcare; construction; and biotechnology. To an important extent, the differences in workforce partnership strategies in these four sectors reflected characteristics of the sectors themselves.

- *Logistics, transportation, and distribution:* Three partnerships were working in the logistics, transportation, and distribution sector. Of these, the largest was a one-stop career center dedicated to the transportation industry; another was a partnership, based in a one-stop career center, which served the trucking industry; and the third was a nonprofit led by a union, also focused on trucking. None of these partnerships served incumbent workers.

  Occupational training was generally short-term, primarily for Commercial Driver's Licenses A and B. Training provided entrance into the industry; retention was usually the key to advancement. One partnership also trained individuals as diesel mechanics, which required longer-term training (approximately nine months) and offered supervisory training.

  Because the principal strategy of all three of these partnerships was job access, the services provided focused on job readiness — including introduction to the sector, career counseling, assistance in obtaining the necessary clearances and credentials, and job placement.

- *Healthcare:* The healthcare partnerships were more diverse in size, mission, targeted occupations, and, therefore, strategy and services provided.

The partnerships that served incumbent workers in healthcare formed a continuum, from those focused exclusively on that population to those that principally served new entrants (non-incumbents). Partnerships that were entirely or principally incumbent worker programs were led either by employers or a labor-management partnership. Most were centered on acute care hospitals, but at least one served incumbent workers in a region's community clinics. In each case, the principal goals of the partnership were to provide career opportunities for low-level incumbent employees and to improve employee retention.

Two partnerships had similar strategies — to map career pathways, to provide low-level incumbent workers the skills they needed to succeed in college courses, to offer cohort-based instruction, and to provide ongoing support and counseling. One partnership was making career counseling for incumbent workers its centerpiece. A partnership with a central focus on building a culturally diverse workforce also provided workers with student advisors and ensured that training occurred close to the workplace.

Partnerships that combined incumbent and new entrant programs also tended to have strong employer and, in some cases, union involvement. In these partnerships, a broad coalition of employers was usually involved. Typically, the partnerships' purpose was to provide unemployed and underemployed low-skilled community residents with access to entry-level healthcare jobs, principally in hospitals, but also in nursing homes, home health aide agencies, community clinics, and other healthcare facilities. Partnerships helped employers map career pathways, recruit and screen participants, and develop foundational basic skills and workplace readiness programs. Many also worked with community colleges and other educational providers to design appropriate curriculum.

Several partnerships also encouraged employers to hire career coaches to help integrate new hires into the workplace setting and support career advancement and retention. At least two partnerships focused on community healthcare workers. In both cases, their efforts included strategies to help better define and professionalize the field.

Partnerships that offered only new entrant healthcare programs sometimes provided similar services but, in general, employers appeared to be less actively engaged and the programs tended to focus on training for a specific occupation (often certified nursing assistant, licensed practical nurse, and/or home health aide) without a clear connection to a career ladder. Services provided included outreach, pre-employment orientation, vocational training, support for state testing and certification, case management and job placement, and, sometimes, basic skills instruction.

- *Construction:* Roughly half the construction partnerships offered pre-apprenticeship programs, usually targeting individuals with serious barriers to employment, including those with criminal records. Some programs required that participants already have a high school diploma since this is a requirement for apprenticeships; applicants without a diploma or GED were referred to organizations that offered basic skills training. However, at least one partnership developed a contextualized basic skills program for individuals without a GED.

The more experienced pre-apprenticeship programs appeared to carefully screen applicants, evaluating their work readiness, interests, and goals. In some cases, employers participated in the interview process. The training itself was intensive but relatively short-term (two months or less) and provided some of the fundamental skills needed for several trades (such as carpenter, plumber, electrician).

Partnerships also offered participants support services to help them address barriers to program participation and employment as well as case management services.

The goal of the pre-apprenticeship programs was to place participants into a good paying apprenticeship or other on-the-job training opportunity. In one partnership, employers agreed in advance to hire program participants if they were accepted into a union. But the severe recession in the construction industry made access to apprenticeships increasingly difficult and programs were forced to look for other alternatives for their graduates, at least in the short run. These included internships and transitional jobs. (See discussion below.)

In addition to pre-apprenticeship programs, some construction partnerships were focused on providing the specialized skills needed for "green" construction. One of these programs, targeting at-risk young adults, offered a wide range of services including vocational training, on-the-job training, leadership development, environmental awareness training, case management, placement, and follow-up and retention services for at least a year. Participants without a GED or high school diploma were provided that academic training.

One construction partnership employed a slightly different model from the others. This program, with deep connections to regional employers in the construction industry, targeted individuals with very serious barriers to employment. Over 86 community partners referred potential participants and the partnership acted as an employment broker, linking individuals to good jobs. Other services offered included assessment of applicants and the development of service plans that included supportive services, educational remediation, and occupational training. However, most of the occupational training was provided on the job by the many employer partners.

- *Biotechnology:* An educational institution, usually a community college, was the lead partner in all but one of the biotechnology partnerships. All but one of these partnerships also targeted low-skilled, underrepresented adults and transition age youth and provided them with "on-ramps" to college and/or occupational training for entry-level jobs in the biotechnology industry. The on-ramp programs included career development counseling, basic skills education, and employability skills training.

  Employers appeared to be actively engaged in only one of the four community college-based biotechnology partnerships. In that case, industry partners met on a regular basis and were active in curriculum development, student recruitment, and placement. They also contributed instructors for the more advanced instruction, offered tours of the industry to students, provided internships, and hired participants.

  One interesting biotechnology partnership was led by a nonprofit intermediary organization formed for the purpose of providing individuals without bachelor's degrees access to laboratory jobs in bioscience firms and in universities. More than 30 employers assisted in curriculum design, technical class components, offered internships, donated supplies and equipment, and hired graduates. The partnership continued to work with program participants after they graduated and employers supported graduates' continuing education through tuition reimbursement and other training supports. One of the achievements of this partnership was demonstrating to employers that their graduates can do jobs previously reserved for college graduates.

Incumbent Worker vs. New Entrant Strategies

Incumbent worker training was, in most or all cases, a component of a career advancement strategy built on career pathways. The only significant program outside of healthcare to employ this strategy was in the hospitality sector. Here a non-profit serving hotel workers in all the unionized hotels in a major city tried to develop avenues for low-paid, low-skilled workers to attain higher wages and jobs that are more desirable. It did this by working to identify advancement pathways and developing occupational training for hotel workers. But they faced serious obstacles in this effort since employers frequently valued experience over training and seniority played a central role in job and shift assignments.

In healthcare, partnerships appeared to have had an easier time defining the steps workers needed to take to move into higher level jobs because of the occupational structure of the industry and longer experience developing career ladders. In almost all cases, training was central to advancement though programs also promoted job coaches, career coaches, and other on-the-job supports for career advancement.

Some partnerships with new entrant strategies did not end their support for participants once they were placed in jobs. This tended to be especially true for programs that offered both new entrant and incumbent worker programs, which allowed the partnership to follow workers into the workplace after they were hired and continue to provide services. Again, these programs were largely concentrated in healthcare.

However, partnerships outside the healthcare industry also were aggressive in maintaining long-term relationships with participants. For example, in the face of the severe recession, one construction partnership cancelled its traditional pre-apprenticeship training and instead reached out to previous program graduates who were unemployed and offered them courses to help them access apprenticeships and learn new "green" construction skills. In healthcare, hospitality, construction, and other industries, unions also sometimes facilitated ongoing contact with program graduates.

But, failure to sustain relationships after job placement was a weakness of many partnerships employing new entrant strategies. The partnerships often continued to track participants for up to a year, but appeared to assume that they had achieved their goals by attaching low-income workers to jobs, even if these jobs were just the first rung on a career ladder. Examples included partnerships that provided certified nursing assistant or home health aide training and partnerships that helped participants obtain trucking jobs, in both cases with minimal follow-up.

Partnerships Where Community Colleges or One-Stop Career Centers Played a Leading Role

One goal of the National Fund is to embed its core principles in the practice of key public workforce institutions, such as community colleges and the Workforce Investment Act's (WIA) one-stop career center system. Almost all the partnerships had relationships with community colleges and many with one-stop career centers. However, a growing number of partnerships were built on one of these two systems and a handful appeared to be part of a concerted strategy on the part of the funding collaborative to transform them.

- *Community college strategies:* Two collaboratives had full-blown community college strategies. One strategy is too new to adequately describe. In the case of the other, six community colleges in a region competed for and received funding from the partnership to better support career advancement for low-income, low-skilled working adults. The grants were intended to test "proof of concept," with the intent to spread the model to other colleges in the state if the experiment was successful.

  The mission of the new "colleges for working adults" launched through these grants was to ensure that individuals achieved the 45 credits of postsecondary education with a degree or certificate that the state's research suggested was the "tipping point" for ensuring that workers are able to adequately support themselves and their families. Each of the "colleges" had a sectoral focus and at least some appeared to have strong involvement from both employers and community-based organizations.

  In addition to engaging external partners, particularly employers, key elements of the model were condensed curriculum, reduced complexity of registration, flexible class schedules (evenings and weekends, offered at locations closer to workers), support services (such as transportation and child care), and soft skills development, labor market coaching, and job placement assistance.

- *One-stop career center strategies:* A relatively large number of partnerships were based in one-stop career centers (just under 20 percent) and there appeared to be two principal models: sector-specific one-stop centers and sector programs located within one-stop career centers.

  The largest partnership is an example of an effort to entirely transform a one-stop career center. It is a sector-specific one-stop career center operating in a major city designed to meet the needs of the local transportation sector. Over 200 employers received services from the sector career center partnership and provided feedback on the quality of candidates and the relevance of their training. A smaller number of employers (15-20) played a more active role as members of a business advisory council, which met regularly and helped shape the design of services, including workshops and training. One goal of the sector career center was to become a trusted source of recruitment and training services for the industry. Feedback from employer customers suggested that the center was achieving this status.

  The sector center partnership targeted unemployed and underemployed workers and offered them workshops introducing the transportation industry and providing, career counseling, benefits screening, training, and retention and advancement services.

  Most training was short-term occupational training to qualify participants for Commercial Driver's License A and B credentials, although a small number of participants were provided the opportunity to enter much longer-term diesel mechanic or aviation-related training. The partnership also provided some incumbent worker training for front-line supervisors in the industry.

  Individuals in training and those who were successfully placed in jobs were assigned a career coach. The coach followed up with the individuals to identify barriers to successful completion of training, to identify needs for additional training, to help individuals gain access to better job opportunities, and to support job retention.

