

Learning From the Field: Economic Growth and Workforce Development in the 1990s

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Although attention to labor market preparation, access, and retention for disadvantaged workers has experienced a dramatic turnaround in the past 6 years for economic and policy reasons, serious challenges remain. Today's workforce development implies more than employment training in the narrow sense: It means substantial employer engagement, deep community connections, career advancement, integrative human service supports, contextual and industry-driven education and training, reformed community colleges, and connective tissue of networks. This article discusses six areas of workforce development learning: (a) retention and advancement, (b) employer and jobseeker customers, (c) regions and neighborhoods, (d) race and labor markets, (e) best practices and replication, and (f) labor market reform. In addition to inevitable economic downturns, optimism should be tempered by three big challenges: the underlying patterns of wage and income inequality, the persistence of race and gender inequalities, and our historic failure to create effective links between schools and labor markets.

Attention to labor market preparation, access, and retention for disadvantaged workers has experienced a dramatic turnaround in the past 6 years. In the early 1990s, evaluations of the Job Training Partnership Act of 1982 (JTPA) painted a dismal picture in which few employment programs worked, whereas welfare-to-work evaluations showed that the most effective job search programs produced minimal income gains for participants (Orr, Bloom, & Bell, 1995; Strawn & Martinson, 2000).¹ A handful of exceptions, such as the exemplary Center for Employment Training, differed from the general ineffectiveness of employment and training programs (Melendez, 1996).

Now the environment has changed, although it remains unclear as to the long-run effects for low-income communities and jobseekers. Sustained economic growth has produced low unemployment, labor shortages, and a new openness on the part of employers to hire and invest in disadvantaged workers. Devolution in welfare and workforce development, although embracing time limits and a "work first" philosophy as opposed to human capital or training approaches, has created strong supply-side incentives for employment and a new infrastructure supporting welfare-to-work, including employers, providers, local and state government, and researchers (Elliot, Spangler, & Yorkievtz, 1998; Strawn & Martinson, 2000). In 1998, President Clinton signed the Workforce Investment Act of 1998 (WIA), which consolidates many workforce and education programs and requires a restructuring of the workforce delivery system in states and regions that pay greater attention to employer involvement, regional labor markets, competitive procurement, and benchmarking.

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What have been the results? Most significant, the strong economy and tight labor markets have produced a reduction in poverty from 15.1% to 13.3% between 1993 and 1997, as more people go back to work and, in some cases, experience wage gains (U.S. Bureau of the Census, 1999). Overall, the welfare roles have declined by 40% to 50%, a combined result of the economy and new administrative procedures guiding welfare-to-work. The nonemployment rate has decreased dramatically from 43.1% to 31.1% for single-parent mothers and from 48.1% to 36.1% for Black men between 1992 and 1998 (Freeman & Rodgers, 1999). Nearly 50% of manufacturers reported in a recent survey that they had increased fourfold their investment in the training of production-level workers (National Association of Manufacturers, 1998). New financial resources are available to support workforce development that include state and federal welfare-to-work grants, transportation resources, and increased philanthropic funding.² A new infrastructure for workforce development at the local, state, and national levels is being pieced together and includes intermediaries, coalitions of workforce providers, and community advocates.³

Although positive labor market impacts related to growth in income and labor force participation have occurred, uneven rates of job retention for former welfare recipients in low-wage jobs underscore the challenges that people face as they move back to work as well as the inadequacies of the low-wage labor market in supporting and retaining workers (Ellwood, 1999; Manpower Development Research Corporation, 1999; Strawn, 1998; Wagner, Herr, Chang, & Brooks, 1998). Some central cities and neighborhoods have not experienced the benefits of recent economic growth (Marcelli & Joassart, 1998; U.S. Department of Housing and Urban Development, 1999). As many analysts have pointed out, a substantial gap remains between those seeking work and family-supporting wages that do not require extensive postsecondary training and available job opportunities. A recent study of the Baltimore labor market estimated that six city residents are chasing every job of this type and that most of the new jobs (good or not so good) are in the suburbs (Job Opportunity Task Force, 1999; JOBS NOW Coalition, 1995; Kleppner & Theodore, 1997; Northwest Policy Center & Northwest Federation of Community Organizations, 1999). This points to the larger problem of people working more but in jobs that do not pay enough to achieve family self-sufficiency, estimated, for example, to be approximately \$29,000 in Pennsylvania for a single mother with two children younger than 3 years. In the short run, this gap can be partially filled by Earned Income Tax Credit (EITC), child care and transportation subsidies, and other income supports (Davies, 1999; Pearce & Brooks, 1999). In the long run, these incentives may not be sufficient—particularly as jobholders perceive themselves to be trapped in dead-end jobs. Moreover, the gap becomes more significant when the low basic skills of many working poor are recognized; it may take more than 1,000 hours of education and training for someone to move from being a school dropout with minimal education to showing a competency level with some postsecondary education (Carnevale & Reich, 2000). It is not surprising that job retention, advancement, and wage progression are becoming the major issues in workforce development, as is attention to family-friendly work policies (Burwick, 1998). Finally, less progress has been made in regard to disadvantaged men—particularly men of color, who frequently experience the added barriers related to criminal histories and racial stereotyping (Freeman & Rodgers, 1999).

The impetus for the rebirth of workforce development—also referred to as job-centered or targeted economic development—in the last several years has two primary sources (Giloith, 1998; B. Harrison & Weiss, 1998).⁴ As already mentioned, the employment training field, by the early 1990s, generally failed to improve family incomes or to alleviate poverty. These failures encouraged fundamental rethinking. At the same time, changes in the labor market and the structure of firms produced economic incentives for the development of new workforce efforts to bridge supply and demand, city and suburb, neighborhood and sector. These labor market changes included strong job growth, structural change to a service-based economy, collapse of internal labor markets and career ladders, lean and high-performance workplace designs, nontraditional work arrangements such as temporary work, and heightened insecurity among employees and jobseekers (Cappetti, 1997, Osterman, 1999). Many firms now lack the capacity to find and keep workers. Together, these sources of change bolstered and expanded the practice of a handful of social entrepreneurs who had been building a new workforce paradigm (Giloith, 1998).

This article discusses the new paradigm of workforce development that has emerged in the 1990s. The first section defines the new paradigm of workforce development and contrasts sectoral and place-based employment approaches that are represented by it. The second section presents practice and policy challenges that face the new workforce paradigm. Key issues include the breadth of the continuum of workforce interventions, how to accomplish labor market retention and advancement, the demands of employer and jobseeker customers, race and “soft skills,” best practices and benchmarking of results, and how to achieve labor market reform. The concluding section acknowledges major challenges that face workforce development, such as cost and quality benchmarking, wage progression opportunities, and a fragmented workforce system.

This review is intended to be suggestive, thematic, and critical as opposed to comprehensive because of the wide range of new activities now under way, the lack of rigorous evaluation studies of these practices, and the confounding effects of tight labor markets and wage growth. The focus will not be on narrow welfare-to-work job placement programs but on efforts that emphasize job retention and advancement, which is the frontier of workforce development. In particular, I pay attention to foundation-supported initiatives, projects, and reports that may not be as accessible to practitioners and policy makers.

