Training programs promise good jobs without college degrees. Can they deliver?

Paths to progress
Funding of technical training for jobs that don't require college degrees has plummeted since the 1980s, but a new crop of programs show promise by being more responsive to local businesses.

Joe Easley has cycled through so many jobs since graduating high school nine years ago that it’s hard to imagine his career is just beginning.

There was a brief stint as operations supervisor for a Steak ‘n Shake restaurant in his hometown of Columbus, Ohio. There were jobs at several call centers, selling phones at AT&T and Verizon stores, and as a customer service rep at JPMorgan Chase.

In between, he started (and didn’t finish) a handful of college degree programs, completed a certificate in broadcasting, and even joined the Air Force.

“I was desperately trying to find the right path for me,” Mr. Easley tells The Christian Science Monitor.
He finally hit his stride last year after completing a free training program in information technology (IT) skills. There was a high demand for such skills from local businesses; before even receiving his certification, Easley was entertaining possible jobs at Time Warner Cable and with a defense contractor. Salary offers were coming in at $43,000 per year – twice as much as he had ever earned.

Easley's story is far from unique. A growing body of evidence is showing promising career results for people who train in moderately technical skills that employers in manufacturing, IT, and healthcare say they desperately need.

Called “sector-based” or "skills-based" training, this model – of finding out what jobs community businesses need to fill and training people for them – has the potential to re-invigorate workforce development at a precarious time in the country's economy, supporters say. According to employers and economists, there aren’t enough workers with the right skills to fill the plethora of jobs, from machinists to health technicians, that don’t require a college degree. That's why twenty-one states now use sector-based training to plug those skills gaps in their local labor markets.

The model also has gained national political traction in recent years. President Obama, once a staunch proponent of college-for-all, has devoted more attention to training workers for existing, unfilled jobs in his second term.

As a Virginia senator, vice presidential nominee Tim Kaine introduced legislation last year to make more Pell Grant dollars, which help fund education for low-income students, available for short-term skills training. Hillary Clinton has a set of proposals for skills training, and said in her DNC speech in July that training for existing jobs would be a priority.

The model is by no means perfect. It can serve only a limited number of workers who have certain qualities, such as an aptitude for math, or the constitution to work in certain medical jobs. There’s also the threat of training people for specific skills that may not easily transfer to other industries if the labor market changes.

“There are some major challenges involved in bringing these programs to a scale sufficient to really improve outcomes for less-educated workers, while maintaining program quality,” Georgetown University economist Harry J. Holzer wrote in a 2015 analysis for the US Department of Labor. Still, he concluded, those challenges can be overcome.

**Filling a void**

According to the National Skills Coalition, a Washington-based career-training advocacy group, the need for workers in middle-skilled jobs in the US will remain one of the economy’s most pronounced in the near term.

Indeed, the US Bureau of Labor Statistics data show a surplus of bachelor’s degrees in the workforce, while moderately skilled positions languish.
Middle-skill jobs — jobs that require more than a high school diploma but not a four-year degree — make up 54 percent of jobs in the US economy. But only 44 percent of US workers are trained at the middle-skill level.

National Skills Coalition

Through 2022, the share of high-skill jobs, including lawyers and doctors, is expected to stay stagnant at 31 percent, the skills coalition estimates. The number of middle-skilled jobs, which call for training but no college degree, will continue to make up the bulk of work, though dropping slightly from 54 to 49 percent in the next six years.

“There was an ideology and philosophy that the only good job out there is one for which you need a four-year degree,” Andy Van Kleunen, chief executive officer of the coalition, tells the Monitor. “The data never showed that.”

Besides helping employers, studies show that skills-based training gives an earnings boost to workers in the middle of the economy, which has been hardest-hit by a shift in the labor market that makes it much harder to earn a living wage without post-secondary education.

For instance, a June brief describing a controlled study of 2,600 low-wage workers reported a 14-percent rise, on average, in annual earnings — or $1,945 — for those who completed a skills-based training program. Researchers from MDRC, the public-policy organization that conducted the survey, characterized the findings as an “encouraging” indicator of their effectiveness.

Easley had the kind of success the model was built for. His free, eight-week training in A+, a certification for computer technicians, was organized by the Ohio branch of New York City-based nonprofit Per Scholas, a pioneer in the field of IT career training for low-income workers. Besides computer skills, Per Scholas teaches how to evaluate benefits packages, ask for raises, and navigate the uncertain path of career advancement.

Per Scholas was one of four nonprofits in New York City, Cleveland, and Tulsa, Okla. to participate in MDRC’s research. The nonprofit raised annual earnings for its workers by 26 percent, or about $3,700.

