



**American Workforce Policy Advisory Board  
March 6, 2019**

**Opening Statements:**

Ivanka Trump: Advisor to the President, White House (co-chair)

- Unemployment rate is at 4%.
- A record 7.3 million job openings exist.
- Job seekers have grown 3.2% over the last 12 months.
- Blue collar weekly wage growth was 4.2% in past 12 months.
- 304,000 new jobs were created.
- The last quarter of 2018 a record 37% of people who started work had been outside of the labor force in the previous month rather than unemployed completely outside of the labor force.
- McKinsey estimates that automation could displace between 14 and 60 million American jobs by 2030.
- Stem jobs are estimated to grow by 13% compared to 9% for non-stem jobs.
- A persistent gender divide in stem.
- Women earn 57% of all bachelor's degrees, they only hold 18% of computer science degrees.

Wilbur Ross: Secretary, U.S. Department of Commerce (co-chair)

- It is important that our country move from studies and pilot projects to widespread national adoption of the best programs and best practices.
- Our system of workforce education and training is not providing American businesses with the skilled individuals we all need to help.
- The current training and educational system is inappropriate for older American workers who are not equipped for the skilled high paying jobs that remain vacant in every sector of our growing economy.
- President Trump has called on us to begin addressing the 7.3 million American jobs that employers are looking to fill immediately, an increase of more than 1.6 million vacancies from just a year ago.
- Emphasize the value of all pathways to filling job openings for skilled workers a community college degree, an apprenticeship, an industry certification or all of the above are all valid paths to a first job or to a new career.

**MISSION:** Ensure all Americans can benefit from the nation's historic economic boom and record low employment rates. We seek to bring more Americans off the sidelines and into the workforce by improving jobs data transparency and skills-based hiring and training, advancing opportunities for lifelong learning, and promoting multiple pathways to family-sustaining careers.

**MEMBERS:**

Ivanka Trump: Advisor to the President, White House (co-chair), Wilbur Ross: Secretary, U.S. Department of Commerce (co-chair), Jay Box: President, Kentucky Community and Technical





College System, Walter Bumphus: President & CEO, American Association of Community Colleges, Jim Clark: CEO, Boys & Girls Clubs of America, Tim Cook: CEO, Apple, Tom Donohue: CEO, US Chamber of Commerce, Juanita Duggan: President & CEO, National Federation for Independent Business, Elizabeth Goettl: President & CEO, Cristo Rey Network, Marillyn Hewson: CEO, Lockheed Martin, Eric Holcomb: Governor, Indiana, Barbara Humpton: CEO, Siemens USA, Al Kelly: CEO, Visa, Vi Lyles: Mayor, Charlotte North Carolina, Bill McDermott: CEO, SAP America, Sean McGarvey: President, North America's Building and Trades Unions, Doug McMillon: CEO, Walmart, Craig Menear: Chairman & CEO, Home Depot, Michael Piowar: Executive Director, Milken Institute, Scott Pulsipher: President, Western Governors University, Kim Reynolds: Governor, Iowa, Ginni Rometty: CEO, IBM, Scott Sanders: Executive Director, National Association of State Workforce Agencies, Johnny C. Taylor, Jr., President & CEO, SHRM - Society for Human Resource Management, Jay Timmons: CEO, National Association of Manufacturers, Sheree Utash: President, WSU Tech, Marianne Wanamaker: Professor, University of Tennessee

## **GOALS & BOARD COMMENTS:**

### **Develop a Campaign to Promote Multiple Pathways to Career Success**

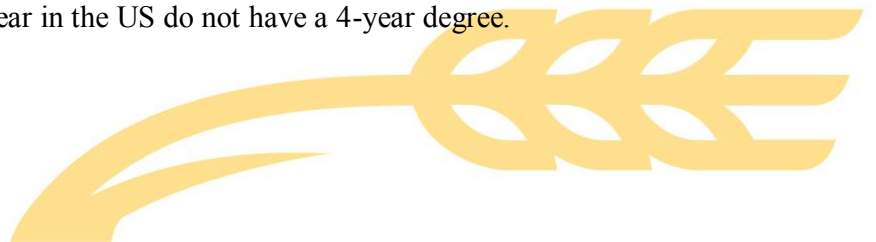
Companies, workers, parents, and policymakers have traditionally assumed that a university degree is the best, or only, path to a middle-class career. Employers and job seekers should be aware of multiple career pathways and skill development opportunities outside of traditional 4-year degrees.

