

# WIRED

U.S. Conference of Mayors

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**EMPLOYMENT AND TRAINING ADMINISTRATION**  
UNITED STATES DEPARTMENT OF LABOR

# Overview:



- 🌐 Workforce system and its evolution.
- 🌐 Defining today's innovation economy.
- 🌐 WIRED Initiative and talent development – a driver of regional economic growth.

# 1930s – The Birth of the Workforce System



- U.S. Employment Service & Unemployment Insurance Program were created to assist unemployed workers.
- The economy of the day was industrial with:
  - Interchangeable labor
  - Cyclical layoff and hiring patterns
  - Work that required just a High School diploma.
- 70 years later, the Employment Service remains virtually unchanged.

# 1960s to 1990s – Expansion into Job Training



- An ever-growing job training system was built:
  - The Manpower Development and Training Act (MDTA) - 1962.
  - The Comprehensive Employment and Training Act (CETA) – 1973
  - The Job Training Partnership Act (JTPA) - 1982
- Had little private sector involvement.
- Separate from Employment Service.

# 1998 Workforce Investment Act



- The Workforce Investment Act (WIA):
  - Streamline service delivery through One-Stop Career Centers;
  - Strengthen performance accountability;
  - Promote universal access to services;
  - Create business-led state and local boards;
  - Promote individual choice.
- Strong bi-partisan support.

# Workforce Investment System Spending



<u>Department</u>	<u>FY06 Appropriation</u>
Labor	\$9.89 billion
Education	\$4.40 billion
HHS	\$701 million
HUD	\$49.5 million
<b>Total</b>	<b>\$15.04 billion</b>



# Evolution of the Economy



- When the workforce system was first created:
  - U.S. was an industrial economy
  - Labor was virtually interchangeable
- Now in a knowledge economy – specialized skills are needed.
  - 90% of the fastest growing jobs require education and training past high school.
  - 63% of all new jobs in the next decade will require a college degree; only 30% of the population has a college degree.

# Evolution of the Economy



	Less than High School	High School Grad	Some College	Assoc. Degree	4-Year Degree and Higher
Employment Growth (thousands)	-129	87	177	380	723
Average Weekly Earnings	\$479	\$660	\$767	\$812	\$1243
Unemployment Rate	8.5%	5.0%	4.5%	3.7%	2.7%