DEFINING THE NEW WORKFORCE PARADIGM

The phrase *workforce development* implies more than employment training in the narrow sense; it means substantial employer engagement, deep community connections, career advancement, integrative human service supports, contextual and industry-driven education and training, and the connective tissue of networks. This definition represents the common core of the new paradigm of workforce development. Although straightforward, such a definition represents a synthesis of what has been learned in the fields of employment and training, regional economic development, welfare reform, and community development—areas of endeavor that have more often ignored one another than sought common ground.⁵

This common framework, however, becomes much more complex when applied in practice to the array of challenges presented by different sets of employers and jobseekers. Indeed, one may even wonder about the usefulness of a common definitional framework that brings together practitioners concerned with building careers, ending welfare dependency, and improving the levels of employment in inner-city neighborhoods. The endpoints of this array of workforce innovations are defined by strong environmental factors. As already mentioned, changes in the structure of the labor market, demographic trends, and economic growth are pushing for new sources of skilled workers. At the same time, new public policies have made “work” a keystone of our welfare and human service systems for many people with low levels of basic skills and job readiness.

The programmatic variations contained within the new workforce paradigm become more apparent when we contrast employer-linked or sectoral-based workforce initiatives with place-based or community- and/or resident-focused job initiatives. Although neither of these strategies is new, both have experienced a substantial reworking in the 1990s. Conversations between the two camps may seem like evidence of a truly schizophrenic field of endeavor—certainly not variations within a common paradigm. The sectoral advocate speaks for the demand side, emphasizing employer- or market-driven strategies, whereas the place-based practitioner is resolutely a believer in the virtue of the supply side—those low-income jobseekers who need work and a pathway out of poverty.

Sector-based practitioners begin where the good jobs are and then work backward to creating connections to low-income communities and skill-building pathways (Clark, Dawson, Kays, Molina, & Surpin, 1995; Dresser & Rogers, 1998; Elliot & King, 1999). Usually, these jobs represent distinctive occupations in a cluster of firms called a *sector* that share markets, technologies, or suppliers—whether home health, screw machine operators, customer service, or construction. A sector strategy penetrates the economic and organizational workings of the sector to create appropriate training programs for low-income jobseekers, help the sector grow, form partnerships, and advocate beneficial public policies. Not all jobseekers match up with sectoral strategies because of

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entry requirements (implicit and explicit) related to basic skills, job readiness, aptitudes, aspirations, and work experience. Therefore, sectoral strategies frequently draw recruits from broader geographies than neighborhoods—frequently, regions of a city or metropolitan areas—and even those who are recruited are weeded out by various assessments and training hurdles until a good match is found. Sector strategies, at their best, promise good-paying jobs, career advancement, and a version of systems reform and underscore the importance of employer-specific occupational training and relationships.

Place-based practitioners believe that programs should start where people are—not where we hope their skills and job readiness will be (Dressner, Fleischer, & Sherwood, 1998; Herr, Halpern, & Conrad, 1991; Riccio, 1999). Place-based workforce development recognizes that job experience is essential for learning how to get and retain jobs, whether through part-time work, temp service jobs, public work, or employment in sheltered work or social enterprises (Dion, Derr, Anderson, & Pavetti, 1999; Schweke, Johnson, & Hull, 1999). Moving people up job ladders and out of poverty is a nonlinear process (with many false starts) that may begin with volunteer or part-time work. Place-based efforts also seek to saturate neighborhood environments with workforce-related activities by raising the neighborhood (or housing project) employment rate and the number of residents engaged in education and training, so that work-related habits, networks, and models and opportunities permeate a given neighborhood. In this sense, place-based efforts seek to create community-level outcomes that represent a turnaround of the environments of joblessness and concentrated poverty, as analyzed by William Julius Wilson (1998) in *When Work Disappears*. It is not surprising that place-based workforce efforts frequently work with a harder-to-employ population, often in the context of specific housing developments. The only requirement for jobseekers is interest; no one is assessed out of the program.

To the place-based practitioner, sectoral strategies avoid those most in need and result in a form of “creaming” the most job-ready participants. Indeed, sectoral training assessments may reinforce the very forms of exclusion that low-income people face in other parts of their lives. Moreover, sectoral strategies are unrealistic for many jobseekers; low-income people move in and out of the labor market because of personal and family crises. In short, because sectoral strategies draw participants from metropolitan regions to fit these requirements, they fail to address the problem of concentrated unemployment and underemployment in inner-city neighborhoods.

To the eyes of a sector-based practitioner, place-based strategies are human service programs dressed up as workforce development. They do not promise good jobs for participants and lack an appreciation for the barriers that job-ready, low- and moderate-income people face in a complex labor market. Sectoral projects, on the other hand, offer countless opportunities to match employer requirements and jobseeker aspirations. People moving up into better jobs create entry-level opportunities for other jobseekers.

It is my contention that the new workforce paradigm contains an array of job strategies, including sector- and place-based employment strategies, that are customized to different employer and jobseeker groups (Clark & Kays, 1997). However, most workforce programs—including well-known programs such as the Center for Employment Training, Cooperative Home Care Associations, STRIVE, Focus HOPE, Bidwell Training Center, and Project Match—present themselves as serving the hardest to employ, who have been ignored by the mainstream. Moreover, advocates for these exemplary programs frequently argue that their distinctive success with jobseekers can be generalized as a “solution” to poverty that should be universally adopted. Not much scratching below the surface of these programs is required, however, to discover selection processes and targeting of participants and graduates based on literacy, readiness, experience, and aspirations. At one end of the spectrum are long-term training programs such as Focus HOPE, PhAME, and Project QUEST, which require high school diplomas, high levels of job readiness, and the willingness and capacity to undertake 1 to 2 years of training. The results of such training programs are jobs paying \$25,000 per year or more and job retention rates as high as 80% after a year. At the other end of the spectrum are enhanced work first programs such as Project Match or place-based efforts in transitional or public housing such as the Next Step and Jobs Plus—national demonstrations that have no entrance requirements and help jobseekers, many of whom have little or no job experience, to gain labor market entry (Dressner et al., 1998; Riccio, 1999). In this

process of labor market attachment, jobseekers move in and out of volunteering, part-time work, and various types of full-time jobs. Some people attach to the labor market and career progression relatively quickly, whereas others, even after 5 years, still experience tenuous labor market participation. Job retention rates may be as low as 20% a year, with participants experiencing long periods of nonemployment between jobs. Between these two extremes are short-term job readiness programs, such as Project STRIVE, and 3- to 6-month occupational training programs, such as the Center for Employment Training, which may require sixth- to eighth-grade reading levels and some work experience (L. Harrison, 1998; Melendez, 1996).

Integrating multiple job strategies represented in the new workforce paradigm is not easy, and it is not always possible. Integration must occur between work and learning at the neighborhood level. What may be called for are neighborhood-based one stops or community learning centers that serve everyone, feel like home bases, and are linked to an array of pathways that connect to sectors in the region, educational opportunities, and/or sheltered work in the neighborhood. Some community colleges that integrate basic skills and skill training with community-based “bridge” programs and employer services may be useful models. Unfortunately, few good examples exist of how to link sector and place. One such attempt is the Neighborhood Employment Initiative—sponsored by the Rockefeller Foundation and the Manpower Demonstration and Research Corporation in five cities. The Chicago site combines an employment saturation approach with close links to the Jane Addams Resource Center, a mature sector-based organization (Ma & Proscio, 1998; Rockefeller Foundation, 1998).