Other nonprofits showed weaker results, partly because it took them time to build relationships with local businesses, says MDRC. In some cases, it was because they trained people for jobs that were plentiful when the study began, but disappeared by the time it was over.

Pivoting careers
That's what happened to Austin Rhine, a participant in the MDRC study based in Tulsa. Less than a year after training and getting placed in a job as a CNC (computer numeric controlled) machinist at McKissick, a manufacturer of equipment for the oil and gas industry, he was laid off with a wave of cutbacks.

“I was just kind of bummed,” says Mr. Rhine.

The oil glut that has sent oil prices plummeting in recent years has devastated the oil and gas industry in Oklahoma, which drives the local economy. Thousands of people have lost jobs in the Tulsa region as energy companies have downsized or gone bust.

“Our model was based on training and placing people when oil and gas was on this huge boom,” says Karen Pennington, the managing director of Madison Strategies Group, the nonprofit that trained Rhine. “And a year-and-a-half ago it [went] crashing down.”

Rhine is emblematic of one of the biggest drawbacks to sector-based training: the threat of training people for very specific jobs skills that may not be transferable to other industries.

“That’s one caveat about the strategy,” says Richard Hendra, a senior researcher at MDRC. “With specialization comes risk, so you’re going to have to be nimble.”

Happily, Rhine’s skills proved useful beyond oil and gas. He was a good at math and a hard worker, impressing his instructors so much that he snagged the McKissick position just a couple of months into his four-month training program. Madison was able to find him a job as a machinist for an aerospace manufacturer within a couple of weeks of his being laid off.

The nonprofit now is steering its CNC machinist training program towards aerospace manufacturing, an industry expected to grow for years in the region.

“I think there’s no greater sin than training people that desperately need a higher income and better career opportunities in an industry where they can’t work,” says Ms. Pennington.

**Working with employers**

Responding to the changing needs of local businesses is key to the success of demand-based training programs, say advocates of the model. But until recently, it wasn’t standard practice in the workforce development field.

In past decades, such training programs “focused so much on the worker,” explains MDRC’s Dr. Hendra. “They weren’t very good at working with employers.”

Meanwhile, although the number of college graduates has grown, businesses have complained they can’t find workers for moderately technical jobs.

“I spent an entire year going to high schools and junior high schools talking to classes and explaining that you don’t have to go to college if you’re not on the college path,” says Kenneth Statton, who hired Madison’s
trainees at M&M Manufacturing, an aerospace manufacturer in Tulsa, which he sold last year.

Mr. Statton was part of a coalition of local business leaders working with high schools, nonprofits like Madison, and community colleges to build a pipeline of workers for the manufacturing industry. They targeted kids who weren’t likely to go to college.

“The realization came in 2008 to 2009 that if we were going to, as a group of manufacturers in this region, get the qualified help we needed, we were going to have to train it ourselves,” says Statton.

Another challenge: funding

In addition to keeping up with the twists and turns of the labor market, modern skills training programs face another major challenge: funding. Federal investment in skills training has declined by an estimated 83 percent between 1980 and 2008, largely because federal programs from past decades, which taught general skills and polished resumes, were found to be ineffective.

In 2014, President Obama signed a renewal of the Workforce Innovation and Opportunity Act (WIOA), which made sector training a requirement for states. But the law allocated 43 percent less funding than the previous renewal, 16 years earlier. Today, the government doles out $2.7 billion for workforce development annually, compared with $4.74 billion in 2000, adjusted for inflation.

At the same time, increasing access to college has become more of a priority. In today's dollars, subsidies in the form of federal Pell Grants have ballooned from about $10 billion distributed every year to students in 2000 to about $30 billion in 2016. Only 4 percent of this money goes to middle-skill career training, estimates the National Skills Coalition.

Skills-training advocates say that while they don't propose cutting funding for college, they would like to see more grants available for people for whom college might not be an option.

But some, including Donald E. Heller, dean of the college of education at Michigan State University, worry that diverting more Pell funds to technical training programs could mean less money going to help low-income students fund college.

“In an ideal world, you’d like to be able to support people in some short-term programs to upgrade their skills,” Dr. Heller told the New York Times in 2013. “In a world where it’s a zero-sum game, if you’re talking about taking away money from traditional financial aid programs, it’s hard for me to support that.”

On an individual level, at least, skills training has been a vital source of encouragement for the workers they have reached. Though Easley still hopes to finish college some day, he says the support he got from Per Scholas was life-changing.

“One thing that a lot of people don’t understand is that if you grow up in a low-income situation you may not have that home support, that mom or dad that says, ‘You can do it, Johnny, you can do whatever you put your mind to, I believe in you,’” he says.
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