Source: BLS Current Population Survey 2004

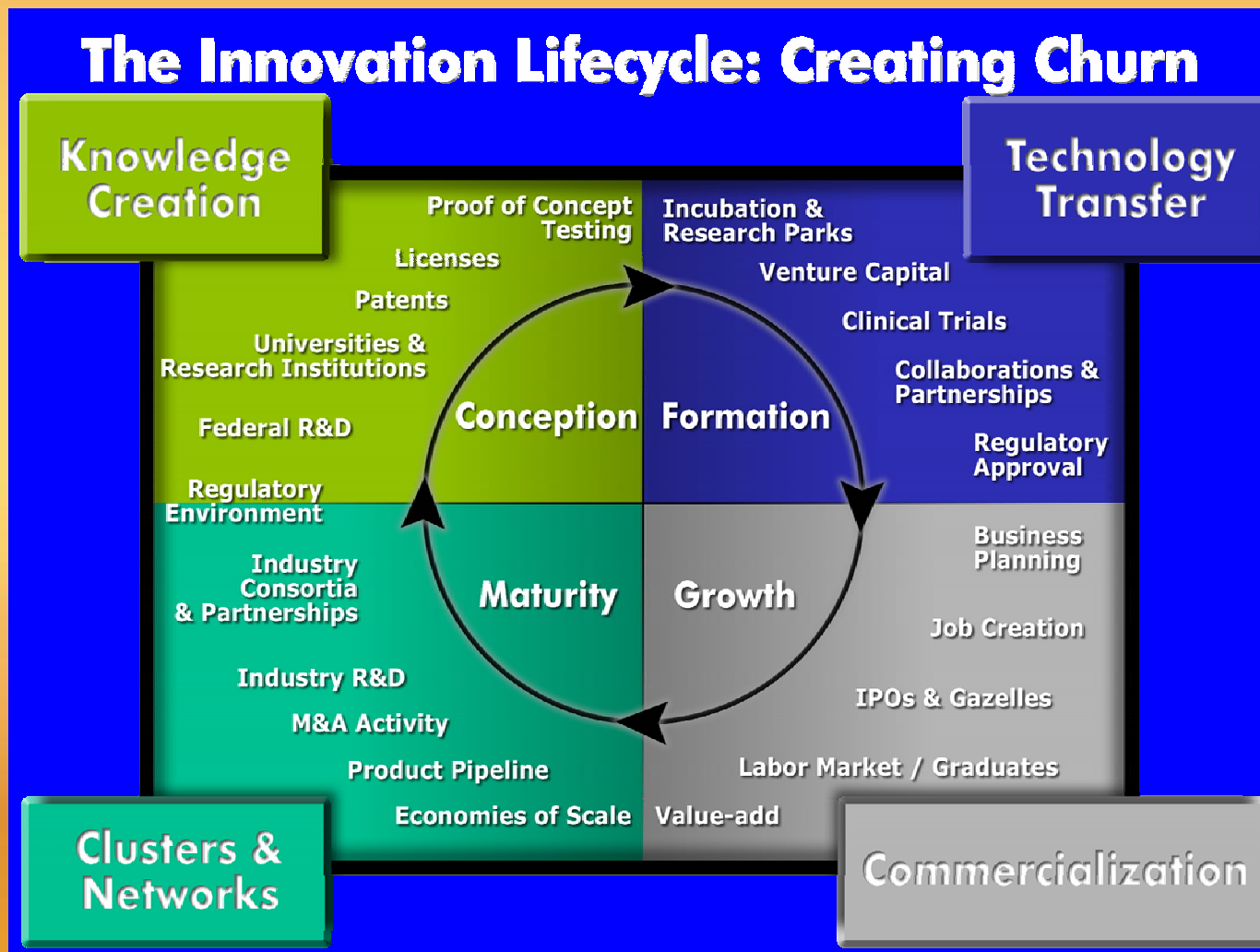


# Innovation Economy



- Economic development must establish the conditions for innovation.
- CoC's report *Innovate America* identified three requirements for innovation:
  - Infrastructure (transportation, technology)
  - Investment (availability of capital)
  - Talent
- Conditions should be maximized at the regional level – forces of the economy combine to spur growth.

# Creating an Innovation Environment

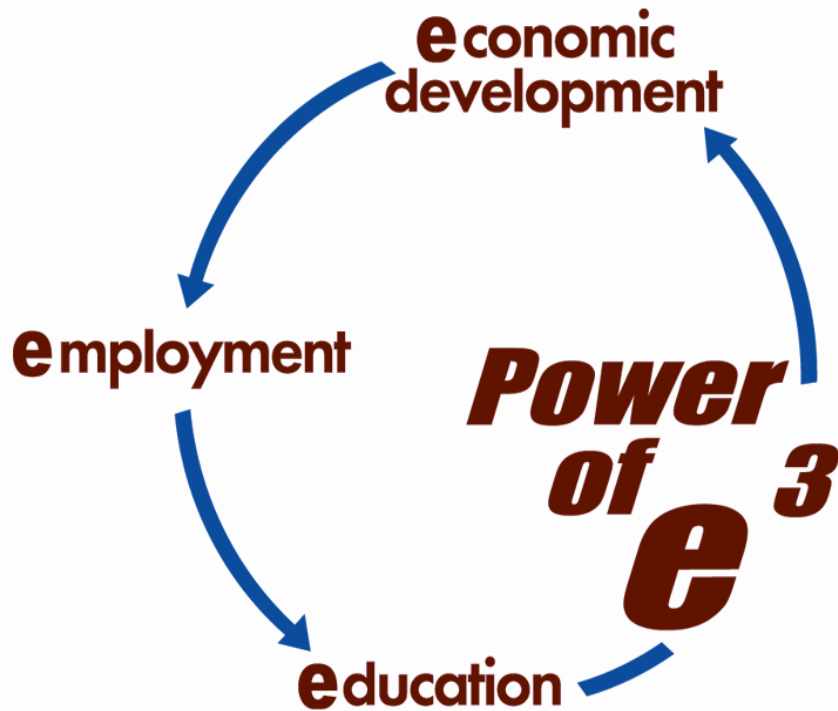


# Transforming the Workforce System



- Through the stages of evolution, the workforce system has gradually changed from a social service to an economic development model. However, there needs to be stronger:
  - Forward-looking strategic thinking
  - Interaction with regional employers
  - Engagement with existing education institutions at all levels
  - Coordination with economic development
- Each of these issues is now being addressed by national initiatives

# Building a Demand-Driven System



- Critically important to connect employment, economic development and education strategies.