The new workforce paradigm brings together a variety of workforce-related strategies that heretofore have been disconnected and frequently at odds with each other. The danger of an overly generalized umbrella framework such as this is mitigated by the fact that economic and policy factors are forcing a convergence of focus on issues of labor market retention and advancement, how to support working poor families, and how to enhance the skills and job experiences of low-income communities. This convergence of ideas bodes well for a more unified and effective workforce development system.

WHAT ARE WE LEARNING?

The new workforce paradigm in all its variations provides a unique opportunity to learn about effective labor market practices. Workforce development simultaneously includes common functional elements such as recruitment, training, retention, and advancement as well as unique, contextualized constraints and opportunities related to jobseeker characteristics, occupations, and regional economies. Neither of these dimensions has received adequate attention, leading to a lack of quality benchmarks and standards, and there are few benchmarks and standards about which consensus exists. But although the past few years of experimentation have not resolved these challenges, recent experiences have sharpened our understanding of how to measure and think about effective workforce development.

Six themes suggest some of the areas in which workforce learning is occurring. This is not an exhaustive list, and it includes only themes that are crosscutting across workforce disciplines and represent ways in which the workforce field is being stretched to grow in policy and practice. The themes are (a) retention and advancement, (b) employer and jobseeker customers, (c) regions and neighborhoods, (d) race and labor markets, (e) best practices and replication, and (f) labor market reform. The following discussion identifies salient learnings, tensions, and innovations, rather than providing full-blown accounts of specific projects, policies, and research.

It Is About Retention and Advancement

The language of workforce development during the past 6 years has changed from a focus on job placement to that of job and labor market retention—and now, most recently, to advancement and wage progression (Hershey & Pavetti, 1997; National Association of Manufacturers, 1998).⁶ This is a hallmark of the new paradigm. Changes in language reflect several underlying concerns. In the

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past, for example, JTPA programs tracked participants for only 90 days; now, the norm is to aim at 6-month or 1-year retention in the labor market. The combined concern about too few “good jobs,” the wage and benefits levels required for family self-sufficiency, and the dismantling of traditional career ladders has underscored the importance of how people progress in the labor market, acquiring relevant skills and navigating the opaque labor market terrain made up of smaller firms. In addition to these concerns, tight labor markets have called attention to the high “turnover rates” for entry-level jobs. For employers, such turnover represents high administrative costs of search and replacement, lost productivity, and sunk training costs.

On the issue of retention, of course, what is good for employees and jobseekers may not be good for employers. Employees need to be retained in the labor market and to move upward, regardless of whether they switch firms; upward moves, however, may result in increased turnover costs for employers. Or, turnover may represent the churning associated with bad jobs. Whatever the scenario, employers may underinvest in the human capital development of employees because of the “free rider” problem in which other, similar employers poach trained employees by offering pay bonuses without paying training costs. But thoughtful workforce development by committed employers can create a win-win scenario in which trained employees move upward in the same firm or others, creating new opportunities for entry-level employees who cost less. Employers need to recognize that lowering their average turnover rates may depend on investing in career development.

We are now learning which types of investments have a positive impact on job and labor market retention. Retention investments include targeting of good jobs, better initial up-front training and matching, and appropriate and effective supports (such as child care and transportation), plus financial incentives for firms and employees, changes in the practices of internal labor markets, and peer supports and mentoring (Giloth & Gewirtz, 1999; Jobs Policy Network, 1999; Strawn & Martinson, 2000; Tennenbaum, Walker, & Bosser, 1999). A case study of the successful job retention efforts of Vocational Foundation Inc. in New York City has underscored the importance of designing programs that create an atmosphere of high expectation for participants, provide an array of intensive services, and stay connected to participants through long-run case management (Proscio & Elliot, 1999). In the welfare-to-work context, we have learned that “leaving welfare is a process, not an event” (Herr, 1998, p. 2) and that the road to labor market attachment may involve a person’s moving to a number of jobs of different types. The challenge then is to have reemployment services available for jobseekers that need to try again. In this sense, the issue is truly long-term retention in the labor market, not in any specific job (Wagner et al., 1998).

We are also learning to keep track of people long enough to know how they are doing and what retention investments are more effective than others—steps that require information systems. Programs to which participants feel attached because of the quality of services and relationships are easier to track because participants come back of their own volition. Many local sources of data on individuals are being creatively tapped. In the long run, the use of state-level administrative databases, such as unemployment compensation records and welfare-related Temporary Assistance to Needy Families (TANF) records, are essential if workforce providers are to engage in continuous learning and improvement of their programs.

How to support advancement and wage progression for entry-level and low-wage workers is the next area of learning to which the workforce field is turning.⁷ Progress in this arena is hampered by the erosion of career ladders, the growing emphasis on skill acquisition for labor market advancement, deunionization, and the low literacy and numeracy skills of many entry-level workers. The definition of career advancement itself has several dimensions to consider in relation to specific populations, such as wage and benefit gains, increased responsibility, new job titles, and basic skills improvements. Advancement is more likely to occur when participants have higher level basic skills, are initially placed in better jobs, receive education and training services, and have some type of certification beyond high school (Lerman & Skidmore, 1999; Strawn & Martinson, 2000). Low-income working parents, however, are frequently unable to take advantage of the training needed to advance in the labor market (Fitzgerald, 1998; Newman, 1999). This challenge is exacerbated by the welfare-to-work environment, which frequently emphasizes work over long-term skill building (Strawn & Martinson, 2000).

Promoting advancement in the labor market for low-wage workers requires changes in firms and in workforce delivery systems. Union apprenticeships, which are being reinvented in many industries, remain an important model for career advancement. Employers must support workplace learning and skill-upgrading opportunities; in particular, employers must clarify to workers how increments in skill acquisition can increase productivity and translate into wage and benefit increases and promotions. Yet, many employers are not convinced of the payoffs from specific investments in skills upgrading. Workforce projects should create maps of career advancement within and among firms, sectors, and clusters. The Grand Rapids example of cross-sectoral ladders between Burger King franchises and manufacturing is frequently cited as an example of the new type of community career ladder. In this example, fast-food employees stay longer in their jobs because of the linkages with higher paying manufacturing jobs that they can eventually move into (Whiting & Taylor, 1997). Expanded financing options for incumbent worker training are required to encourage employers to allow release time for classes and new training for additional entry-level workers (Public/Private Ventures, 1999). Further, home, computer-based instruction will no doubt become a staple item in skill-upgrading strategies. Community colleges are an important partner for all advancement strategies, but these colleges need to redesign how they deliver training and education to support such incremental career steps (which may not add up to conventional certification) and to provide training that is compressed, integrates basic skills and English as a second language (ESL), is available in the evenings and on weekends, includes child care and other human-service supports, and is affordable and includes effective financing options for families (Carnevale & Reich, 2000).