  While this partnership was the only true example of an effort to develop a sector-specific one-stop career center, there were other partnerships that took on strong roles with and invested in one-stop career centers. One city invested in two centers, one dedicated to service sector jobs and one focused on manufacturing. These centers played the role of one-stop career centers, but were hybrid organizations that originated from the mayors' offices. Several other regions developed sector projects within the one-stop career centers. These included projects focused on transportation, healthcare, aviation, and green jobs/energy efficiency.

In general, the services provided to the targeted industries by the one-stop career centers included recruitment, screening, assessment, job readiness training, referral to occupational training, job placement, and, in some instances, initial background checks. In almost all cases, the effort to achieve job placement and career advancement was stalled to some degree by the recession.

Partnerships Where Employers, Unions, and/or Labor-Management Programs Play a Leading Role

Employers were active in most partnerships but played a leading role in only a few; labor or labor-management-led partnerships were also relatively rare. In all but two cases, the employer, union, or labor-management-led partnerships were in healthcare; one was in the hotel industry, and another in transportation. An aerospace partnership, not formally led by employers or unions, was almost entirely employer-driven.

With the exception of two of these partnerships, employer- and union-led efforts focused on incumbent workers, although some also provided services to new entrants. In two instances, employer engagement was extremely broad, but what particularly characterized employer-led partnerships was the depth of their involvement and commitment. In general, employers appeared to be acting in their own self-interest, making them more willing to invest time and other resources. Union/management partnerships had most of the characteristics of those that were employer-led, but in the two partnerships that were led solely by a union, employers seemed to be less engaged and less directly invested.

Emerging Promising Practices

Across all these very different kinds of partnerships, some common promising practices were evident. These included a strong commitment to career advancement, often including a longer-term relationship with participants; career counseling or coaching; rigorous screening and assessment; the development of "bridge" programs; a focus on occupational skills development; placement in interim as well as "career" jobs; and provision of a wide range of supportive services. More detail on some of these promising practices is provided below:

- *Career advancement:* As described earlier, a commitment to career advancement took different forms in different industries. In the healthcare industry, this could mean supporting participants to move into entry-level jobs, then improve their skills and retain their jobs, and finally go on to obtain additional training and credentials to move into mid-level occupations.

  For example, one healthcare partnership designated levels of accomplishment. It then worked to make new entrants "first level credentialed workers" and to advance mid-skilled employees to the rank of "second level credentialed workers." Another partnership worked with at least five hospitals to clarify how employees in lower-skilled positions could advance. Three thousand career maps were printed and distributed to hospitals, schools, and community-based organizations.

  In the construction industry, career advancement meant moving beyond a traditional pre-apprenticeship program model where the commitment to the participants ended at graduation. In one construction partnership, serious case management *began* when an individual was placed in a job or apprenticeship.

- *Longer-term relationship with participants:* In some partnerships, the commitment to participants was long-term and personal. As a result, these partnerships were constantly looking for new ways to support participants getting and keeping jobs and improving their career opportunities and incomes. This led one construction partnership to apply for and receive a Housing and Urban Development Community Development Block Grant for the rehabilitation of a foreclosed home in order to provide employment opportunities for graduates and former graduates.

  In many of the incumbent worker programs, individuals moved in and out of active participation over the course of several years. In the cases where there was an active union, individuals sometimes remained connected to the partnership through the union, even when they changed employers.

- *Screening and assessment:* The "dual customer" mission of the partnerships meant that they also had a strong commitment to their employer partners. One strategy some partnerships employed to address employers' needs was rigorous screening and assessment of participants. Employers frequently participated in this process. Candidates might be screened for basic skills proficiency, work history, attitudes, and interests; in some cases, they were also drug tested and a criminal background check was conducted. One partnership even checked two to three professional references, which could be current or previous employers, high school principals, counselors, church officials, or representatives from organizations where the applicant did volunteer work. In incumbent worker programs, employers frequently nominated workers for participation in a program and, in some cases, had to give their approval, especially when employees were availing themselves of employer-provided tuition reimbursement.

- *Bridge programs:* In order to qualify participants for entrance into the targeted industries, partnerships often had to create or link with "bridge" basic skills programs that helped individuals earn a GED, improve English and math skills, and learn the norms and expectations of the industry. In general, partnerships used accelerated and contextualized pedagogies to reduce the amount of time individuals spent in these remedial activities. One purpose of the programs in both the healthcare and construction sectors was to prepare individuals for standardized entrance tests. Many programs also addressed the special needs of English language learners.

- *Career counseling, coaching, and case management:* "Navigation" assistance was the heart and soul of most mature partnerships. This took many different forms, but its purpose was to help participants understand the labor market and the concrete steps they needed to take to be more successful. Participants tended to need navigational support all along the way so programs could assign a career counselor or case manager when individuals first entered a program and then provide them an academic counselor and/or an employer-based job coach.

- *Occupational skills development:* In the healthcare, construction, and biotechnology industries, career and wage advancement tends to be closely and formally tied to skill acquisition, including at least some classroom education and training. Therefore, a principal strategy of most of the partnerships was to work with educational institutions — usually community colleges — to redesign their course offerings to be more appropriate to the needs of adult learners, including those with weak basic skills, and to articulate other training offered by the partnership with the colleges so that individuals would receive college credit for their participation in the programs.

Courses were reworked to offer "stackable" certificates in which one relatively short course that earns a certificate is linked to a course offering different or higher levels of skill; courses were compressed to accelerate the time to complete and/or English, math, and other basics were embedded in the occupational course content; courses were taught by instructors from the industry to make them more current and relevant; cohort-based approaches ensured that participants would have a peer group for support; and classes were offered at times and places that made access for working adults easier. Partnerships implementing "pipeline" strategies often additionally worked to align public high school and community college curricula.

Partnerships also helped facilitate the transition into college in a variety of ways. For example, they arranged for simplified application processes; negotiated to allow their participants to avoid waiting lists for courses; supported students to take and pass college entrance exams; and more. Once in school, participants were provided academic coaching, tutoring, and other supports.

- *Apprenticeships, internships, interim jobs, and career jobs:* For traditional employment and training programs, placement into a job — often any job — is the goal and final step. Since many partnerships were focused instead on longer-term career advancement, the first placement often was not into a targeted "career" job that offered a family-sustaining wage and benefits. Instead, participants' first accomplishment was acceptance into an internship program, paid or unpaid; an entry-level job; or an apprenticeship program.

One interesting characteristic of the placement activities of a few partnerships was that the process was competitive. This was a result of the partnerships' commitment to employers to provide qualified workers likely to succeed and stay in the industry. One construction partnership, for example, ranked the participants after every class; rank determined the order in which they were referred to jobs. The rankings considered how well each did in the class, whether an individual had access to a car and driver's license, and if he/she had begun the process of applying for apprenticeship training.

Another promising characteristic of some of the partnerships' placement strategies was how closely they worked with employer partners. In that regard, the process was very different from usual impersonal labor market transactions. In at least one case, employers even made a relatively firm commitment to hire successful participants at the beginning of a training program.

- *Supportive services:* Finally, many partnerships ensured that participants had access to the full range of services they needed to succeed both in training and in the labor market. This included child care, transportation, and other supports. Employers, community colleges, and other organizations partnered with community-based organizations to actually deliver the supportive services.

Goals and Strategies for Employers

Employer Goals

- *Address labor and/or skill shortages.* Most partnerships' primary goal for employers was to address labor or skills shortages. This was true even for partnerships formed during the height of the recession in 2009, though in these cases there was recognition that the shortages were more future than present and there was real concern that labor demand might be weak for an extended period of time.

- *Diversify the workforce.* Numbers of partnerships additionally were trying to address employers' desire to diversify the racial, ethnic, and sometimes also gender composition of their workforce. This appeared to be particularly true in the service sectors and in healthcare, but employers in other sectors also shared this goal.

- *Improve employee retention.* Another commonly expressed employer goal was to improve employee retention.

- *Other.* Other kinds of goals employers hoped to achieve were to develop career pathways and enhance internal career advancement opportunities, improve customer service, enhance the firm's competitiveness, hire workers from the local community (sometimes to meet public sector or labor agreement requirements), and improve work quality. In one case, employers expressed this last goal in extremely specific terms: to decrease the number of patients that return to the hospital due to complications.

Employer Roles and Employer Engagement

Employers appeared to be active in the majority of partnerships. Engagement seemed strongest in partnerships that focused on incumbent workers (either solely or in part), but this was not always the case. Employers were actively engaged in some partnerships that only served non-incumbents.

Engagement also appeared to be greatest in older, more mature partnerships, underlining the importance of sustaining partnerships long enough to provide real value to an industry and to develop employer trust.

In general, it was individual employers that worked with partnerships but, in a few instances, employer engagement was largely mediated through sector-specific employer associations. However, working through employer associations appeared to occur in the relatively early stages of a partnership; the partnerships may begin to work more closely with individual employers over the course of time.

Predictably, the recession took a toll on employer commitment to the partnerships' mission and goals. Employers that had faced labor and skills shortages were now in the position of freezing all hiring or even laying off existing employees. When they had available positions, there was more competition from highly qualified individuals for those jobs.

Perhaps remarkably, however, many employers continued to work with the partnerships. Older partnerships seemed better able to sustain employer involvement than new partnerships.

How hard a sector was hit by the recession made a difference as well. In many places, healthcare employers continued to hire — if more slowly than in the past — whereas employers in the construction industry were forced to lay off large numbers of workers. Still, some construction employers continued to work with partnerships. Like employers in other hard hit industries, they recognized that once the economy began to recover they would need a pipeline of skilled workers. Moreover, as the construction market shifted from being driven by housing and commercial investments to public projects, the construction partnerships could help employers meet mandated hiring requirements.

In some sectors, employers appeared to have turned to incumbent worker training as a way to hold on to valuable employees by helping them gain the skills they needed for the jobs that were in demand.

In addition to hiring partnership participants, the most common roles played by employers were identifying the labor market and training needs of the sector and working closely with partnerships to design their workforce programs. Employers also were active in screening program participants and, in incumbent worker programs, recruiting participants as well.

Other major roles employers played were to:

- *Provide on-the-job training*: In an industry such as construction, much of the occupational training occurs on the job supplemented by classroom instruction. In these cases, the employer is often the instructor, and there appeared to be significant variation in the extent to which the partnerships influenced the training employers offered.