# President's High Growth Job Training Initiative



- Involved employers from leading sectors of the economy in the design and development of training programs.
- Used existing education resources such as community colleges.
- Invested over \$220 million in 122 projects that develop education and training solutions to specific workforce challenges.

# President's Community-Based Job Training Grants



- Experience with the High Growth Initiative showed that community colleges must improve their ability to develop talent through:
  - Stronger relationships with employers
  - Expanded and specialized faculty
  - Improved facilities
  - Up-to-date equipment
- 70 grants totaling \$125 million were recently awarded.



# Career Advancement Accounts



- Self-managed accounts to advance in 21<sup>st</sup> century careers
- A maximum of \$3,000 for one year; may be renewed once
- Exclusively for education and training expenses
- Complement Pell Grants

# Economic Development



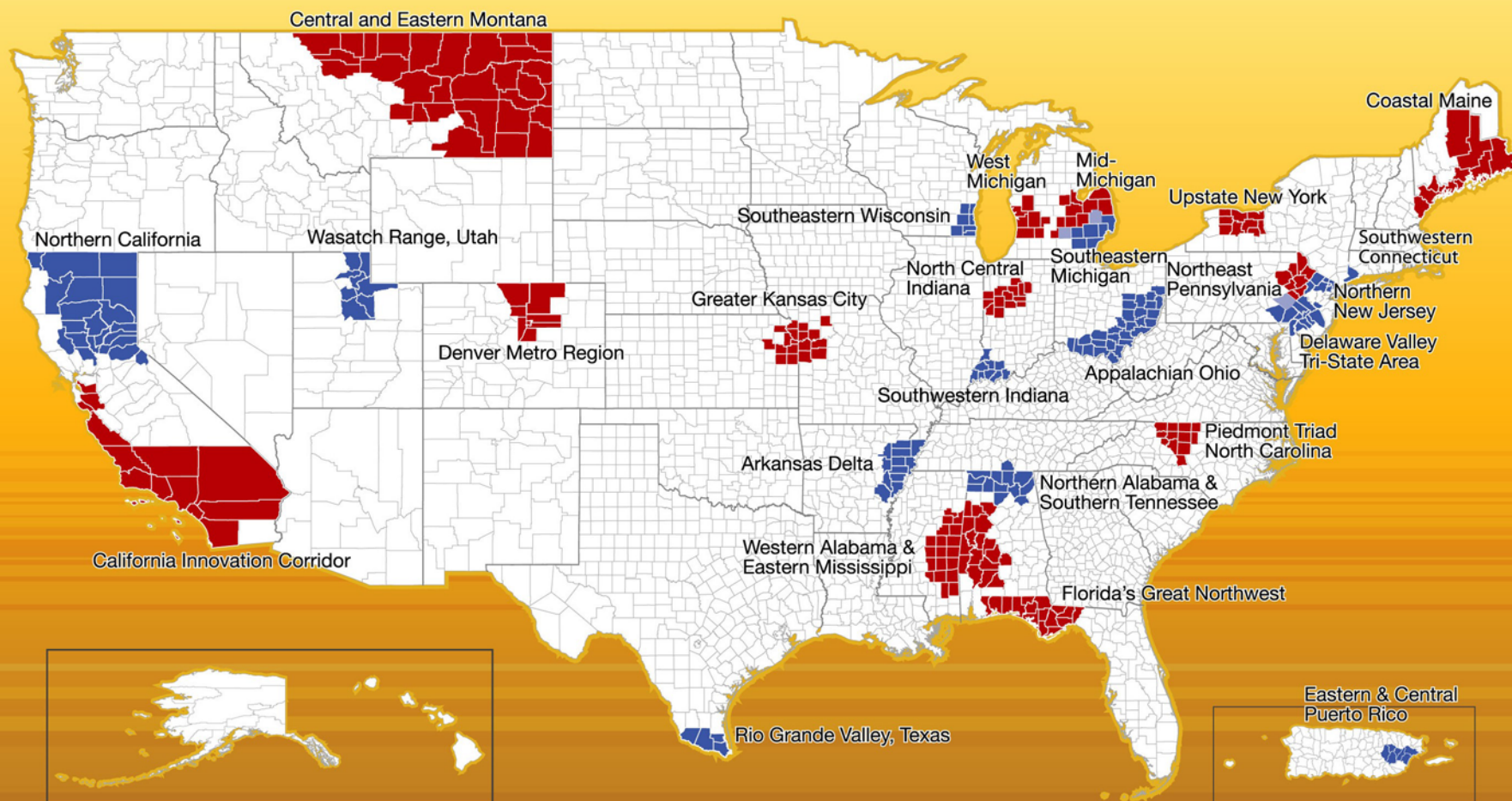
- Workforce development is more than training effectively for current jobs. Successful workforce investment leads to the creation of new jobs. Talent is an asset, bringing new businesses and industries into communities.
- Economic development is also experiencing a transformation. Tax breaks and incentive packages are no longer enough.