Although work first in its early version was perceived as an impediment to career advancement strategies, increasing flexibility has produced an array of initiatives that link work and learning (Stillman, 1999). Perhaps the most well-known example of this approach is that of Wildcat and the financial services industry (Wildcat Service Corporation, 1999). A design replication of the Wildcat model that is part of the Seattle Jobs Initiative focuses on office occupations and operates in a community college setting. It combines basic skills, English as a second language, hard- and soft-skills training, internships, weekend tutoring by business volunteers, aggressive placement by industry brokers, and self-help and reunion groups (Gibson, 2000).

Dual Customer

. . . many workforce programs take the meaning of *community based* for granted. Community-based programs, at best, are deeply rooted in the political, cultural, and religious life of a community; they build on and foster a sense of membership in church and community that means reciprocal obligations. . . . community based means that jobseekers perceive the program as a “home base.”

Two images evoke the employment and welfare systems of the past. The first image is of a kitchen wall plastered with training certificates that an unemployed person has obtained over the years, at the cost of personal debt, wasted time (rather than a job and career path), and one more ineffective, publicly funded training program. The second image is of the well-designed employment-training program, replete with employer involvement and up-to-date equipment, that stands empty because it fails to attract participants.

Except for programs such as Project Match, which serve the most difficult to employ, the new workforce paradigm emphasizes dual customers—employers and jobseekers. The Center for Employment Training (CET), at least at the model San Jose site, became a national model in the 1990s for using a dual customer focus to achieve extraordinary results (Melendez, 1996). *Employer driven* means valuing employers as an integral part of program design and operation, using their expertise to design new occupations and relevant curricula, participating in ongoing industry advisory groups, and using instructors from industry. The best indicator of employer-driven success is repeat business from satisfied business customers. Yet, an employer-driven approach must also include the commitment of employers to invest in skills, modernization, and changing the internal culture of work in their firms to support a diverse and frequently nontraditional workforce (Fitzgerald, 1998).

Widespread recruitment and retention tracking problems suggest that many workforce programs take the meaning of *community based* for granted. Community-based programs, at best, are deeply rooted in the political, cultural, and religious life of a community; they build on and foster a sense of membership in church and community that means reciprocal obligations. For example, jobseekers trusted San Jose CET as a program that respected them and delivered on its promises.

Repeat business on the part of residents means coming back for help to get a new job or to improve skills. In short, community based means that jobseekers perceive the program as a “home base.”

During the past 6 years, employers and communities have engaged in some promising new efforts. On the employer side, firms such as Marriott have taken extraordinary steps in training and retention; employer intermediaries, such as the Greater Cleveland Growth Association, have developed workforce agendas for the first time in decades; and employers have become more willing to change their internal labor market practices related to supervision, diversity, mentoring, incentives, and advancement (Berry, 1998; Whiting & Taylor, 1997). On the community engagement side, many community-based organizations have entered (or reentered) the workforce business with mixed results; they frequently lack genuine grassroots connections and have become neighborhood-level bureaucracies. One of the most promising developments has been the role of faith-based congregations and networks in recruiting, mentoring, and supporting jobseekers while also advocating for the public policy resources. In the case of Project QUEST in San Antonio and PhAME in Philadelphia, for example, these faith-based coalitions have found potent allies in major business leaders (Davies, 1999; Lautsch & Osterman, 1998).

Regions, Cities, and Neighborhoods

Today’s new workforce paradigm argues that labor markets are regional and not restricted by city jurisdictional boundaries or by neighborhood sentiments or history (Giloth, 1998; B. Harrison & Weiss, 1998). On a conceptual level, economic clusters—interdependent sets of firms and sectors, such as health care—argue for regions as appropriate units of analysis for workforce planning and implementation. Although the regional perspective feels natural to economists, most government programs and service providers continue to operate within a different sort of geopolitics—defined by a crazy quilt of administrative geographies, political constituencies, and turfs (Hughes, 1996). Indeed, community advocates and developers may unwittingly contribute to this narrow labor market approach because their place-based organizations and strategies encourage a wholly neighborhood-focused effort (Lemann, 1994; Porter, 1998).

Fortunately, a more reasoned balance between region, city, and neighborhood is emerging. This has resulted from research and policy findings that suggest that cities cannot make it alone; cities and suburbs are interdependent; cities and older, inner-ring suburbs share policy goals and political interests; equitable regions do better; and common interests exist between those who promote neighborhood reinvestment and those who oppose sprawl, more highway building, and an expanding exurban fringe (Barnes & Ledebur, 1997; Foster-Bey, 1997; Orfield, 1997; Pastor, Dreier, & Grigsby, 1997). In some cases, new coalitions have emerged, often faith based, that are carrying the banner of regionalism for the purposes of both equity and efficiency (Rusk, 1999).

Although regionalism has new adherents and positive, long-run potential, the practice of workforce development on a regional basis in the short run has produced mixed results. The underlying concept of spatial mismatch, despite the academic debates, has called attention to the growth of jobs in the suburbs, whereas the jobseeking population resides in the cities (Pugh, 1998). For example, a recent study of Baltimore shows that its share of regional employment has dropped from 55% to 33% since 1970 (Job Opportunity Task Force, 1999). Practical attempts to work regionally on workforce issues have included reverse commuting programs such as Bridges to Work, open housing efforts such as Moving to Opportunity, and regional workforce boards (Elliot, Palubinsky, & Tierney, 1999; Feins, 1999). On the planning and policy side, the Greater Cleveland Growth Association’s Jobs and Workforce Initiative is one of the few business-led examples of working regionally on an array of operational and policy workforce issues (Berry, 1998).

Nevertheless, practical and effective regional linkages around jobs and low-income communities frequently remain at the level of good intentions because suburbs are scattered and resistant to easy public transit solutions and are not open to integrated and affordable housing. Some policy makers have reached the obvious conclusion that the poor should have cars to navigate this scattered metropolitan environment (Waller & Hughes, 1999). Even when public transit options are available for inner-city residents, they often require hours of commuting, complicated child care

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arrangements, and complex backup plans in case of transit breakdowns or weather delays. Regional governance of workforce systems often draws skepticism from inner-city politicians, who fear that regionalism spells a loss of power and resources to elites who have already abandoned the cities and neighborhoods.⁸ Alternatively, regionalism is undermined by successful inner-city revitalization efforts, suggesting that long-run city assets related to location, land, access to labor force, and markets are easier to take advantage of than are the promises of regionalism.⁹

Meanwhile, the importance of neighborhood has reasserted itself as welfare changes have unfolded. Many good workforce programs have foundered because of inadequate recruitment: People cannot be found, will not attend, or do not trust conventional training programs. Moreover, the overall question of how to concentrate employment in disinvested neighborhoods of concentrated poverty has gone unanswered, even with the proliferation of place-based policies such as empowerment and/or enterprise zones. For the most difficult to employ, a part-time job, perhaps in the local school where one's children go or with a human service provider that needs outreach workers, may be a more practical and family-friendly alternative than traveling on three buses for 2 hours each way for a minimum-wage job.