  In general, partnerships tended to be more likely to work with employers to shape pre-apprenticeship programs or classroom-based instruction, but several partnerships also helped employers design on-the-job training programs to better support the needs of low-income, low-skilled individuals and/or meet a new industry goal, such as incorporating "green" construction techniques. In the partnerships, on-the-job training also was generally paid for by the employer, although it was supported in some areas by public funds, including WIA.

- *Provide trainers:* Employers provided trainers for classroom settings as well as on the job. Usually industry professionals supplemented the instruction of faculty from an educational institution but, in some instances, they were the primary instructors. For example, the advanced instructional component of one biotechnology partnership was taught by upwards of 20 professionals from the industry.

- *Offer positions for clinical training*: In healthcare partnerships, one of the critical roles played by employers was to provide clinical training opportunities for students. Difficulty finding clinical placements is a serious problem for many healthcare programs run by community colleges and other educational institutions. The commitment of employers to the workforce partnerships opened the door to clinical opportunities and, in many cases, ensured that partnership participants were not faced with long waits to access them.

- *Serve as guest speakers in training and other programs:* Industry professionals were occasional guest speakers in partnership programs, most frequently in pre- or post-training settings in which participants were being introduced to industry practices and norms, or just prior to placement. Some training programs included guest speakers. Companies also provided tours of their workplaces to partnership participants.

- *Provide internships or externships*: An increasing number of partnerships appeared to be working with employers to develop internship (or externship) opportunities. Paid or unpaid internships were a core component of some partnerships' strategies, but others turned to these strategies in response to the recession, which made it almost impossible for participants to find jobs. Sometimes internships were provided by the industry itself; in other instances, the partnership provided funds to support internships.

- *Offer participants tuition assistance*: Employers' tuition assistance was fundamental to the success of classroom-based incumbent worker training programs, such as those in the healthcare industry. In fact, one of the lessons learned by some of the employers participating in the partnerships was that low-income workers could not afford to front the cost of education. In response, some employers changed their policies to allow for prepayment of classes, rather than reimbursing individuals after successful completion of a course.

- *Contribute other funding or support to the partnership*: Employers were significantly more likely to provide in-kind support or tuition assistance than make a direct financial contribution to the partnership, but some did. Companies also donated expensive equipment to facilitate training.

- *Provide release time:* The most difficult and expensive contribution employers made to the partnerships was release time for incumbent employees. In general, incumbent employees attended classes on their own time. One way partnerships made doing so easier was by bringing the classroom to or close to the workplace. In a small number of cases, however, companies allowed workers to attend training wholly or partially on company time.

- *Make a pre-hire commitment:* Some employers even made commitments to participants upfront, for example, by waiving previous hiring requirements (such as prior experience) or committing in advance to hire participants who successfully completed a training program and/or agreeing to provide promotions or pay increases to successful graduates.

Goals and Strategies for System Change

At least half the workforce partnerships had articulated strategies for changing institutional or organizational behavior, employer practices, or public policy. Compared to the collaboratives, the partnerships' strategies tended to be more tightly linked to work within specific sectors and with particular targeted populations.

Strategies to Change Institutional or Organizational Behavior

Community college practices and policies were a concern for many partnerships. Partnerships worked to reduce barriers within the community colleges to low-income and working students accessing training, by changing financial aid policies, eliminating waiting lists, simplifying enrollment procedures, and providing courses at convenient times and locations.

Partnerships also focused on improving outcomes for students by strengthening the ability of colleges to offer work-based learning; contextualizing curricula — including basic skills curricula — to sector-focused occupational courses; developing linked sequences of courses to help students identify and move up career ladders; and by providing counseling and other academic supports.

Finally, partnerships pushed colleges to more effectively link their programs within and across institutions, to align pre-college training with college courses, to provide credits to individuals enrolled in apprenticeship programs, and to form partnerships with community-based and other organizations to offer students a range of supportive services.

Some partnerships focused on changing other institutions and organizations as well. For example, they tried to influence public organizations and city policies to create set-asides for hiring at-risk individuals; worked with unions to gain access to apprenticeships and union jobs for individuals with multiple barriers to employment; and tried to strengthen the practice of community-based organizations by helping them to focus on career advancement and more effectively engage employers.

Strategies to Change Employer Practices

Partnerships used a variety of strategies to try to influence employer policies and procedures. One goal was to change or expand the pool of individuals whom employers would consider hiring — for example, to include those with less formal education, limited English, little or no work history, or criminal records. Other goals included improving the management skills of front-line supervisors; developing among employers greater understanding of the needs of low-income workers; and creating internal supports for worker retention.

Partnerships helped employers better define internal avenues of career mobility and encouraged them to create incentives for incumbent workers to gain additional skills through tuition reimbursement policies, release time, and on-the-job training.

One strategy was simply to encourage knowledge and information sharing among employer partners. Another was to provide consultants and coaches. The most common strategy, however, was learning through experience and practice. Employers that were deeply engaged in implementing programs often found they had to transform internal practices in order to be successful in achieving their goals.

Strategies to Change Public Policies

In general, policy efforts made by partnerships were aimed at complementing services to individuals and employers in a particular industry sector or at changing policies relevant to a target population group (such as individuals with criminal records).

An example of the former was advocacy for professionalization of the community healthcare field and for recognition of "community health worker" as an occupation. An example of the latter was advocacy to improve the ability of individuals with a criminal record to obtain driver's and occupational licenses.

Partnerships also worked to create standards of industry-recognized competencies for occupations and tried to develop industry-recognized credentials.

Some partnerships' policy aims were broader. They tried, for example, to establish credential reciprocity among states in a metro region; advocated at the state level to maintain or increase funding for workforce programs; pushed to have the state's workforce plan adopt a dual customer, sectoral approach; and tried to forge greater connection between adult basic education and workforce funds in the practices of WIBs and one-stop career centers.

Workforce Partnership Implementation Challenges

Both in implementing services for individuals and employers and in trying to effect institutional and policy changes, the partnerships faced challenges. The most serious included:

- the impact of the deepest recession in a generation;
- the challenges of serving individuals with very serious barriers to employment; and
- stubborn institutional barriers.

In addition, at least some partnerships struggled in general with how to address the challenge of career advancement and grow and sustain their program.

Recession

The deep economic recession posed the greatest difficulty for all the partnerships, reducing employer enthusiasm and making it extremely hard to find jobs and career advancement opportunities for partnership participants. Jobs were fewer and competition from better qualified workers was greater. Partnerships employed a variety of strategies to address these challenges, many of which have been discussed earlier. These included:

- *Placing greater focus on incumbent workers:* Partnerships offering both an incumbent and non-incumbent program in some instances reduced the numbers of new entrants they recruited and focused instead on upgrading the skills of incumbent workers, some of whom were program graduates.

- *Changing sectoral or occupational focus:* Partnerships also worked harder to identify areas of opportunity in the labor market. In a very small number of cases, this meant that partnerships switched their focus from one sector to an entirely different one. More commonly, partnerships' activities shifted toward the most promising industry segments and/or occupations (such as "green" construction).

- *Placing participants in internships or interim jobs:* In the absence of permanent jobs, partnerships looked for alternative ways to give participants labor market experience and, in some cases, income.

- *Working with training institutions to increase long-term training slots:* Since employers were doing little hiring, some partnerships helped participants use the time to acquire meaningful degrees and credentials. They worked with colleges glutted with applicants to make room for low-skilled, low-income individuals.

- *Reaching out to new employers:* Some partnerships worked to include new employers and employer associations to increase job and career advancement opportunities for their participants.

- *Widening the pool of workers served:* Finally, most partnerships remained sharply focused on hard-to-serve individuals, but some may have also begun to serve somewhat better educated workers in response to employer pressure.

Individuals with Serious Barriers

Some of the partnerships discovered that the individuals they were targeting had more and more serious barriers to training and employment than they had anticipated. In response, many developed "bridge" programs to provide participants basic English, math, and employability skills. Partnerships similarly reduced the demands of very intensive training programs or developed programs to feed into the intensive programs when it became clear that many participants could not keep up.

Partnerships also found that participants needed more coaching, counseling, and other kinds of support services.

Finally, a much larger than expected share of participants in some partnerships struggled with the many barriers associated with having a criminal record. Partnerships worked with employers to not only reduce discrimination, but also advocated for changes in public institutional policies.

Institutional Barriers

Various kinds of institutional barriers posed serious challenges for the partnerships. Among the most vexing were internal labor markets in which there was a very weak connection between skills attainment and career advancement. Union seniority rules sometimes contributed to this problem.

Other institutional barriers included: rigidities in community colleges' course offerings making them inappropriate to the needs of low-skilled individuals and working adults; union hiring practices; limited apprenticeship slots; difficulty engaging some WIBs; reluctance of employers to share information with potential competitors; difficulty getting timely information on job openings; limited time and staff resources among employer partners; the inability of most employers to provide release time to incumbent workers for education and training; the lack of articulation among educational programs and institutions, making it difficult for participants to move among them; and many more.

Other Implementation Challenges

Finally, as described earlier, some of the funded partnerships were probably best described as sector training programs, without a range of services for individuals and employers, a longer time horizon, or a deep-seated commitment to career and income advancement. However, the many partnerships that did have a broader vision and set of commitments also faced additional challenges. These included how to operationalize career advancement and how to grow and sustain their programs.

To some extent, there was a tension between these goals. Expanding the scale of a program could come at the expense of maintaining long-term relationships with participants.

IV. Outputs and Outcomes for Individuals, Employers, and Systems

Outputs and Outcomes for Individuals

Key Observations

- *The share of male participants in the partnerships remained just over 50 percent compared to just over 40 percent female.* However, excluding the two largest partnerships, more than 60 percent of participants were female.

- *The gender composition of each partnership was almost entirely a result of its sector focus.* There also was a dramatic gender difference between incumbent and non-incumbent programs.

- *African-Americans continued to be the largest racial group receiving services.*

- *There were sharp differences in participants' educational attainment by industry.*

- *The number of training services increased significantly from 2008 to 2009*. There were 7,739 training units provided in 2008 and 21,387 in 2009. The share of participants receiving non-education services also grew in all categories except case management.

- *The number of training completions and credentials earned increased sharply between 2008 and 2009.* There were 5,297 training completions in 2008 and 12,841 in 2009.

- *Education and training completions varied by industry, at least partly mirroring the differences in the mix of education/training services by industry.* There also was significant variation in completion rates between non-incumbent and incumbent partnerships.

