



# SECTOR PARTNERSHIPS DRIVE QUALITY, IN-DEMAND WORKFORCE PIPELINES

**T**he passage of Workforce Pell establishes the use of federal financial aid for participation in short-term training programs. The law also requires states to engage employers directly to ensure eligible programs lead to skills and credentials aligned with quality, in-demand jobs and career pathways.

**Sector partnerships are a critical strategy for states to meet both the mandate and the promise of Workforce Pell.**

**Sector partnerships bring together employers, training providers, and community partners to align training and education with high-quality, in-demand jobs for local workers within a single industry.** Together, they design training that equips people with specific skills and credentials tied to good jobs and career pathways in their communities. **While Workforce Pell expands access to short-term training, sector partnerships can ensure that training is responsive to employer needs.**

## SECTOR PARTNERSHIPS BUILD TALENT EMPLOYERS NEED

Workers benefit from sector partnerships because employers help define in-demand skills and expand access to training. Employers benefit from an expanded pool of skilled workers. This is especially true for small businesses that do not have the capacity to pursue training partnerships on their own.

**Sector partnerships are supported by businesses and workers alike.**

Employers say that having stronger relationships with education providers gives them a better understanding of the skills and competencies conferred by programs, as well as greater trust in the credentials on job seekers' resumes.<sup>1</sup> Without those connections, however, workers who had not found jobs after completing training programs shared that a lack of clear bridges from training to employers played a significant role.<sup>2</sup>

1 Big Insights from Small and Mid-Sized Businesses (NSC, 2025). Viewable at: <https://nationalskillscoalition.org/resource/publications/big-insights-from-small-and-mid-sized-businesses/>

2 Looking for Certainty (NSC, 2025). Viewable at: <https://nationalskillscoalition.org/resource/publications/looking-for-certainty/>



Workforce Pell requires states to engage employers in the law's implementation. States are expected to work with employers to validate the skills, competencies, and credentials needed to support alignment between training and quality career pathways.

**Sector partnerships can help states meet Workforce Pell's mandate and go beyond check-boxing to effectively engage employers in ways that lead to meaningful impact.**





# HOW STATES CAN LEVERAGE SECTOR PARTNERSHIPS TO STRENGTHEN WORKFORCE PELL SUCCESS



## 1. RECOGNIZE SECTOR PARTNERSHIPS AS A KEY STATE WORKFORCE STRATEGY.

States can support the use and expansion of sector partnerships by recognizing their value through legislation and including them in workforce development initiatives. Such policies can establish expected collaboration with small businesses to ensure local workers are skilled for local jobs and to reduce competition for talent between small businesses and major industry leaders. By leveraging existing quality sector partnerships, states can meet Workforce Pell’s mandate to engage employers in program validity and expand access to partnerships that lead to meaningful outcomes for learners.

## 2. ESTABLISH DEDICATED AND FLEXIBLE FUNDING FOR SECTOR PARTNERSHIPS.

States can build sustainable funds, like state appropriations or trust funds, to support the conditions required for quality sector partnerships. Investments in local labor market analysis, design of industry-aligned training programs, and seeding in emerging industries will help states ensure Workforce Pell eligible programs meet the needs of learners and evolve alongside employer demand.

## 3. CREATE A STATE ENTITY TO OVERSEE AND SUPPORT SECTOR PARTNERSHIPS.

States can adopt legislation and direct funds to ensure dedicated statewide coordination, technical assistance, and capacity-building. In doing so, the state can better stand, strengthen, and scale quality sector partnerships by standardizing best practices, supporting employer engagement, and monitoring performance across regions. State commitment to these supports are especially impactful for small businesses as it equips them to compete with larger employers for talent in their own communities.



### State Investments in Sector Partnerships Lead to Returns

In 2006, Massachusetts invested \$25 million to establish the Massachusetts Workforce Competitiveness Trust Fund (WCTF). As a result of advocacy led by the Workforce Solutions group and partners like the Massachusetts Business Roundtable, the fund expanded access for un- and under-employed workers to sector partnership programs. As a result, more people are entering high-quality, in-demand careers. WCTF has an 86% job placement rate and every \$1 invested in the fund generates \$3.39 in economic value for the state.

91% OF VOTERS



support policies that create closer partnerships between training providers and businesses to train people for available jobs.

Source: National Skills Coalition, Nationwide Poll, 2024.