Ginni Rometty: CEO, IBM

- I believe technology is going to change 100% of the jobs.
- We have to accept a first paradigm that says skills are as important as a diploma.
- This past year 15% of our hires in the US are what we call “new collar skills” so these are less than 4-year degrees.
- There are multiple pathways to a good-paying job, not just a pathway but a pathway to a good-paying job.
- Rescaling mid-career people in our own population and apprenticeships of all different kinds.
- Need a new model of education – advocates for a 6-year high school.
- This fall, with the help of 500 other companies, there will be 200 of these high schools with a pipeline of 125,00 kids coming through. Their graduation rate is 440x a community college and their income is 2x median average pay (after 8 years of data).
- Simple formula- give high school or community colleges the curriculum, offer your employees as mentors and give them a chance at a job.
- Public Policy change with the Higher Education Act- Make Pell grants available to not just full-time college students but to use for apprenticeships and training in a community college.
- This country spends a hundred and eighty billion dollars a year on higher education yet only a third of Americans have a college degree. Something is wrong with that return on investment.

Tim Cook, CEO, Apple

- It's the skills that matter.
- 50% of the people we hired last year in the US do not have a 4-year degree.





- Problem in some cases is that the education system and the employer needs are not aligned, we have to put a concerted effort to marry these.
- There is a dramatic shortage in the US for coding, it's the largest job segment mismatch in the country.
- What can we do? – Design a Curriculum and hand it over to the community college to deliver.
- Coding should be required for every kid in America. – They have developed curriculum and it's available.
- They have designed curriculum for coding that is being used at the Community College of Austin.
- They have also designed curriculums for k-12 that was launched to 120 schools around the country where 97% of the kids are on reduced or free lunches.
- Nothing will solve everything it will be a set of things.
- Prioritize diversity, women and minorities.
- We have recognized, artificial intelligence skills are in huge short supply.
- Women in computer, with computer science degrees is miserably low.

Jim Clark, CEO, Boys & Girls Club

- Youth spend more time out of school than in school, partnering with schools are important, but we must meet them where they are.
- Provide an adult role model or mentor to level the playing field.
- Expose children early – 4<sup>th</sup> or 5<sup>th</sup> grade, technical & soft skills.
- We need to start earlier in the formative years, if we start later it's more difficult and more expensive.

Sean McGarvey, President, North America's Building and Trades Union

- We are seeing a group of folks who have gone through the 4-year degree program and as they have wrestled with their college debt, they're looking for alternatives for their children to get in and maintain their place in the middle class.
- In the building trades we are good at a lot of thing but terrible at some and one is marketing.
- We spend about 1.6 billion dollars a year of our own money on our training centers and our infrastructure in it. If you equate that out to our apprentices who pay no fees for being in that apprenticeship program that's about 1.2 billion dollars in free tuition every year based on about 6,000 per student.
- We must address the issues with women in trades, we will invest in training someone and then they will start a family and not come back in the industry. We need to do a better job accommodating for childcare and accommodate the growth of women in this particular industry.

Ivanka-

- 47% of the workforce today is female and in 40% of American household women are the primary breadwinner.
- The President is working on a national paid family leave plan (maternal and paternal).





- Largest ever expansion of the child care and Development Block Grants which go to the help offset the cost of child care for working parents who can't afford access to high-quality care.

Marillyn Hewson, CEO, Lockheed and Martin

- We hired 14,000 people last year, half of them were non-degree. 6,500 of them were into advanced manufacturing positions.
- Our 100-million-dollar investment, enabled by the tax reform, is being focused on building that pipeline of talent to bring into our workforce and invest in our won workforce with education and training opportunities (on the job training, apprenticeships and internships, tuition assistance)
- Expanded Tuition Assistance, it used to always be for four-year degrees, now we built that down into certifications for Community Colleges, to even individual courses.
- We are not just focused on new entrants into our workforce but also the mid-career development because everybody's job is going to change with the digital transformation.
- We have invested in the manufacturing technician apprenticeship program that is registered by the Department of Labor – expanded into Colorado, Alabama and are scaling.
- Implemented a Stem Scholarship – 50 million dollars over the next 5 years.
- Recommendation is we look at more sector base strategies- matching college curriculum with the needs of industry.

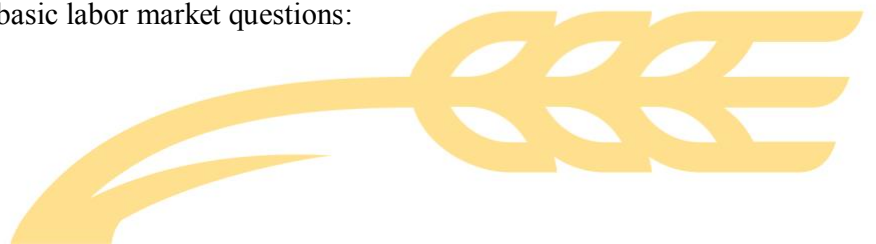
Vi Lyles, Mayor, Charlotte, North Carolina

- Most people in NC don't have a 4-year degree and are dropping out of high school, as early as 9<sup>th</sup> grade, and college, primarily people of color. We know they will not be successful in our community, in our economy so we need a system.
- What we have done is remove barriers to employment, we specialize in training them – first in soft-skills then in hard skills. If you successfully complete you have a good-paying job making more than \$15 per hour with benefits.
- We have a great gap and need for apprenticeships. 25% of our jobs would benefit from an apprenticeship program.
- Have to reach people who have historically been left out of our economic opportunity, if you have been told you're a failure for so long, how do we get them to understand you can succeed. We believe we do this by having guaranteed training that guarantees you a job.