- *The types of credentials and degrees earned varied by sector.* The healthcare sector was responsible for 68 percent of all occupational skills certificates and credentials received, over 50 percent of all occupational skills licensures completed, and 69 percent of AA/AS degrees completed.

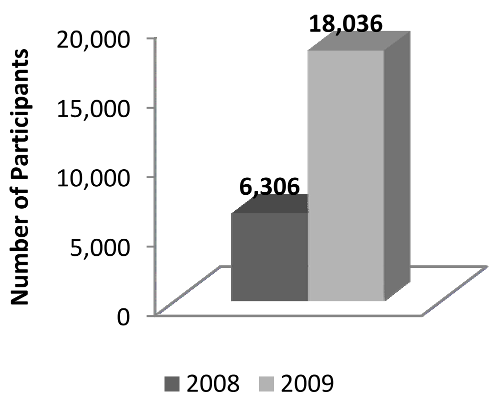
- *The number of participants who secured job placements increased from 893 in 2008 to 4,058 in 2009.*

- *Almost all participants were placed in the targeted sector.*

Overview

By the end of 2009, the National Fund had served a total of 18,036 participants, an increase of 11,730 from NFWS's first year to its second. (See Exhibit IV-1.)

Exhibit IV-1: Number of Participants: 2008 and 2009



Source: NFWS Data Reporting System

While the earlier collaborative cohorts were responsible for the majority of participants, the rate of growth in new participants was much greater in cohorts 2 and 3 as new partnerships began serving individuals. Although very large partnerships continued to dominate the data, in 2008 the two largest partnerships had served 56 percent of all participants, while in 2009 the two largest served 49 percent.

There also were more partnerships serving 500 participants or more. In 2008, there had been only three; by 2009, this number had doubled. These six partnerships served 73 percent of all participants.

Between 2008 and 2009, the share of participants in programs for incumbent workers declined from 22 percent to 18 percent, although four of the six largest partnerships were focused partially or entirely on incumbent workers.

Because the largest partnership was in logistics, transportation, and distribution, this sector represented 34 percent of all participants in 2009, but this was down from 46 percent in 2008. The share of participants in healthcare — the second largest sector — also declined from 34 percent to 30 percent.

Excluding the two largest partnerships, the healthcare sector served 58 percent of all participants, the construction sector served 15 percent, and the biotechnology sector served 6 percent.

Participant Demographics and Background

Gender

The share of male participants served by the partnerships remained just over 50 percent, compared to just over 40 percent female.[21] However, excluding

[21] Data on gender were missing for the remaining participants.

the two largest partnerships, more than 60 percent of participants served were female. In the two largest partnerships, 66 percent of participants were male; 19 percent were female.

The gender composition of each partnership was related to its sector focus. The healthcare and biotechnology industry programs largely served women (84 percent and 56 percent, respectively). The construction and logistics, transportation, and distribution sectors largely served men (84 percent and 78 percent, respectively). These gender divisions by industry appeared to have significant impact on the services received by women and men.

There was a major gender difference between incumbent and non-incumbent programs. Non-incumbent programs were 60 percent male and 34 percent female, whereas incumbent programs were 73 percent female and 14 percent male; the data were missing for the remainder of participants in both cases. This difference is largely a product of the fact that most incumbent programs were in the healthcare industry.

Age

Excluding the two largest partnerships, where 81 percent of the age data was missing, 39 percent of partnership participants were below the age of 30, 44 percent were between 30 and 54, and 6 percent were over 55. The data were missing for the remainder.

Race

The largest share (39 percent) of participants were African-American, down from 46 percent in 2008; 24 percent were white, up from 16 percent in 2008; data were missing for 21 percent of participants. Excluding the two largest partnerships, where 36 percent of the data on race were missing compared to 7 percent in all other partnerships, African-Americans represented 41 percent of all participants and whites were 29 percent. Spanish/Hispanics represented 18 percent of participants excluding the two largest partnerships.[22]

Blacks were the largest participant group in every sector except marine trades, energy, and information technology, where white participants were the majority.[23] Blacks comprised 64 percent of participants in construction. The only sectors in which Asians had significant representation were biotechnology, hospitality, and healthcare (22 percent, 20 percent, and 8 percent, respectively).

In general, there was little difference in participants' race between incumbent

[22] Sixty-seven percent of the data in this category were missing for the two largest partnerships compared to 8 percent in the other partnerships.

[23] Whites were also the majority for "Other" sector programs as well as multiple sector programs.

and non-incumbent programs. The one exception was that participation by whites in incumbent worker programs (12 percent of all incumbent participants) was about half that in non-incumbent programs (27 percent of all non-incumbent participants).

Educational Attainment

Compared to 2008, the share of participants with some college or above fell slightly from 37 percent to 34 percent, whereas the share of those with a high school diploma or less increased from 45 percent to 46 percent; data were missing for 20 percent of the participants. Only 3 percent of participants in the largest two partnerships had an education level of the 12th grade or lower, while 11 percent of the participants in the other partnerships had a 12th grade education or less.[24]

There were sharp differences in participants' educational attainment by industry. In construction, only 15 percent of participants had some college or above, compared to 61 percent in the biotechnology industry. Conversely, 60 percent of construction participants had a high school diploma or less, compared to 35 percent in biotechnology. (See Exhibit IV-2.)

Exhibit IV-2: All Participants by Selected Sectors and Educational Attainment

	Industry							
	Biotechnology		Construction		Healthcare		Logistics, Transportation, Distribution	
	#	%	#	%	#	%	#	%
N=	551		1,359		5,353		6,061	
12th grade or less	8	1%	189	14%	324	6%	22	0%
H.S. diploma or equivalent	183	33%	626	46%	1,632	30%	2,633	43%
Some college	178	32%	160	12%	1,469	27%	1,667	28%
AA degree	32	6%	16	1%	321	6%	450	7%
BA or higher	125	23%	22	2%	467	9%	579	10%
Education Unknown/Missing	25	5%	346	25%	1,140	21%	710	12%

Source: NFWS Data Reporting System

Overall, only 8 percent of participants had less than a high school diploma; the share in the construction industry was 14 percent. Almost half (44 percent) of participants in the logistics, transportation, and distribution sector had some college or above.

[24] The difference in missing data between the largest partnerships and the others was marginal in this category.

Comparing educational attainment by program type is made difficult by the large share of missing data (40 percent) for incumbent participants. However, incumbent programs do appear to have a much smaller share of participants with a high school diploma or less (27 percent) than non-incumbent programs (51 percent).

Participant Services

Participants in both incumbent worker and non-incumbent worker programs received both education and training and other kinds of services, such as assessment, career coaching, case management, job search and job placement, and supportive services.

Education and Training Services

The number of participants receiving education and training services increased significantly from 2008 to 2009. For most categories of education and training, the share of participants receiving training also grew. (See Exhibit IV-3.)

As in 2008, the largest share (34 percent) of individuals participated in workplace readiness life skills training, though the rate of growth in other categories of education and training was much greater. Occupational skills training (30 percent of participants) and basic skills/ESL training (22 percent of participants) were the other major education/training categories.

Apprenticeship training experienced the greatest increase in participation (515 percent) between 2008 and 2009.

Exhibit IV-3: Service Participation by Education/Training Service

	2008		2009		% Change
	#	%	#	%	
N=	6,306		18,036		
Apprenticeship	150	2%	923	5%	515%
Basic Skills/ESL	865	14%	3,941	22%	356%
Computer Literacy	459	7%	874	5%	90%
Occupational Skills	1,814	29%	5,477	30%	202%
On-the-Job Training	328	5%	1,072	6%	227%
Workplace Readiness Life Skills	3,196	51%	6,107	34%	91%
Other Education/Training	927	15%	2,993	17%	223%

Source: NFWS Data Reporting System

The mix of education and training services provided to participants in the two largest partnerships differed significantly from the services that participants in the rest of the partnerships received. While only 9 percent of participants in the two largest partnerships received occupational training, 51 percent of participants in the other partnerships did. Conversely, while 42 percent of participants in the two largest partnerships received workplace readiness life skills training, only 26 percent of participants in the other partnerships received this service. (See Exhibit IV-4.)

As Exhibit IV-4 illustrates, while the two largest partnerships served 49 percent of all participants, they provided only 14 percent of occupational skills training services, only 8 percent of computer literacy services, only 7 percent of apprenticeship training, and only 2 percent of on-the-job training. Alternatively, they provided 76 percent of basic skills/ESL training and 60 percent of workplace readiness life skills training.[25]

Exhibit IV-4: Education and Training Service Participation: Comparing the Two Largest Partnerships with All Other Partnerships

	Two Largest Partnerships		All Other Partnerships		% Served by Two Largest Partnerships
	#	%	#	%	
Apprenticeship	66	1%	857	9%	7%
Basic Skills/ESL	3,008	34%	933	10%	76%
Computer Literacy	72	1%	802	9%	8%
Occupational Skills	783	9%	4,694	51%	14%
On-the-Job Training	17	0%	1,055	11%	2%
Workplace Readiness Life Skills	3,676	42%	2,431	26%	60%
Other Education and Training	496	6%	2,497	27%	17%

Source: NFWS Data Reporting System

Non-Education Services

The number of participants receiving non-education services grew by more than 200 percent in all categories except asset development, which saw a 511 percent increase, and case management, which saw an 84 percent increase. The share of participants receiving non-education services also grew between 2008 and 2009 in all categories except case management. The case management share was depressed by the fact that no participants in either of the two largest partnerships received case management services.

In aggregate, 62 percent of participants received assessment services, 58 percent received career coaching services, and 48 percent received supportive services. (See Exhibit IV-5.)

Exhibit IV-5: Service Participation by Non-Training Services

	2008		2009		% Change
	#	%	#	%	
N=	6,306		18,036		
Assessment	3,065	49%	11,213	62%	266%
Asset Development	211	3%	1,289	7%	511%
Career Coaching	3,150	50%	10,454	58%	232%
Case Management	3,032	48%	5,580	31%	84%
Job Search Job Placement	1,929	31%	5,963	33%	209%
Supportive Services	2,851	45%	8,696	48%	205%
Other Non-Training	633	10%	2,375	13%	275%

Source: NFWS Data Reporting System

Excluding the two largest partnerships, over 60 percent of participants received assessment, career coaching, and case management services and almost half received supportive services and other

[25] The largest partnership reported 48% of participants in basic skills training, however the services provided may be more appropriately reported in the "other training" or even "supportive services" categories.

job search and job placement assistance. (See Exhibit IV-6.) However, the two largest partnerships served almost half of all participants receiving assessment, career coaching, and supportive services.