Race Matters

Employers commonly complain that all they want are workers who will show up for work; they will do the training. Skills related to "work ethic," or showing up, have been named *soft skills*, in contrast with the hard skills of literacy, numeracy, and technical competencies. Many employers and policy makers attribute a lack of soft skills to minority communities, particularly to young urban black men, although there is mixed empirical evidence to support this claim (Holzer, 1996; Moss & Tilly, 1996; Turner Meiklejohn, 1999; Wilson, 1998). The new workforce paradigm acknowledges the multiple and challenging roles of race, culture, and gender in the labor market.

Efforts to create soft skills curricula by workforce practitioners are salutary because, at best, these curricula can define more precisely the skills and state of job readiness that employers require. Because these efforts frequently lack precise definitions and a conceptual framework for understanding soft skills, however they may contribute to another round of blaming the victim without adequately accounting for other barriers that confront people of color in their workforce experience. A more robust understanding of soft skills is needed. Contemporary businesses require skills related to critical thinking, oral communication, personal qualities, and interpersonal and/or teamwork, but many of these skills are newly shaped by structural changes in the economy, technology, and new forms of work organization. They are new and challenging for all workers—not just low-income workers. And these skills themselves differ widely according to occupation and industry (Conrad, 1999; Moss & Tilly, 1996; Turner Meiklejohn, 1999).

In communities isolated from the economic mainstream, sometimes lacking role models of labor market success and adequate educational opportunities, many jobseekers never learn the culture of the new workplace (Wilson, 1987, 1998). But this is a matter of skill building and awareness, not a question of attitude, work ethic, and interest. Not only are many communities isolated from business culture, but jobseekers from these neighborhoods also must learn code-switching skills to navigate between cultures of neighborhood and work (Anderson, 1999).

Lack of readiness for today's workplace represents a challenge for employers as much as for jobseekers. Many employers lack the ability and willingness to find, accept, and support workers who come from wholly different backgrounds. This happens during the hiring process in which skills and aptitudes are frequently misread and ignored, although many employers view the personal interview as the most reliable hiring tool (Miller & Rosenbaum, 1996). This is one more reason that employers frequently rely on the weak-tied networks (friends and associates) of current employees to find new employees (Granovetter, 1995). Employers, moreover, are isolated as well from the current workforce—no longer having ties to local high schools and hiring networks. In particular, it appears that frontline supervisors, often chosen for their productivity or longevity rather than management skills, lack the competency to manage a diverse workforce (Denver Workforce Initiative, 1997).

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Also, discrimination persists in a variety of forms, affecting women and minorities (Altonji & Blank, 1999). Remarkable consistency in “testing” studies of employment discrimination shows that discrimination, whether related to hiring, wages, or labor market information from employers, occurs in 20% to 25% of testing cases (Bendick, Jackson, & Reinso, 1994). A recent study of firms in Georgia using equal employment opportunity (EEO) reports concluded that one in three firms engages in some type of discriminatory behavior (Blumrosen, Bendick, Miller, & Blumrosen, 1999). These are not marginal statistics. Along with locational decision making of firms away from inner-city minority communities, racism persists as an important factor shaping behaviors in labor markets—even tight labor markets.

Workforce practitioners must develop a more robust understanding of race and job readiness if significant results in job retention and advancement are to be achieved for communities of color. A number of recent innovations related to job readiness, supervisory training, changing internal labor market and hiring practices, and diversity training are helping to overcome barriers and build the skills of employers and jobseekers (Conrad, 1999; Jobs for the Future & Burness Communications, 1999; Leigh, Lee, & Lindquist, 1999; Parese & Woodard, 1999). Again, these innovations reveal a new willingness of employers and the new capacities of workforce practitioners to collaborate on key issues that affect labor market functioning that has heretofore not received attention. Nevertheless, racism persists and will require committed action to change over time.

Ideas, Best Practices, and Replication

LaDonna Pavetti of Mathematica Institute, an astute observer of employment and training, recently commented that in the past 6 years, we have experimented with good ideas related to recruitment, assessment, training, support, and retention but have yet to develop “best practices” (Job Retention and Advancement Workshop, 1999). Best practices, in this sense, represent those practical workforce processes, services, and products about which we have sufficient experience to be assured of a predicted level of results for job placement or retention. This may not necessarily require that practices be subjected to random assignment evaluation; it does suggest that employment results be able to withstand close scrutiny and be based on methods widely acceptable to practitioners. To make matters more challenging, even when best practices have been identified, our replication technology and experience have fallen short of expectations, leaving policy makers in a quandary about how to translate workforce knowledge into other settings.

Several reasons exist for this lack of a portfolio of best practices within the new workforce paradigm. In general, workforce development had been in disrepute since the early 1980s—largely as a reaction to the perceived failures of the Comprehensive Employment and Training Act of 1976 (CETA) and other related employment programs. Only a handful of the hardest workforce efforts survived in this period of workforce disinvestment—a result of impressive social entrepreneurialism and the piecing together of various types of funding (Giloith, 1995). At the same time, the employer community was not broadly experiencing labor shortages of skilled workers. In many respects, the evaluations of the JTPA and welfare reform that surfaced in the early 1990s measured the impacts of this lack of developed practice in a low-demand context—in general, finding minimal antipoverty effects although people temporarily left welfare. These evaluations did not, in general, identify which workforce practices were effective for different populations in different contexts.

In the past 6 years, tight labor markets and policy changes have dramatically altered the environment of workforce innovation, placing greater emphasis on self-assessment, continuous improvement, and outcomes management. All these approaches require workforce practitioners to gather relevant data about their interventions as they are being implemented for the purpose of identifying problems, opportunities, and promising practices. Above all, the intent of these approaches is to encourage redesign and improvement so that we may develop best practices. Two examples stand out amid explicit attempts to build learning capacity: The Sector Learning Project of the Aspen Institute has engaged practitioners of mature (10 to 20 years old), sector-based projects in a self-evaluation effort to understand individual and systemic impacts; and the Annie E. Casey

Foundation's 8-year Jobs Initiative in six cities supports sites to produce quarterly data on recruitment, placements, retention, and participant and employer characteristics.¹⁰

One promising approach to best-practice development is illustrated by the Denver Workforce Initiative (DWI) of the Casey Initiative. DWI has developed a Work Readiness Index, modeled after private sector assessment instruments and cognitive skills curricula for entry-level employees as well as for frontline supervisors, in participating firms called "Working It Out" and "Managing to Work It Out." These products were developed and initially tested with the help of technical experts, employers, community residents, and service providers and are now being piloted (in Denver and other cities) and more rigorously evaluated as to their effectiveness in lowering employee turnover and increasing the retention of jobseekers in the labor market. DWI, on the basis of these results, is developing a strategic plan for disseminating these innovative products to employers and workforce practitioners in the Denver region as well as nationally (Jobs for the Future & Burness Communications, 1999).