### **Data Transparency to Better Match American Workers with American Jobs**

High-quality, transparent, and timely data can significantly improve the ability of employers, students, job seekers, education providers, and policymakers to make informed choices about education and employment—especially for matching education and training programs to in-demand jobs and the skills needed to fill them.

There remain significant data gaps about basic labor market questions:





What are the jobs of the future? How will the jobs of today be impacted by the technology of the future? What is the payoff of a bachelor's degree versus an apprenticeship, a two-year degree, an industry certification or other credential? Do I have the skills and experience that companies value and if not, how do I get it?

Eric Holcomb, Governor, Indiana

- Skillful Indiana worked because it was all about action; taking these good ideas and converting them in the fastest way possible into results.
- In Indiana we have 6.6 million people, 450,000 who do not have a high school diploma, 540,000 who started high education/college and then quit, a million who just have a high school diploma and 27,000 incarcerated.
- We are going to have to skill up and fill about 700,000 jobs because of the baby boomers leaving the workforce and 300,000 jobs that we don't even know what they are yet.
- Markel has sat down with different sectors of our state and work with education system and the government system to make sure that we're speaking the same language, that we are asking the right questions and then connecting with those populations.
- Launched a program, funded by state grants, where employers trained individuals at their worksite, they received a stipend directly to do reskilling. They also did a public awareness campaign for their citizens where if you went to school and got the proper credentials and certificates that they would pay for that 100%. "If you put in the time, we will put in the money" Devoted 10 million to this last year and are devoting 20 million this year to meet market demand.

Tom Donohue, CEO, US Chamber of Commerce

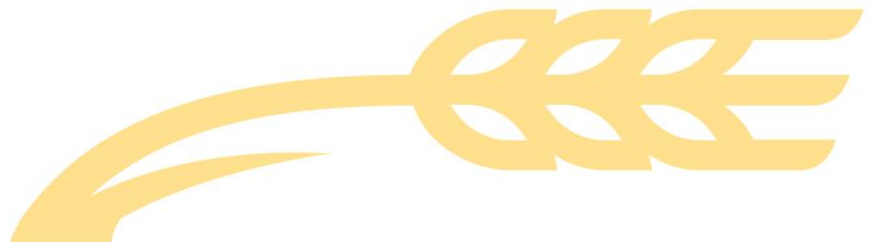
- We have to help those who are recovering from addiction, we have to work with former inmates, and we've got to address the barriers to work like access to childcare.
- While there are 6 million people out of work a lot of those people are frozen where they are.
- The chamber is working on... how do we get the workforces from communities where companies have pulled out of to move to the place where companies are that have workforce needs?
- We're very involved in apprenticeships, a lot of those are about people of color and other backgrounds who for some reason just never got into a lot of jobs that we know people are looking for.

Marianne Wanamaker, Professor, University of Tennessee

- One thing we want to guard against is for people to rush into programs that don't provide a positive return on investment.
- An information system that maps courses of study to labor market outcomes cannot function without federal involvement to provide a universal capture of outcomes no matter where students live.

Scott Sanders, Executive Director, National Association of State Workforce Agencies

- Career coaching folks that are not in the labor force, those that need to be coached and brought back in that may have left during the recessions and learned to survive and never got back in.







- A lot of corporations pull in resumes through machine reading and since there is not a universal job schema of what descriptions of the jobs are and what skills are, the resumes do not necessarily match up.
- Top 5 skill shortage according to LinkedIn: Oral Communication, Business Management, People Management, Developmental Tools and Basic Leadership. None are hard skills.
- “Cliff Effect” – those that are in social programs, they’re to the point where they have the skills to move on but that one extra dollar of pay, they lose benefits that they now have to take on like childcare, healthcare etc.