Exhibit IV-6: Non-Training Service Participation: Comparing the Two Largest Partnerships with All Other Partnerships

	Two Largest Partnerships		All Other Partnerships		% Served by Two Largest Partnerships
	#	%	#	%	
Assessment	5,532	63%	5,681	62%	49%
Asset Development	44	1%	1,245	13%	3%
Career Coaching	4,950	56%	5,504	60%	47%
Case Management	16	0%	5,564	60%	0%
Job Search/Job Placement	1,547	18%	4,416	48%	26%
Supportive Services	4,301	49%	4,395	48%	49%
Other Non-Training	141	2%	2,234	24%	6%

Source: NFWS Data Reporting System

Services by Program Type

Incumbent workers were considerably more likely to receive computer literacy training (10 percent of participants compared to 4 percent for non-incumbent participants) and considerably less likely to receive workplace readiness life skills training (12 percent compared to 39 percent of non-incumbents). They were slightly less likely to receive occupational training (27 percent compared to 31 percent for non-incumbents). (See Exhibit IV-7.)

Exhibit IV-7: Education/Training Service Participation by Program Type

	Non-Incumbent (n=14,800)	Incumbent (n=3,236)
	%	%
Apprenticeship	6%	0%
Basic Skills/ESL	23%	17%
Computer Literacy	4%	10%
Occupational Skills	31%	27%
On-the-Job Training	6%	5%
Workplace Readiness Life Skills	39%	12%
Other Education/Training	14%	27%

Source: NFWS Data Reporting System

In terms of non-training services, incumbent participants were half as likely to receive assessment services (32 percent compared to 69 percent of non-incumbents) and job search/job placement services (19 percent compared to 36 percent of non-incumbents). Alternatively, incumbent participants were considerably more likely to receive case management services (66 percent compared to 23 percent for non-incumbents).[26] (See Exhibit IV-8 on the following page.)

[26] This is likely because no participants in the largest partnership, a non-incumbent program, receive case management services.

Exhibit IV-8: Non-Training Service Participation by Program Type

	Non-Incumbent (n=14,800)	Incumbent (n=3,236)
	%	%
Assessment	69%	32%
Asset Development	7%	10%
Career Coaching	57%	61%
Case Management	23%	66%
Job Search Job Placement	36%	19%
Supportive Services	48%	51%
Other Non-Training	13%	14%

Source: NFWS Data Reporting System

Services by Sector

The characteristics of each industry, as suggested earlier, had important implications for the kinds of services participants received.

Education and Training Services:

- *Logistics, transportation, and distribution.* All three partnerships working in the logistics, transportation, and distribution sector served only new entrants and implemented a strategy that emphasized access.[27] Education and training services, therefore, focused on job readiness.

  Individuals participated in only three kinds of training: 58 percent of participants received workplace readiness life skills training, 47 percent received basic skills/ESL training, and 9 percent received occupational skills training. (See Exhibit IV-9.)

- *Healthcare:* In contrast, the largest healthcare partnerships emphasized both access and advancement. Many healthcare partnerships combined both new entrant and incumbent worker programs.

  Because in the healthcare industry advancement is closely linked to skill acquisition, 60 percent of participants received occupational skills training, 18 percent received workplace readiness life skills training, 14 percent received basic skills/ESL training, and 28 percent received other training services. (See Exhibit IV-9 on the following page.)

- *Biotechnology:* The biotechnology industry also places major emphasis on formal education, and, in all but one of the biotechnology partnerships, an educational institution was the lead partner.

  Fully 78 percent of participants received occupational skills training and 67 percent received other training services. Because the strategy of all but one of the biotechnology partnerships was to provide low-skilled, underrepresented adults and transitional youth access to entry-level jobs in this high technology industry, 48 percent of participants

[27] It is important to remember when analyzing the data from this sector that the largest partnership dominates all the numbers.

also received workplace readiness life skills training. (See Exhibit IV-9.)

- *Construction:* Approximately one-third of participants in construction industry partnerships received occupational skills training and roughly the same share received workplace readiness life skills education. One-quarter of participants received on-the-job training. (See Exhibit IV-9.)

  This mix of services reflected the strategies of partnerships working with the construction industry. About half the construction partnerships offered pre-apprentice programs; some focused on providing the skills for "green" construction; one was an employment broker for the industry. In general, construction partnerships provided participants only the skills they needed to get hired since much of the skills training in the industry occurs through on-the-job training and/or through apprenticeship programs.

Exhibit IV-9: Education/Training Service Participation by Selected Sectors

	Industry							
	Biotechnology		Construction		Healthcare		Logistics, Transportation, Distribution	
	#	%	#	%	#	%	#	%
N=	551		1,359		5,353		6,061	
Apprenticeship Program Services	0	0%	174	13%	24	0%	0	0%
Basic Skills ESL Training Services	1	0%	95	7%	742	14%	2,848	47%
Computer Literacy Training Services	61	11%	88	6%	493	9%	0	0%
Occupational Skills Training Services	428	78%	426	31%	3,218	60%	564	9%
On-the-Job Training Services	63	11%	346	25%	582	11%	0	0%
Workplace Readiness Life Skills Training Services	267	48%	453	33%	980	18%	3,497	58%
Other Education Training Program Services	369	67%	222	16%	1,523	28%	0	0%

Source: NFWS Data Reporting System

Non-Training Services

In the four major sectors served by partnerships, participants in the logistics, transportation, and distribution sector were most likely to receive assessment, career coaching, and supportive services; participants in the construction industry were most likely to receive case management and asset development services; and participants in the biotechnology industry were most likely to receive case management and job search/job placement assistance. More than 60 percent of participants received assessment services in every industry except biotechnology and over 40 percent received supportive services in every industry except biotechnology.

In many program designs, case management and career coaching were substitutes for one another; in all four industries, over 60 percent of participants received one or the other service. (See Exhibit IV-10.)

Participant Outcomes

Education and Training

Education and training completions. Between 2008 and 2009, the number of participants completing education and training increased from 4,132 to 9,998, and the number of training completions rose from 5,297 to 12,841 since some participants completed more than one training program.

All training categories registered a greater number of completions this year than last (see Exhibit IV-11 on next page), and the share of participants completing rose across all categories except computer literacy training and workplace readiness life skills training. The greatest rates of increase were in the apprenticeship, on-the-job training, and

Exhibit IV-10: Non-Education/Training Service Participation by Selected Sectors

	Industry							
	Biotechnology		Construction		Healthcare		Logistics, Transportation, Distribution	
	#	%	#	%	#	%	#	%
N=	551		1,359		5,353		6,061	
Assessment Services	251	46%	1,088	80%	3,328	62%	5,539	91%
Asset Development Services	0	0%	396	29%	727	14%	97	2%
Career Coaching Services	315	57%	528	39%	2,822	53%	4,558	75%
Case Management Services	341	62%	902	66%	3,400	64%	97	2%
Job Search/Job Placement Services	337	61%	674	50%	1,763	33%	1,409	23%
Supportive Services	193	35%	657	48%	2,224	42%	4,234	70%
Other Non-Training Services	197	36%	73	5%	851	16%	0	0%

Source: NFWS Data Reporting System

occupational skills training categories.

The percentage of completions to date increased in those same three categories but fell slightly in the others, perhaps because so many of the partnerships were relatively new.

Exhibit IV-11: Participant Completions by Education/Training Service Type

	2008 Participants	2009 Participants	Increase 2008-2009	
			#	%
Apprenticeship	17	208	191	1,124%
Basic Skills/ESL	269	675	406	151%
Computer Literacy	402	676	275	69%
Occupational Skills	965	3,689	2,724	282%
On-the-Job Training	136	662	526	387%
Workplace Readiness Life Skills	2887	5,104	2,217	77%
Other Education and Training	622	1,827	1,205	194%

Source: NFWS Data Reporting System

As in 2008, training completion was greatest in workplace readiness life skills training (84 percent), followed by computer literacy (77 percent), occupational skills training (67 percent), and on-the-job training (62 percent). In 2009, however, there were more completions in apprenticeship training (23 percent) than in basic skills training (17 percent).[28]

Education and training completions varied significantly by industry, at least partly mirroring the differences in mix of education/training services by industry. For example, occupational skills training completions ranged from a low of 50 percent in the logistics, transportation, and distribution sector to a high of 82 percent in construction.

On-the-job training services completions were lowest in the biotechnology industry (27 percent) and highest in the healthcare industry (74 percent). Biotechnology also had the lowest workplace readiness life skills training completions (40 percent), and logistics, transportation, and distribution had the highest (100 percent). (See Exhibit IV-12.)

Exhibit IV-12: Education/Training Percent Completions by Industry Sector

	Industry			
	Biotech	Constr.	Health	L, T, D
Apprenticeship	N/A	55%	29%	N/A
Basic Skills/ESL	0%	79%	72%	0%
Computer Literacy	100%	80%	86%	N/A
Occupational Skills	59%	82%	74%	50%
On-the-Job Training	27%	44%	74%	N/A
Workplace Readiness Life Skills	40%	85%	74%	100%
Other Education and Training	62%	90%	64%	N/A

Source: NFWS Data Reporting System

[28] The basic skills completion numbers may be depressed by the largest partnership, which has enrolled large numbers of participants in basic skills but has reported very few completions.

Non-incumbent participants had completion rates of over 50 percent (and up to 84 percent) in all categories except apprenticeship (23 percent completion) and basic skills/ESL services (8 percent completion). The low completion rate in apprenticeship may be due to the amount of time apprenticeships require.

The low rate in basic skills/ESL is due to the large amount of missing data in that category from the largest partnership. Without the two largest partnerships, there was a 72 percent completion rate in basic skills/ESL.

Incumbent participants had an over 70 percent completion rate in all education/training categories except occupational skills training (58 percent) and apprenticeship. (There were no reported incumbent participants in apprenticeship training.)

Degrees and credentials received. The number of degrees and credentials received by participants rose dramatically from 679 participants to 9,735. (See Exhibit IV-13.)

Training degrees and credentials in 2009 were dominated by workplace readiness certificates (47 percent of all training certificates compared to 5 percent in 2008). This is because of the number of workplace readiness credentials reported by the largest partnership (76 percent of all workplace readiness credentials).