Unfortunate setbacks in workforce program design and replication are instructive about the pitfalls of translating the lessons of success into other contexts.¹¹ CET, as is now well known, has had difficulty replicating its results in a number of East Coast cities. In many cases, their core principles of employer and community engagement, regionalism, and flexible funding were violated because of funding and start-up constraints. A recent examination of CET replications underscores the essential importance of an "adaptive culture" to the long-run success of the original CET, a culture of innovation, partnerships, and evolution (Kato, 1999). The replication of CET in Cleveland—with the help of Cleveland's Jobs and Workforce Initiative—has achieved promising results in less than a year and has begun to build its own adaptive culture: It built on employer and community connections right from the outset and hired the founding director of the Jane Addams Resource Corporation of Chicago—one of the premier sector-based employment projects (Berry, 1998; LaPorte, 1999).

Design replications attempt to extract the key principles of successful workforce projects and invite social entrepreneurs to translate these principles into local contexts and engage in a self-assessment process (Replication and Program Services, 1993). The six-city Casey Foundation's Jobs Initiative is moving forward with these ideas in mind. At this stage, local investors are implementing 20 to 25 workforce projects in these cities and, in the process, are developing their own capacities for growing, monitoring, and modifying workforce projects. This process has not been easy: There have been crash-and-burn prototypes, low-capacity partners, bad ideas, and resistance to ongoing critical reflection on progress related to job placements, retention, and job quality. What is remarkable is that although sites differ markedly in terms of sponsors and program designs, key principles related to good jobs, long-term retention, employment engagement, and community connections remain constant across sites (Annie E. Casey Foundation, 1997; deCoursey Hinds, 1996; Gibson, 2000).

Systems Change and Labor Markets

Changing how labor markets function rather than individual jobs projects alone promises the scale, sustainability, and structural changes needed to create and access good jobs and career ladders for low-income jobseekers. The new workforce paradigm, above all, seeks to reform how public and private resources and actions support long-term job retention, career advancement, and neighborhood employment change. Taking the route of systems reform, however, is not without peril; it requires a conceptual framework that identifies opportunities for change in labor markets, the capacity to build political alliances around change strategies, access to significant public and private resources, and a commitment to produce measurable results for low-income jobseekers.

Just as workforce development should focus on regions in addition to cities and neighborhoods, so should labor markets be recognized as highly complex systems containing many supply-and-demand roles and components—not simply the newest federal employment and training program. Workforce practitioners need to understand regional labor markets and recognize the interconnectedness of workforce development financing and governing structures, such as the WIA (1998), and existing labor market institutions, such as community colleges, employment security, adult

education, and youth employment. Labor markets consist of employer investments, labor supply-and-demand behaviors, the internal labor markets of firms, and a plethora of intermediaries, such as labor unions and educational institutions. Labor markets are dynamic over time, constantly redefining the nature, location, and compensation for work.

Systems change frameworks

Labor market complexity makes reshaping workforce policies extremely difficult. Three conceptual approaches to labor market change help map systems reform possibilities. The first approach identifies three tiers of systems reforms. Tier 1 contains those administrative changes resulting from the implementation of jobs projects, such as resource allocation of TANF dollars and regulatory discretion that defines work-eligible activities. Tier 2 reforms involve specific policy interventions that affect one aspect of labor market functioning, whether it is a living-wage standard, public job creation, first-source hiring, funding for incumbent worker programs, or making workforce development an eligible expense in tax increment financing for economic development projects. Tier 3 change represents comprehensive workforce reforms that address multiple aspects of labor market functioning and relate to multiple types of workers and jobseekers. As one might imagine, marginal labor market changes are more common than comprehensive strategies (Okigaki, 1997).

The second approach was developed as a planning tool for the Annie Casey Foundation's 8-year, six-city Jobs Initiative. The framework identifies nine strategy areas or leverage points in labor markets that offer opportunities for major reform and scaling up of employment effects if workforce advocates can leverage relationships, information, authority, and financial resources for change (Jobs for the Future & On Purpose Associates, 1999). The strategy areas include cooperative organization by employers, community policy mechanisms, credentialing and standards, workforce and education linkages, ties between economic development and workforce, public infrastructure investments, integration with human services, and concentrated employment in neighborhoods. Although not offered as an exhaustive list or one that contains mutually exclusive opportunities for change, the Jobs Initiative sites are using this framework to develop strategies for investing in systems change based on their assets.¹²

For example, focusing on concentrated employment in neighborhoods—place-based employment services—examines those policies that support or impede the saturation of places with jobs and work-related activities. Three levels of policy, organization, and neighborhood change are needed. At the policy level, necessary changes include blending noncategorical funding streams, allowing families to become the focus of workforce development, and developing place-based incentives and supports for work, such as income disregards, public job creation, and the inclusion of training and community volunteer work as work-eligible activities. At the organization level, resources are needed to support neighborhood capacity building to perform outreach, recruitment, assessment, referral, and support roles. Finally, at the neighborhood level, connecting low-income communities to regional economies must rely on the density of networks that communicate job openings and referrals (Dressner et al., 1998; B. Harrison & Weiss, 1998).

The third approach asserts four goals for reforming workforce systems in today's economy (Bernhardt & Bailey, 1998). These goals are (a) creating multiemployer career ladders, (b) creating stronger internal labor markets for promotion in targeted industries, (c) improving the quality of low-wage jobs, and (d) improving labor market coordination in our changing economy through portable benefits, reformed unemployment insurance systems, and retraining options. Accomplishing these goals will require new types of partnerships, legislation, effective labor market intermediaries, and methods to increase the effectiveness and voice of employees (Bernhardt & Bailey, 1998; Osterman, 1999).

Workforce intermediaries

A contrasting way to think about systemic change and labor markets is to recognize the new and powerful role of labor market "intermediaries" to bridge supply and demand, jobseekers and

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employers, neighborhoods, sectors, and occupations (Evans & Kazis, 2000; Mt. Auburn Associates, 1996). In the workforce arena, *intermediary* is a dangerously overused term that may imply an exploitative temporary service organization or the facilitator for accessing high-wage jobs (Benner, 1999). For our purposes, intermediary means either of three levels of investment: between employers and jobseekers (including unions), between local investors and workforce projects, or between national investors and model workforce efforts.

In the first case, bridging supply and demand, these workforce partnerships are highly relevant, given labor market challenges of information, employee turnover, and cooperation (State of Wisconsin, 1999). Focus HOPE, Project QUEST, and the Bidwell Training Center represent more than conventional training programs; they are alliances and partnerships that engage community colleges, faith-based institutions, and public sector organizations in matching jobs, supplying labor, or creating employer demand (Kazis, 1998). They build networks at different levels and geographies of the labor market—their trademark being that these partners, and especially employers, are a part of the creative process for developing new occupations, curricula, and partnerships with other labor market stakeholders. In other words, within the very definition of best practice, workforce projects represent a powerful building block for systemic change.¹³

A good example of this first type of workforce intermediary is the Wisconsin Regional Training Partnership (WRTP), an employer-union partnership founded in 1992, which includes 60 firms that employ 60,000 workers in the manufacturing sectors of southeastern Wisconsin. WRTP provides firms and workers with services related to modernization, incumbent worker training, and school-to-work transition programs, drawing on a variety of funding streams including substantial investments by firms. In the past 2 years, the WRTP has placed more than 300 inner-city residents in high-paying manufacturing jobs. WRTP works with the Milwaukee Area Technical College, community-based organizations, job centers, the Private Industry Council, and the state Department of Workforce Development. In the next several years, WRTP hopes to scale up its work in manufacturing and to initiate new sectoral initiatives in hospitality, automotive services, and health (WRTP, 1999).