Jay Box, Kentucky Community and Technical College System

- We try to provide on all our websites a matchup of the jobs that are available within a region and match that up with a degree program and the skill sets that are needed within those programs.
- Scott Pulpisher, President, WGU
- We are not designing anymore for the single decision “do I go to college or not and if so, what degree path”, we have to start granularizing the program and specifically look at the learning outcomes as competencies the individual has to possess so that they’re better aligned with the opportunities that are going to exist, not in just today’s workforce, but the future workforce.
- There is a 35-40% gap between employers’ assessment of graduates’ readiness and graduate’s assessment of their own readiness.
- One challenge is that a lot of job positing today have mostly current competency requirements, not all the future competency requirement.
- Change the degree into certificates and micro credentials that you acquire along a degree path that may end up taking 10 to 15 years, but everyone is stacking into the future capabilities.

### **Modernize Candidate Recruitment and Training Practices**

Employers often struggle to fill job vacancies, yet their hiring practices may actually reduce the pool of qualified job applicants. To acquire a talented workforce, employers must better identify the skills needed for specific jobs and communicate those needs to education providers, job seekers, and students.

Ivanka - The board should consider identifying practices that expand and diversify the talent pool from which companies are clued in recruit including dropping unrelated and unnecessary degree requirements, reassessing state and local occupational licensing requirement, evaluating the efficiency of AI applicant screening algorithms and encouraging the implementation of second-chance hiring.

Consider what should be done by both government and private sector to support skills and experience-based hiring across industries.

Johnny C. Taylor, President & CEO, SHRM





- Untapped talent – Take some of the old practices away of weeding people out, specifically around veterans and formerly incarcerated. Removing questions that can lead to discrimination (where have you been the last 10 years).
- Figure out how we can bring training into prisons so that when they leave incarceration they go to work and do not recidivate. If not, we end up losing this potential 750,000 people who are going to come out of jail this year.
- Early identification of talent- We've got to identify much earlier on who kids are and what their talents are so that we can begin having really smart mentoring and apprenticeship.

Craig Menear, Chairman & CEO, Home Depot

- We pull talent from 3 areas- Organic, Internal and develop through the Home Depot University (16-week kind of boot camp program that teaches how to code and provides internal internships) and when we go out and market to potential candidates.
- We changed the way we market by going where they are and introduced technology in 2 ways: machine learning and AI. Has increased out qualified applicant pool by 22%.
- We mobile enabled all of it- 50% of the traffic on our career site is from a mobile device which has led to a huge increase for us as well in terms of applicant pool.

Kim Reynolds, Governor, Iowa

- Lowest unemployment rate, economy that is growing and 4<sup>th</sup> straight quart of wage growth- #1 for jobs.
- Future-ready Iowa, an initiative that has a goal of having 70% of Iowans in the workforce, have education or training beyond high school by year 2025. Right now, Iowa is at 58%. Investing 20 million dollars into the program including last dollar scholarships for up to a 2-year degree for high school and adults. A grant program for individuals that started and finished two years of a four-year degree want to go back and finish that degree.
- Employer innovation fund- employers can put together a certification program, an apprentice ship program, they can upskill their existing workforces then the state will provide some matching dollars to them so that we can scale the initiative.
- Planned to hold 5, held 18 summits across the state to make sure that people knew that the funding and the opportunity was going to be there.
- Partner with food banks, united way, not-for-profits, dhs schools to help get the school and skills and then match up with a job.
- Also support and a mentoring component, transportation, daycare...
- Leader in registered apprenticeship programs, in 2018 we have 756 registered programs, 126 were new, almost 8,000 active apprentices (able to double because the state puts in 3 million annually to especially help small to medium sized companies with cost, hoping to take to 5 million)
- Apprenticeships in every prison and 9 correctional institutions, 24 different occupations with 341 inmates.
- Pilot program for Pell grant with Department of Corrections, Iowa Central Community College has 420 inmates who are taking classes, average GPA of 3.5.



- Starting new apprenticeship program in institution for workforce housing.
- A “match.com” like website for military where they upload a resume and they work with them to find jobs and be ready.
- First children’s mental health program in the state launching this year- if people aren’t healthy, they can’t work, they can’t earn, and they can’t learn.
- Has a playbook on how to institute registered apprenticeship programs into high schools.

### **Measure and Encourage Employer-led Training Investments**

The size, scope, and impacts of education and skills training investments are still not fully understood. There is a lack of consistent data on company balance sheets and in federal statistics. Business and policy makers need to know how much is spent on training, the types of workers receiving training, or the long-term value of the money and time spent in classroom and on-the-job training.

Sec. Ross- More than 200 companies and associations have committed to train or retrain more than 6.5 million workers; advisory board should consider ways to expand and institutionalize this program as well as provide ideas for creating the incentives companies may need to further improve the skill sets needed by new workers.

Al Kelly, CEO, Visa

- Three practical ideas:
- Create national day or week of learning.
- A public service campaign to make it exciting and reskilling cool.
- Have the Advisory Board meet at other places around the country to show this is a grass roots effort and provide more awareness on the work that is being done through PR.