Exhibit IV-13: Participant Degree/Credential Achievements by Degree/Credential Type

Degree/Certificate	Year		Increase	
	2008	2009	#	%
AA or AS	10	49	39	390%
BA or BS	32	79	47	147%
GED/H.S. Equivalency	7	402	395	5,643%
Occupational Skills Certificate/Credential	388	3,309	2,921	753%
Occupational Skills Licensure	149	622	473	317%
Other Recognized Educational or Occupational Skills Certificate/Credential	44	656	612	1,391%
Workplace Readiness Credential	37	4,559	4,522	12,222%
Other	12	59	47	392%
Total	679	9,735	9,056	1,334%

Source: NFWS Data Reporting System

Excluding the largest partnership, workplace readiness credentials were 19 percent of all degrees/credentials and occupational certificates and licenses were 60 percent. GED/high school diplomas were 7 percent of degrees and certificates received and AA/BAs were 2 percent (down from 6 percent in 2008). The biotechnology sector was responsible for 91 percent of BA/BS degrees completed. The healthcare sector was responsible for 68 percent of all occupational skills certificates and credentials received, over half of all occupational skills licensures completed, and 69 percent of AA/AS degrees completed. The logistics, transportation, distribution sector was responsible for 76 percent of workplace readiness credentials completed.

Non-incumbent worker programs were responsible for more BA/BS degrees (1 percent, while incumbent programs did not report on this category), GED/high school diplomas (5 percent compared to 0 percent attributable to incumbent programs), occupational skills licensures (7 percent compared to 1 percent), other recognized occupational skills certificates (8 percent compared to 2 percent), workplace readiness credentials (56 percent compared to 0 percent), and other credentials (1 percent, while incumbent programs did not report on this category). (See Exhibit IV-14.)

Incumbent worker programs were responsible for more AA/AS degrees (2 percent compared to 0 percent for non-incumbent programs) and occupational skills certificates/credential completed (44 percent compared to 31 percent).

Exhibit IV-14: Degrees and Credential Received by Program Type

	Non-Incumbent (n=8,166)		Incumbent (n=1,832)	
	#	%	#	%
AA or AS Degree Completed	17	0%	32	2%
BA or BS Degree Completed	79	1%	0	N/A
GED/H.S. Equivalency Completed	398	5%	4	0%
Occupational Skills Certificate/Credential Completed	2,510	31%	799	44%
Occupational Skills Licensure Completed	606	7%	16	1%
Other Recognized Educational or Occupational Skills Certificate Credential Completed	617	8%	39	2%
Workplace Readiness Credential Completed	4,552	56%	7	0%
Other	59	1%	0	N/A

Data Source: NFWS Data Reporting System

Job Placements

There was also a major increase in job placements between 2008 and 2009 for non-incumbent participants. In 2009, 4,058 non-incumbent participants achieved job placement or slightly more than one-quarter of all non-incumbent participants; this was up from 893 job placements in 2008.

The two largest partnerships accounted for just over half (52 percent) of all job placements. Excluding the two largest partnerships, the total number of job placements was 1,966.

Just over one-quarter (28 percent) of partnerships reported placing more than 51 participants; 37 percent reported placing one to 25; and 17 percent reported placing 26 to 50. Ten partnerships (19 percent) reported either no placements or unknown missing/not applicable.

In both the two largest partnerships and all others, 90 percent or more of placements were in the targeted sector. As expected, the largest number of placements (1,812) was in the logistics, transportation, and distribution industry, followed by healthcare (778), construction (502), and biotechnology (188).

Achievement of placements did not seem to vary greatly among the four analyzed sectors: biotechnology (34 percent), construction (37 percent), logistics, transportation, and distribution (30 percent), and healthcare (29 percent).

Wages, Hours, and Benefits at Placement

Wages at placement: Wage data at placement were missing for 72 percent of participants in the two largest partnerships. Reported wages from those two partnerships were largely concentrated in the lowest wage range (less than $10.00 per hour).

In the remaining partnerships, only 9 percent of wage data were missing. Here, there was a much wider range of wages at placement with 18 percent of participants receiving under $10.00 per hour and 15 percent receiving over $20.00. (See Exhibit IV-15.)

Hours at placement: Most participants were working full-time at placement. For the two largest partnerships, 91 percent of placed participants were working 35 hours or more, compared to 71 percent for the remaining partnerships.

Benefits at placement: Benefit eligibility at placement was missing for 87 percent of participants in the two largest partnerships. For all remaining partnerships, 61 percent of placed participants were eligible for benefits.

Exhibit IV-15: Wage at Placement by Two Largest and All Remaining Partnerships

	Two Largest Partnerships	All Remaining Partnerships
	(n= 2092)	(n=1966)
Wage at Job Placement Less than $10.00	20%	18%
N-I: Wage at Job Placement $10.00-$12.49	3%	28%
N-I: Wage at Job Placement $12.50-$14.99	2%	16%
N-I: Wage at Job Placement $15.00-$17.49	2%	6%
N-I: Wage at Job Placement $17.50-$19.99	1%	8%
N-I: Wage at Job Placement >$20.00	0%	15%
N-I: Wage at Placement Unknown/Missing (Calculated)	72%	9%

Data Source: NFWS Data Reporting System

Job Retention

Excluding the two largest partnerships from the analysis since the data are largely missing for them, 27 percent of participants in the remaining partnerships achieved six-month retention and 16 percent achieved 12-month retention.

Not surprisingly, retention was much higher among incumbent participants. Again excluding the two largest partnerships, 58 percent of incumbent participants achieved six-month retention and 38 percent achieved 12-month retention, whereas among non-incumbents 13 percent achieved six-month retention and 5 percent achieved 12-month retention. (See Exhibit IV-16.)[29]

Exhibit IV-16: Wages for Non-Incumbent Participants at Placement, Excluding Two Largest Partnerships, and for Those Achieving 12-Month Retention

	Participants Achieving Placement, Excluding Two Largest Partnerships	Participants Achieving 12-Month Retention
	(n=1,966)	(n=291)
<$10.00	18%	10%
$10.00-$14.99	44%	42%
$15.00-$19.99	14%	12%
>$20.00	15%	21%
Unknown Missing	9%	15%

Source: NFWS Data Reporting System

However, looking at retention as a share of job placements for non-incumbent workers, 42 percent of those placed in jobs were retained for at least six months and 15 percent were retained for at least 12 months.

The construction industry had the highest share (57 percent) of job placements achieving six-month retention, followed by healthcare (46 percent), and biotechnology (19 percent). The logistics, transportation, and distribution retention rate (1 percent) was an artifact of the missing data from the largest partnership.

The share of job placements achieving 12-month placement was very similar for the healthcare, biotechnology, and construction industries (19 percent, 18 percent, and 17 percent, respectively).

Excluding the two largest partnerships, a lower share (49 percent) of non-incumbent participants achieving 12-month retention reported wages under $15.00 than non-incumbent participants at placement (62 percent). A slightly higher share (32 percent compared to 29 percent) reported wages of $15.00 or above.

Outputs and Outcomes for Employers

Key Observations

- *There was a substantial growth in the number of employers receiving services.* In total, 998 employers received services from the partnerships compared to 504 in 2008.

- *While the two largest partnerships served almost half of all participants, they served only 25 percent of all employers.*

- *Most partnerships (52 percent) served less than 20 employers; just over one-quarter served more than 20 employers.* Just under one-fifth of partnerships

[29] Because these data are cumulative, the 12-month retention numbers are also reported in the 6-month retention data.

reported that they were not serving any individual employers. Most of these were very new partnerships that had just begun to enroll participants and several were community college-based programs that may not be working with specific employers.

- *Overall, smaller partnerships provided a greater range of services to employers than larger partnerships.* On the other hand, three of the largest partnerships (over 500 participants) had deep employer engagement and provided a wide range of services.

- *The most common service employers received was the screening and referral of job applicants (740 employers), followed by assessment of employers' needs (440 employers), and the brokering of training services (195 employers).*

- *There also was considerable variation by kind of program offered. Partnerships that provided both incumbent and non-incumbent services provided employers the widest range of services.*

- *The number of employers served in the healthcare; construction; and logistics, transportation, and distribution sectors was relatively comparable (298, 255, and 247, respectively). However, the number and mix of services varied significantly by sector.* Healthcare employers received the richest mix of services.

Employer Strategies and Services

To address employers' goals, workforce partnerships worked with employers to recruit, train, and retain new workers and to upgrade the skills of and provide other opportunities and supports for existing workers.

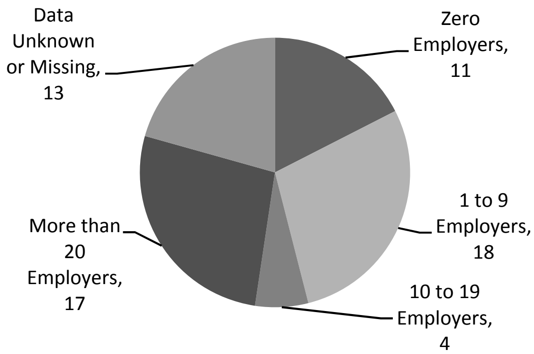
Overview

In total, 998 employers received services from the partnerships. The two largest partnerships served 200 employers; the remaining partnerships served 798.

Most partnerships (52 percent) served less than 20 employers and a very few appeared to serve only one; just over one-quarter (27 percent) served more than 20 employers.[30] Just under one-fifth of partnerships (18 percent) reported that they were not serving any individual employers. Most of these were very new partnerships that had just begun to enroll participants and several were community college-based programs that may not be working with specific employers. (See Exhibit IV-17 on the following page.)

[30] The data were missing for 21 percent of partnerships.

Exhibit IV-17: Number of Employers Served by Workforce Partnership



Source: NFWS Data Reporting System

The most common service employers received was the screening and referral of job applicants (740 employers), followed by assessment of employers' needs (440 employers), and the brokering of training services (195 employers). (See Exhibit IV-18.)

Partnerships pursuing both new entrant and incumbent worker strategies helped employers map career pathways and develop career ladder programs (139 employers). Partnerships also worked closely with employers to provide incumbent worker training programs, focused on both occupational training (136 employers) and basic skills training (178 employers).

Many of the partnerships providing skills training to new entrants did not work directly with individual employers to fill specific skills needs, but some did. Partnerships developed new entrant occupational training programs in concert with 134 employers and new entrant basic skills programs with 91 employers.