The Casey Foundation's Jobs Initiative has attempted to build another type of workforce intermediary—regional capacity that invests in the start-up and expansion of promising workforce projects such as WRTP (de Courcey Hinds, 1996; Gibson, 2000). This represents the second type of workforce intermediary that specializes in investing in jobs. The foundation's strategy assumed that Private Industry Councils or other entities lacked the capacity to replicate and scale up the development of effective workforce projects. The foundation chose different types of organizations to build investor capacity: a local government, community organizing coalition, community development bank, community labor coalition, operating foundation, and regional planning organization. The foundation has also invested in Cleveland's Jobs and Workforce Initiative as an example of a business-led intermediary.¹⁴

The workforce development field is beginning to generate a new crop of national workforce intermediaries (the third type of intermediary) due to the overall growth of the field, new welfare-to-work financial resources, tight labor markets, and the WIA of 1998. Traditional R&D organizations, such as Public/Private Ventures, Manpower Demonstration and Research Corporation, and Jobs for the Future, have increased their prominence in the adult workforce field, adding capabilities in policy, sectoral strategies, and self-evaluation.¹⁵ Traditional affordable housing groups, such as the Local Initiatives Support Corporation (LISC), the Enterprise Foundation, Community Builders, and Corporation for Supportive Housing, have added employment components that frequently focus on place-based development (Enterprise Foundation, 1998).¹⁶ Practitioners have organized a network called Workforce Allies to make the presence of community-based providers more visible in the national workforce policy arena.¹⁷ Similar networks of practitioners exist at the local level, such as the Chicago Jobs Council, the Jobs Policy Network in Philadelphia, and the Institute for an Urban Future in New York, that advocate for municipal and state workforce policy agendas (Chicago Jobs Council, 1999; Institute for an Urban Future, 1998). The National Economic Development Law Project has convened a national Sector Alliance that will bring together practitioners and investors in sector-based workforce development to advance the practice,

learning, and policy recommendations of sectoral workforce initiatives (Marano, 1999; Visser, 1999).¹⁸ On the grassroots advocacy front, the Center for Community Change has developed national capacity for providing technical assistance, policy analysis, organizing, and training related to jobs, income, transportation, and welfare policies and practices—including, for example, assistance to the Alameda Corridor Jobs Coalition in Los Angeles, which won a local hiring agreement for 1,000 jobs on a new mega-public works project (Schade, Espinosa, Ochs, & Ranghelli, 1999). Finally, the Rockefeller Foundation has launched a multicity effort in conjunction with the Welfare to Work Partnership to build the capacity of nonprofit workforce providers, particularly in the welfare-to-work arena (Lopez, Ryan, & Sviridoff, 1998; Welfare to Work Partnership, 1999).¹⁹

Unions

Unions are an undervalued approach to workforce development reform. Unions not only have produced higher wages and benefits, family-friendly work policies, and grievance procedures but also have contributed to clarifying how workers move upward through skill acquisition and job responsibilities. Union apprenticeships, despite a legacy of racial exclusion, remain a good example of establishing career ladders and work-based learning. The decline of union membership has contributed to wage and income inequality, as workers have lost the ability to negotiate for a part of productivity gains and wealth creation (B. Harrison, 1994). At the same time, unions' narrow defense of current members and insularity from civic affairs have relegated unions to the margins of workforce development in recent decades. This has led to the exploration of nonunion approaches to employee representation and workplace power (Osterman, 1999).

Unions, however, are reassessing their relative absence in workforce development relating to low-income neighborhoods, thanks in part to the new leadership of the AFL-CIO, reenergized central labor councils, and the "aging out" pressures faced by local unions in such sectors as manufacturing and construction. Living-wage campaigns, jobs-gap studies, the new Working for America Institute, career ladder projects in health care and child care, and greater participation in local civic issues are attracting union leadership into the workforce field (AFL-CIO, 2000).²⁰ In particular, unions have been cogent in articulating a "high road" economic development strategy that invests in family-supporting jobs as well as training, and they are putting their pension funds and other resources behind such a strategy (Benner, Brownstein, & Dean, 1999; Sustainable America, 1995).

WIA of 1998

No matter how one views systems reform and labor markets or whether one is at the fore of designing new labor market intermediaries, the WIA of 1998 offers a pathway to create systems change. On one hand, the new legislation emphasizes employer engagement, integration of workforce resources, long-term retention outcomes, and state and local engagement as well as building on prior experiences of one-stop centers. In particular, opportunities for "unified plans" that bring together workforce, welfare, community college, adult and vocational education, and employment security systems may harness the entire public system around a few meaningful outcomes. As a result, education and training systems could be brought together more productively (Strawn & Martinson, 2000). Likewise, new Workforce Investment Boards (WIBs) have the potential to overcome regional fragmentation and ensure serious employer engagement. On the other hand, many workforce advocates detect the shuffling noise of new organization charts based on grandfathered functions, entities, and programs. State "leadership" really amounts to guidance on possible options. Additionally, the politics of standing still has room to prevail, protecting traditional service providers and ways of doing business. Moreover, the role of community-based organizations may be made more difficult because of the use of vouchers for services and certification unless there is a real commitment to bring them into the system. In terms of absolute resources, TANF dollars far exceed WIA resources, making their use a prime target for policy advocacy. Nevertheless, a small number of cities and states are using the WIA as an opportunity to reform the way the public sector invests in workforce development (Schade et al., 1999).

. . . the politics of standing still has room to prevail, protecting traditional service providers and ways of doing business.

FUTURE OF WORKFORCE DEVELOPMENT

Economic growth and tight labor markets will hopefully prevail for several years and sustain the rebirth of workforce development. Even if an economic slowdown occurs, however, other factors will push forward workforce development. These factors include the aging out in many industries and occupations, the increasingly diverse workforce, the growing demand for skilled workers, and the pressures, expectations, and implications of the results of welfare-to-work policies on the low-income and working-poor populations.

This article has sought to understand the explosion of workforce activity in recent years through the lens of a new workforce paradigm. This paradigm represents a pattern of convergence of outcomes, practices, and policies among practitioners of the heretofore separate and frequently hostile fields of employment and training, welfare reform, community development, and regional economic development. The common concerns around retention and advancement in the labor market have brought these fields together in many respects, although much diversity in strategy and practice remains, as evidenced by our discussion of sector and place-based employment approaches.

But we should not assume that policy makers and practitioners of workforce reform will capitalize on this unique context and build on the success already achieved in establishing a new workforce paradigm that bridges so many experiences. Progress on at least five fronts is required to expand on the new workforce paradigm. First, engaging employers must extend their focus from the issues of job placement to the arenas of job retention, career advancement, financing, and shaping civic workforce agendas. Employer leadership is key to long-term reform. Second, the proliferation of effective small workforce innovations is not enough. Workforce innovations have to attain scale and sustainability by investing in best practices, benchmarking, information systems, and continuous improvement. In particular, we need to understand the types of leadership necessary to grow workforce innovations in different contexts. Third, investment in the capacity of community organizations to become effective workforce partners is important because outreach and recruitment, assessment, support, and follow-up are desperately needed, not only to achieve job placement but also for retention and advancement. Fourth, attention should focus on concentrating employment and economic opportunities in specific neighborhoods experiencing poverty; this outcome does not automatically follow from more people's working in general. Finally, we must train and support human resources for the workforce development field if we seriously intend to advance practice and policy.