# Workforce Innovation in Regional Economic Development



- WIRED is focusing on the talent development part of building a regional economy.
- The Goal:
  - Expand employment and advancement opportunities for workers while simultaneously catalyzing the creation of high-skill, high-wage jobs.

# WIRED Initiative Selected and Virtual Regions



■ Regional Economies   ■ Virtual Regions   ■ Combined

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# WIRED in Action



- Resources to the 13 Selected Regions:
  - \$15 million over 3 years
  - Technical assistance provided by 3 organizations.
    - Council on Competitiveness
    - New Economy Strategies
    - Council for Adult and Experiential Learning
  - Data tool that incorporates economic, research & development, investment, and real-time job information.
    - Picture of regional economy and economic assets.



# WIRED in Action



- Activities in support of WIRED Regions:
  - Senior ETA Managers and Emerging ETA Leaders assigned to each region to guide and assist.
  - WIRED Academies focusing on issues with nationally recognized speakers.
  - Connections to USDA, Commerce, Education, Interior, Energy and other Federal agencies to identify, understand, access, and leverage additional resources.
  - ETA Issue Area Teams to gather information and identify resources on issues common to WIRED regions (e.g., entrepreneurship and adult literacy).



# WIRED in Action



## Regional Activities:

- Formation of a broad-based regional leadership team
- Assessment of region-wide assets and strengths, risks and weaknesses.
- Development of a comprehensive implementation plan for the region identifying how WIRED and other resources support regional economic goals and strategies.

# The Virtual Region



- Strategy for the 13 Virtual Regions:
  - Assign ETA Emerging Leaders to each region.
  - Provide WIRED materials and products.
  - Participate in the WIRED Academies.
  - Identify existing and potential resources available to support regional goals.
  - Support a regional assessment and development of a regional implementation plan.

# WIRED Goals



Create and implement a regional strategy that will:

1. Establish and build a regional identity across political jurisdictions.
2. Leverage and align public and private investments.
3. Transform the regional economy through innovative and effective talent development.

# Strategic Vision



- These Initiatives are not just a series of grant programs designed to supplement formula funds.
- The demand-driven model and the WIRED framework form the basis of a new way of doing business system-wide.
- It must start with ETA.

# InnovatETA



- Strategic use of WIA formula funds.
- Better integration of Trade, NEG's, and Rapid Response functions.
- Actions in response to Plant Closures, BRAC, and other economic shocks should be based on WIRED framework.
- Newton, Iowa is the test case for our new approach.

# Going Forward



- Tools developed under WIRED & Innovat**eta** will be shared system-wide.
  - Five-Steps for Developing a Regional Economic Vision
  - Assessment Matrix
  - Implementation Guidance
- Vision for Workforce Boards under WIA was to be the leadership group for a regional economy. This is an opportunity to realize that vision.



# Next Steps



- Today and tomorrow, ETA is hosting a WIRED Workforce Transformation Summit with the state and local workforce partners from the 13 WIRED regions to define transformation.
- ETA will be “widening the net” by reaching out to the workforce system officials from the virtual region.
- Through InnovatETA we will be implementing the next generation of WIRED. We want to be sure that boards are poised to play a leadership role at the regional level as this effort moves forward.
- We are continuing to strategize about how to drive future WIRED investments.