Exhibit IV-18: Employer Services Provided

	Number of employers receiving service (n=998)
Assessment of Employer Needs Services Received	440
Brokering Training Services Received	195
Development of Career Ladder Programs Services Received	139
Development of Training Plans for Employer Received	97
Incumbent Worker Basic Skills Training Received	178
Incumbent Worker Occupational Training Received	136
New Entrant Basic Skills Training Received	91
New Entrant Occupational Training Received	134
Screening and Referral of Job Applicants Received	740
Other Employer Services Received	77

Source: NFWS Data Reporting System

In numbers of companies, human resources professionals and direct supervisors were engaged to improve the performance of both new and existing workers by providing a sustainable, supportive learning environment. Sometimes this took the form of career coaches who worked on-site with employees. One partnership required employers to pay a fee to participate and required that each offer its entry-level employees career coaching. In some union/management partnerships, the union provided coaches and mentors. Partnerships also provided a forum for employer exchange on effective human resources policies and practices.

Other partnerships reimbursed employers to offset a small portion of the cost involved in training workers on the job. This tended to be the case for longer-term on-the-job training, such as apprenticeship programs, where companies were bearing the risks associated with hiring workers with significant barriers to labor market success.

Employer Strategies and Services by Size of Partnership

Overall, the smaller partnerships (serving 60 participants or less) provided a greater range of services to a larger proportion of employers served than did larger partnerships.

In aggregate, the largest partnerships — those serving more than 500 participants — provided a narrower range of services to fewer employers. Only 11 percent of total employers served by these partnerships received services other than screening and referral of job applicants. Alternatively, screening and referral services were provided to nearly all of their employers (95 percent). There was, however, considerable variation within the largest partnership category. Three of the partnerships serving over 500 participants — all focused on the healthcare industry — had deep employer engagement and provided participating employers a wide range of employer services.

Employer Strategies and Services by Program Type

There also was considerable variation by kind of program offered: only incumbent worker program, only non-incumbent worker program, and both. Three-quarters of all employers (748 employers) were served by partnerships that offered only a non-incumbent worker program. The primary services received were screening and referral of job applicants (88 percent of employers) and assessment of employer needs (40 percent of employers). Thirteen percent of employers received new entrant occupational training, but less than 10 percent received any other kind of service.

In contrast, a very small number of all employers (17, or 2 percent) were served by partnerships offering only an incumbent worker program. The primary service received was incumbent worker occupational training (65 percent of employers). Only one employer was reported to have received any other kind of service. (See Exhibit IV-19 on following page.)

Exhibit IV-19: Employer Services Received by Program Type: Non-Incumbent Participants, Incumbent Participants, Both Non-Incumbent and Incumbent Participants

	Non-Inc Only	Inc Only	Both
	Percent of Employers	Percent of Employers	Percent of Employers
	(n=748)	(n=17)	(n-233)
Assessment of Employer Needs	40%	6%	60%
Brokering Training	6%	6%	64%
Development of Career Ladders	5%	6%	43%
Development of Training Plans for Employer	4%	6%	29%
Incumbent Worker Basic Skills Training	6%	6%	55%
Incumbent Worker Occupational Training	2%	65%	46%
New Entrant Basic Skills Training	8%	0%	14%
New Entrant Occupational Training	13%	0%	16%
Screening and Referral of Job Applicants	88%	0%	34%
Other Employer Services	1%	0%	31%

Source: NFWS Data Reporting System

Just under one-quarter (233 employers, or 23 percent) of employers were served by partnerships offering both kinds of program. They received a much richer mix of services. Over half received assessment of employer needs (60 percent), the brokering of training services (64 percent), and incumbent worker basic skills training (55 percent). Over 40 percent were supported in developing career ladder programs (43 percent) and received incumbent worker occupational skills training services (46 percent). Approximately one-third (34 percent) received screening and referral of job applicant services and just under one-third (29 percent) had training plans developed for them.

Employer Strategies and Services by Sector

The number of employers served in the healthcare; construction; and logistics, transportation, and distribution sectors was relatively comparable (298, 255, and 247, respectively). However, the number and mix of services varied significantly by sector. Healthcare employers received the richest mix of services: assessment (68 percent), the brokering of training services (56 percent), screening and job referral of applicants (51 percent), incumbent worker basic skills training (39 percent), the development of career ladder programs (33 percent), incumbent worker occupational training (30 percent), new entrant occupational skills training (17 percent), new entrant basic skills training (10 percent), as well as training plans for employers (20 percent).

At the other extreme, biotechnology employers received a very small number of services: incumbent worker basic skills training (47 percent), screening and referral of applicants (60 percent), and other services (7 percent).

Almost all employers (98 percent) in the logistics, transportation, and distribution sector received screening and referral of job applicants but limited other services. Some received an assessment of employer needs (9 percent), new entrant occupational training (7 percent), and the brokering of training services (4 percent).

The two principal services received by employers in the construction industry were screening and referral of job applicants (91 percent) and assessment of employer needs (56 percent). A small number also received new entrant basic skills and occupational training (13 percent in both cases).

System Change Outputs and Outcomes

Key Observations

- *The number of collaboratives reporting system change outcomes and the total number of systems changes reported increased from the data reported in the last quarter of 2008 to the data reported in the last quarter of 2009.*

- *The most frequent educational system changes reported in both 2008 and 2009 were "Improved Access" and "Changed Curricula and Design."*

- *The most frequent state-level systems changes reported were "Improvements in Public System" and "Other State-Level Changes."*

- *The most frequent change in employer practices was "Increased Employer Investment."*

Outputs and Outcomes

The number of collaboratives reporting system change outcomes and the total number of systems changes reported increased from 2008 to 2009. In 2009, 82 percent of all collaboratives reported an educational systems change, 68 percent reported a change in employer practices, and 50 percent reported a state-level policy change. (See Exhibit IV-20.)

Exhibit IV-20: Collaboratives Reporting Systems Changes

Systems Change Category	Percent of Collaboratives Reporting Changes	
	2008	2009
Educational Institutions	57%	82%
State Systems	48%	50%
Employer Systems	48%	68%

Source: NFWS Data Reporting System

Changes in Education and Training Provider Practices

Eighteen of the 22 collaboratives reported achieving at least one education system change in the most current reporting period compared to 12 out of 21 collaboratives in 2008.

The most frequent changes reported in both years included "improved access" and "changed curricula and design." Examples provided of improved access included securing an agreement with community colleges to offer the Accuplacer placement test at community and job sites and an increased number of part-time evening allied health programs.

Changes in State-level Systems

Eleven of the collaboratives reported at least one state-level systems change in both 2008 and 2009. In 2009, the most frequently reported state-level systems changes were "improvements in public systems" and "other state-level changes."

In some cases, increased state investments were actually funding commitments made in a prior year that had recently resulted in new local grants. However, there were also successes in 2009. For example, two collaboratives in one state successfully advocated for a shift in state funding to provide more training resources to low-income individuals.

Several collaboratives reported that in 2009 their state advocacy strategy shifted from seeking greater state investments to preventing funding cuts in workforce and sector funding. Sometimes this was accomplished by arguing for the state to use ARRA monies to maintain funding levels. A number of collaboratives also reported that local workforce investment boards agreed to provide funding to workforce partnerships from ARRA funds.

Some of the "other state policy changes" also appeared related to opportunities provided by increased federal funding and new policy directives from Washington. For example, the system change grantee of one collaborative took advantage of the Unemployment Insurance Modernization Act (UIMA) to successfully advocate for the expansion of unemployment benefits to part-time workers and for an increase in the maximum unemployment insurance benefit.[31]

[31] UIMA provided $7 billion in financial incentives for states to close gaps in their current unemployment programs. A state could qualify for one-third of its UIMA funding if it had or adopted an "alternative base period," policy that counts a worker's recent earnings, if needed, for him to qualify for benefits. To qualify for the remaining two-thirds of the UIMA incentive funding, states had the option of providing benefits to workers in at least two of the following five situations: 1) part-time workers who are denied state benefits because they are required to seek full-time work; 2) individuals who leave work for compelling family reasons, including domestic violence; 3) workers with dependent family members who qualify for state benefits but whose benefits should be increased to help care for their dependents; 4) permanently laid-off workers who require extra unemployment benefits to participate in training; or 5) the long-term unemployed who were previously unable to collect a full 26 weeks of state benefits.

Changes in Employer Practices

In 2009, 15 of the 22 collaboratives reported achieving a change in employer practices, compared to 11 of 21 collaboratives in 2008. The most frequent change reported in both years was "increased employer investment." Increased investment by employers included release time to allow workers to attend training and education programs, tuition assistance, and direct contributions to workforce programs. (See Chapter III on Workforce Partnerships for more discussion of changes in employer practices.)

Report Spotlight: The NFWS ARRA Achievements

Overview

President Obama signed the American Recovery and Reinvestment Act (ARRA) into law in February 2009. The purpose of the law was to preserve and create jobs, promote economic recovery, and assist those most impacted by the recession. To achieve these ends, Congress directed funds supporting workforce training and education through a number of federal agencies including the Departments of Commerce, Education, Energy, Health and Human Services, Labor, and Transportation. The U.S. Department of Labor alone received a total of $3,950,000,000 to support activities under the Workforce Investment Act, including resources through its existing system of workforce investment boards, and $750,000,000 in competitive grants for worker training and placement in high growth and emerging industry sectors.

This funding provided the National Fund, its collaboratives, and workforce partnerships an important opportunity for addressing regional labor market problems, supporting growth industries, and securing additional resources for low-income populations. The collaboratives played many roles around the ARRA funding including:

- *convener* of local and state partners to provide information and help organize grant applications;
- *advocate,* providing advice to state and local workforce systems and political leaders on the use of new funding and policy opportunities;
- *applicant,* or partner, in direct applications for ARRA funding; and
- *supporter* of efforts to access ARRA funding by providing planning grants to local workforce agencies.

As a result of this activity, the initiative succeeded in winning millions of ARRA grants as well as providing support to partners in securing competitive grants and shaping state policy options. This *Spotlight* provides highlights from some of these efforts.

Pathways Out of Poverty: The purpose of this grant competition from the U.S. Department of Labor was to help disadvantaged populations achieve economic selfsufficiency through employment in energy efficiency and renewable energy industries. Jobs for the Future on behalf of NFWS and in partnership with five NFWS regional collaboratives, the AFL-CIO Working for America Institute, and Wider Opportunities for Women succeeded in winning an almost $8 million grant to ramp up pathways into green industries for unemployed and disadvantaged individuals in Chicago, Detroit, Los Angeles, Milwaukee, and Philadelphia. Additionally, the Boston collaborative provided planning grants to four local community-based organizations to apply for grants from this ARRA source; three of the four organizations received federal funding.