Our optimism about the new workforce paradigm should be tempered by an appreciation of three big challenges—in addition to potential economic slowdowns—that may impede progress in workforce development practice and results in the near future. Lack of confidence exists in the workforce development field about how to address these challenges. First, although the current economic expansion has created widespread economic opportunities, the underlying pattern of wage, income, and wealth inequality portends a growing separation of the haves and have nots. Second, the challenges encountered in promoting job retention and advancement for low-income populations suggest that we must continue to confront race and gender discrimination in the labor market. These issues have not disappeared, although our workforce is becoming more diverse. Finally, our historic failure to create more effective schools and better connections between K-12 and our postsecondary education and employers limits the effectiveness of workforce development and guarantees that the skills gap will continue. Without addressing these larger issues, refining workforce development techniques alone will not produce a competitive workforce and the pay-offs promised for low-income populations.

Reviewing workforce development during the past 6 years shows a remarkable pattern of learning and innovation, despite the remaining challenges and tensions. Much of the renewal must be attributed to economic growth and the new policy environment, no matter how one assesses the efficacy and equity of our current welfare policies. At the same time, exemplary workforce practitioners, pioneering employers, grassroots leaders, savvy public and philanthropic investors, and committed researchers have made lasting contributions to the rebirth of a field that everyone had declared dead at the beginning of the 1990s. The new workforce development paradigm represents

a record of accomplishment that hopefully will fuel the next generation of policy and program innovation.

NOTES

1. Those job search programs that were effective, such as the Riverside, California, welfare-to-work initiative in its original configuration, actually combined job search and other services. See Strawn (1998) for a succinct review.

2. For example, \$2 billion has been allocated in the last several years to support various welfare-to-work initiatives of community colleges, employers, and other workforce providers. How to maintain this workforce infrastructure after these funds run out is an unanswered question.

3. One recent demonstration of this level of interest was the National Welfare-to-Work Conference in Chicago, August 2-5, 1999. Unfortunately, the premature declarations of welfare-to-work victory misrepresent the range of serious efforts now under way to attach low-income people to good jobs and careers.

4. Although different in some respects, all three terms suggest that simple job training is not sufficient; effective programs build employer relationships, do recruitment and assessment, and engage in postplacement activities. In fact, many argue that using the word *job* is misleading because the goal should be careers and work. More important, these phrases convey the importance of outcomes, economic development, and all the activities and relationships required so that jobseekers and employers are satisfied. I use workforce development in this article because of current legislation; however, it omits many economic and community development strategies that have job implications.

5. The youth development and youth employment fields might also be included because of their emphasis on school-to-career and postsecondary school linkages.

6. The emphasis on retention and advancement has also been evidenced in such efforts as the Annie Casey Jobs Initiative, which set a minimum job standard of including 1-year retention in the labor market at its startup in 1995. By 1998, Department of Labor Welfare-to-Work grants included such a standard.

7. Jobs for the Future convened a national conference on research, practice, and policies related to career advancement for low-skilled workers on May 24-25, 2000. The proceedings and an edited volume will be forthcoming.

8. This has been evidenced in many of the conversations about whether regional workforce boards should be established. In many regions, the solution is a loose form of cooperation at best.

9. This certainly has been the position in part of many community development corporations, which have viewed aspects of regionalism as urban apartheid.

10. These learning networks include the Sector Learning Project of the Aspen Institute, the Casey Foundation's Jobs Initiative, the Joyce-Irvine Employment Training and Placement Learning Group, and the Regional Workforce Development Learning Group, convened by Regional Technology Strategies.

11. Several other employment models have experienced the challenge of replication with mixed results, including STRIVE, Cooperative Home Care Associates, Project QUEST, and Focus HOPE.

12. Several other frameworks that define system reform principles and strategies are worth noting. Strawn and Martinson (2000) have argued for several system reform elements: strong employer linkages, multiple workforce approaches, services that go beyond training, formal and informal credentialing, and taking advantage of Temporary Assistance to Needy Families and workforce policy flexibility. Fitzgerald (1998) offers a similar list: working with employers to create more high-skill, high-wage jobs; linking economic and workforce development through targeted industries and occupations; designing programs to include a network of providers and comprehensive services; sustaining networks through workforce intermediaries; providing multiple points of entry for jobseekers; using contextual learning approaches; and making performance-based investments. An early Jobs Initiative policy conference, convened by the Center for Urban and Metropolitan Policy at the Brookings Institution in June 1998, identified the following strategies for workforce system reform: capitalizing on congressional and federal administration opportunities, mapping workforce systems financial resources, building broad coalitions, and disseminating best practices.

13. One new version of workforce intermediaries includes regional skills alliances, which the Department of Labor is promoting for industries such as information technology. See Atkinson (1998).

14. A national effort to build the capacity of employer intermediaries is currently being undertaken by the National Association of Manufacturers, the U.S. Chamber of Commerce, and Jobs for the Future.

15. For example, Public/Private Ventures has established an adult workforce division that undertakes research, manages a state workforce policy project, and is establishing a workforce learning network called Workforce Ventures for practitioners. Workshops were held in October 1999 and April 2000 on retention and advancement and the role of community colleges.

16. The Local Initiatives Support Corporation (LISC) has helped many of its cities replicate the Center for Employment Training, and its Chicago office is working with three community development corporations to replicate Project Match. Community Builders is likewise using Project Match in several of its housing developments. The Enterprise Foundation has always had an employment component, modeled after Jubilee Jobs in Washington, D.C. In the past few years, they have also replicated programs such as America Works and JobLink of Minneapolis. Recently, they won a welfare-to-work grant from the Department of Labor to work in five cities and in partnership with Home Depot. The Corporation for Supportive Housing is continuing its work in place-based employment that grew out of its Next Step Demonstration for the residents of transitional housing.

17. This national network grew out of many of the sectoral employment projects around the country. It was formed because of the relative absence of a community-based organization voice in the debate about the Workforce Investment Act (WIA) of 1998.

18. The alliance grew out of the center's work in a multicity sector employment demonstration supported by the Ford Foundation, including three national conferences. The intent is for the alliance to serve as a clearinghouse of information, learning network, and policy advocate.

19. Rockefeller recently announced a joint effort with the Welfare to Work Partnership to build nonprofit capacity to perform workforce and/or welfare programs in five cities.

20. The AFL-CIO held a June 1999 national workforce conference in Las Vegas, titled "Strong Unions in Strong Communities: High Road Partnerships for Working Families," which highlighted the range of workforce-related activities they are supporting. See their new journal, *Working for America Journal* (1999). The Neighborhood Funders Group, an affinity group of foundations, has also established a committee to explore and develop links between a revived labor movement and low-income neighborhoods.

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