Energy Training Partnership Grants: A Providence construction partnership supported by the Rhode Island collaborative won a $3,720,000 grant to assist individuals with criminal records, minorities, and dislocated workers train for and secure good jobs in construction. Additionally, the local WIB and lead fiscal agent for the Wichita collaborative was part of a successful $6 million state energy grant and is considering beginning a workforce partnership in this industry. A key partner in the Seattle collaborative also received over $10 million in two large energy grants.

Health Care and High Growth Grants: The Greater Cincinnati collaborative was part of a coalition winning almost $5 million in funding from the U.S. Department of Labor for its healthcare partnership. This grant supported a major expansion of this partnership's work in creating new career pathways in allied health and healthcare information technology. The partnership already represented over 50 percent of the hospitals in the Greater Cincinnati region; this grant allowed it to add new partners, both additional hospitals and new educational institutions. Goodwill Industries in Omaha, supported by the Omaha collaborative, received a $2 million grant for the insurance and banking industry. Two of the partnerships supported by the Greater Washington, D.C. collaborative were part of a healthcare application that received a $5 million grant.

State Labor Market Information Improvement Grants: The U.S. Department of Labor State Labor Market Information Improvement grants provided funding for research and analysis of labor market data to assess economic activity in energy efficiency and renewable energy industries and to identify occupations within those industries. The grants were awarded to state workforce agencies to help them use labor market information to build and implement effective strategies. The lead fiscal agent for the Pennsylvania collaborative was among the partners successfully competing for this funding for its state. The states of New York and Washington also received awards and collaboratives in Seattle and New York City anticipate benefiting from the information.

The Washington, D.C. collaborative was supportive of a multi-state coalition that also won a Labor Market Information Improvement grant.

Housing and Urban Development Community Services Block Grant: The construction partnership in Baltimore received a $120,000 grant to support a housing rehabilitation project employing its pre-apprenticeship training graduates.

Advancing Registered Apprenticeships into the 21st Century: Two of the construction workforce partnerships supported by the Greater Washington, D.C. collaborative each won grants of over $500,000 from the U.S. Department of Labor.

Funding from increased state and local workforce investment resources: Partnerships supported by collaboratives in Baltimore, Cincinnati, Denver, New York, Philadelphia, San Diego, and Los Angeles received funding ranging from $50,000 to several million dollars from state and local WIA funds to support their activities. New York City used some of its increased WIA funds to support two new sector-specific one-stop career centers — one in healthcare and the other in manufacturing. In Los Angeles, the collaborative's construction partnership received a $2 million grant from the city and its healthcare partnership received $600,000.

The Unemployment Insurance Modernization Act: The Unemployment Insurance Modernization Act (UIMA) provided $7 billion in financial incentives for states to close gaps in their current unemployment programs. The systems reform grantee for the Baltimore collaborative took advantage of this aspect of ARRA to successfully advocate for the expansion of unemployment benefits for low-income workers.

Support for Workforce Partners: Collaboratives in Boston, Central Wisconsin, Cincinnati, Dan River, Pennsylvania, Philadelphia, Milwaukee, Rhode Island, Seattle, Washington, D.C., the Bay Area, and Seattle provided support for ARRA applications by partners by convening meetings, providing planning grants, supplying letters of support, and hiring consultants to support grant applications. The Pennsylvania collaborative hosted an informational conference on the Pathways Out of Poverty grants that was attended by industry partnerships from across the state. It had attendees come in organized as potential teams for the competition. There were six ARRA grants won in Pennsylvania, three local and three national. The consultant hired by the Dan River Region collaborative developed a federal fundraising strategy outlining how the region can prepare and collaborative on federal funding opportunities; the collaborative has now contracted with this consultant to help support five to 10 future local grant proposals.

V. Conclusion

Introduction

By the end of its second full year of implementation, the National Fund had become a large and complex project, operating in 22 regions of the country. Most significantly, the initiative had put in place the necessary local and national program infrastructure to carry out its work and there was evidence that NFWS had begun to move the needle on its goals:

- workforce partnerships had served over 18,000 individuals and almost 1,000 employers;
- employers appeared to be actively engaged in the majority of partnerships;
- partnerships were generally serving individuals with significant barriers to success in the labor market;
- participants were largely receiving intensive services, including occupational training;
- most participants who had found jobs had been placed in the targeted sector;
- both collaboratives and partnerships were reporting important changes in employer practices, institutional behavior, and public policy to support income and career advancement for low-skilled, low-income individuals; and
- many key principles of the National Fund had made their way into the ARRA RFPs and policy directives from the U.S. Department of Labor.

The National Fund also had engaged over 250 local organizations — including philanthropic, public, and employer organizations — in funding this effort and had involved many more as partners in a wide variety of capacities.

The Role of Sector

Rich learnings were beginning to emerge from NFWS practice. For example, the National Fund was operating across a sufficiently wide range of sectors that it was learning how to best support income and career advancement goals for workers in very different industry settings. Clear differences in strategy and in the experiences of participants across sectors had already begun to emerge.

There were both common threads that cut across sectors and real differences among programs based on the nature of the industry. Common strategies and services among the most well developed partnerships across all sectors included deep employer engagement, assessment, career counseling or coaching, skill enhancement, supportive services, and some kind of follow-up or retention services after job placement.

In some sectors, however, formal levels of educational attainment were less important. Partnerships' strategies were to provide participants the prerequisite hard and soft skills and support they needed to gain entrance into the industry and retain employment.

In contrast, in other sectors, individuals needed more classroom training to gain entry and increasingly higher levels of formal education to advance to better paid jobs. Partnerships' strategies, therefore, focused on providing participants the basic literacy and math skills they needed to enter college-level courses and to succeed in a classroom environment.

Strategies differed not just because of the character of each industry's job structure but also based on employers' needs, motivations, and goals.

Employer Involvement and Commitment

Employers were engaged to very different degrees across the partnerships. Although the evidence was qualitative not quantitative, it appeared that partnerships where employers were an integral part of the project from the very beginning and were participating in their own self - interest were more likely to:

- continue to engage their employer partners through the recession;
- maintain employer involvement over a long period of time;
- benefit from greater investment of employer time and resources; and
- have an effect on employer practices.

Partnerships with weaker ties to employers seemed to fall into two groups: those where employer engagement was relatively peripheral to or entirely outside their model and partnerships committed to including employers that have found it difficult to do so in the face of the recession.

Strategies for Career Advancement and System Change

By its second year, also, the National Fund initiative was diverse enough that it was emerging as a rich laboratory in which alternative strategies for implementing its broad principles were beginning to be tested. These included the most effective approaches to meeting the needs of workers with the greatest barriers and the best ways to diffuse and sustain the National Fund's innovations.

Career and Income Advancement

One of the five strategies the National Fund considers essential to its approach is the implementation of career pathways. Yet not all partnerships were doing so, either in the sense of developing formal career pathways programs or in the broader sense of implementing a *systematic* approach to career advancement.

Partnerships appeared to be pursuing a range of approaches. Some new entrant partnerships helped participants access entry-level jobs in industries and worked with employers and participants to provide career advancement opportunities after individuals were hired. Other partnerships put new entrants on a career pathway or gave participants the formal credentials they needed both to access better jobs and continue their education, but did not maintain a relationship after they were hired. Finally, some partnerships' strategy was simply to provide low-income, low-skilled individuals access to jobs that paid decent wages, but where there was no obvious career pathway other than seniority. All three strategies might provide participants income advancement, but not access to or movement up a career pathway.

System Change and Sustainability

While partnerships were pursuing different approaches to career and income advancement, collaboratives were experimenting with the best ways to widely diffuse the principles of the National Fund into the practice of both public and private organizations.

Two principal strategies had emerged. The first was to fund or develop sector partnerships with strong employer engagement that were capable of brokering the range of services low-income, low-skilled individuals need to access good jobs in the targeted industries. In the process, these partnerships also sought to make the changes necessary in employer and institutional behavior to achieve this goal.

The second strategy tried to more fully embed National Fund key principles into the practices of public institutions, especially one-stop career centers and community colleges, allowing them to assume much of the brokering role.

Challenges and Opportunities

The recession and the fiscal crisis in many states provided both the collaboratives and partnerships with serious challenges that threatened their ability to attract investors, engage employers, and find job and advancement opportunities for low-income individuals.

It is impossible to determine what kinds of outcomes the sites would be experiencing in the absence of such a severe economic downturn. However, it appeared that with some important exceptions both partnerships and collaboratives were able to develop strategies to continue to try to meet the needs of employers and low-income workers. The federal stimulus monies provided an important new source of funding.

In its second year, the National Fund continued to have internal challenges as well as external ones. As in 2008, a key concern was the extent to which collaboratives and partnerships were fully implementing the initiative's core principles and creating effective sector brokers. A number of the funded "partnerships" were actually better described as sector training programs, more restricted in their commitments and purposes than the NFWS intended.

Advocacy Efforts

Advocacy efforts by both the national NFWS actors (the national investors, JFF, the Council on Foundations) and the regional/rural funding collaboratives focused largely on the new Obama administration and the new federal monies coming to the states.

National NFWS presented information to the administration and Congressional staff on what had been learned from effective practices that was relevant to federal investments and policies in workforce and education. The collaboratives helped mobilize local stakeholders to advocate for how the local funds should be used and to take maximum advantage of the new funding.

By the end of the year, National Fund investors were generally enthusiastic about the extent to which concerns for low-income populations, career advancement and career pathway strategies, and sectoral approaches were included in federal RFPs, administrative regulations, and so on. Local collaboratives also were pleased with their success in helping their local partnerships and other organizations gain access to the new federal funds.

Moving Forward

Year three of the National Fund should be an important one. One of the apparent lessons from the initiative so far is that informed experience matters. Mature collaboratives tended to be more effective than newer ones in supporting and directing the work of partnerships and in achieving public policy and other system change goals.

To some degree, it simply takes time to create effective strategies, identify resources, and build critical relationships. But, it is also true that some of the mature collaboratives and partnerships are more effective because they have learned from what they have done — and can now more quickly build those lessons into their current and future work. Increasingly, the opportunity — and challenge — for the National Fund is how to best capture and diffuse the knowledge being gained throughout the initiative across its many moving parts.

Critical challenges for the third year will also include deepening the common understanding of and commitment to NFWS core principles among the collaboratives and testing whether — now that so much local capacity has been developed — NFWS can effectively mobilize its local partners and the rich lessons from their experience to influence public practice and state and national policymaking.