



**PARTNERSHIP FOR AUTOMOTIVE
CAREER EDUCATION**

FINAL REPORT

Prepared for:

The SkillWorks Funders Group

By:

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Partnership for Automotive Career Education (PACE)

PARTNERSHIP OVERVIEW

Mission and Structure

The Partnership for Automotive Career Education (PACE) provides opportunities to low-income, low-skilled individuals by training them for entry-level jobs in the automotive industry. At the same time, PACE aims to meet the employer demand for trained entry-level workers in this field. While the partnership has been active and training participants since 2005, this profile focuses on the activity over the last three years during which PACE was funded through a Department of Labor (DOL) grant administered by Jobs for the Future and SkillWorks.

PACE is led by the Asian American Civic Association (AACA), a workforce training provider, and includes Boston Public Schools (BPS), Benjamin Franklin Institute of Technology (BFIT), and roughly a dozen automotive employers. AACA intended to convene two advisory meetings each year with PACE partners where they would discuss the curriculum, progress of the program, and trends in the field. However, AACA staff found it more effective to convene one advisory meeting each year and expand the individual time spent with the PACE employer partners obtaining feedback and suggestions. PACE includes postsecondary institutional partners MassBay Community College and BFIT, which offer college credits to PACE graduates through articulation agreements with AACA, although few graduates take advantage of that opportunity.

Services

Through a five-and-a-half-month training course, PACE prepares individuals to work in the automotive sector by offering both technical training and other skills and services, including English and math, financial literacy/counseling, case management, professional development, job search assistance, and two years of post-placement services. While much of the PACE service delivery model was well established prior to receiving the DOL grant, PACE added a new training component as a result of the grant to prepare technicians to service hybrid and alternative fuel vehicles. AACA also assigned an outreach and recruitment coordinator, a case manager, a professional development instructor, an employment specialist, and a retention specialist to provide services to PACE participants as well as other participants in the agency's job training programs. BPS and BFIT are responsible for the automotive curriculum development and delivery. BPS provides the general automotive training at Madison Park Technical Vocational High School, while BFIT provides the hybrid technology and alternative fuel training.

Participant Characteristics

The PACE training program targets low-income, low-skilled individuals. In the last three years of the program, 76 percent of PACE participants had an annual household income less than \$21,000. While a large number of participants over the last three years have been black males between 25 and 44 years of age, half of the participants were immigrants to the United States. The following table documents the demographic make-up of the PACE participants from September 2011 through October 2013.

		Cohorts from Sept 2011 – October 2013
Country of Origin	Immigrant	50%
	United States	49%
	Undisclosed	1%
Race/Ethnicity	Black/African-American	48%
	Hispanic/Latino (of any race)	16%
	Other/two or more races	9%
	Asian	14%
	White/Caucasian	13%
Gender	Male	91%
	Female	9%
Age	18-24	22%
	25-44	61%
	45+	17%
Current Place of Residence	Boston	54%
	Outside Boston	46%
Employment Status upon PACE Entry	Unemployed	55%
	Employed Outside Automotive Sector	45%

None of the PACE participants were working in the automotive sector when they entered the PACE program, but 45 percent were employed in part-time or low skilled jobs. The aggregate average hourly wage for those individuals before they entered PACE was \$10.30 per hour. On average, employed individuals were working 29 hours per week when they enrolled in the program.

PARTICIPANT OUTCOMES

Enrollment, Graduation, and Placement Rates

During the last three-year period, PACE assessed 272 applicants and enrolled a total of 74 program participants. Sixty-two of the 74 participants graduated from the program, and PACE placed 49, or 79 percent, of the graduates in automotive jobs.

On average, graduates earned \$11.14 per hour upon entering the automotive industry and worked approximately 37 hours a week. About 57 percent of the *placed* participants had been previously unemployed, so these individuals' wages increased dramatically. The participants who were previously employed increased their wage by just \$0.44 on average, but worked eight hours per week more at their new job than they had at their old job. At least 15 of them went from a job that did not offer benefits to a job with full benefits.

Compared to AACAA's other pre-employment job training programs, the PACE entry-level wage is low. Other AACAA pre-employment training programs, such as its Building Energy Efficient Maintenance Skills program, often place their graduates in jobs with \$14 or \$15 an hour starting wages. The low entry-level wages are the result of the structure of the automotive repair industry, which includes many small automotive repair businesses and not as many large dealerships.

Credentials Earned

Based on employer feedback, PACE incorporated OSHA 10 certificate training as part of the program beginning with Cohort 3. Towards the end of this three-year grant period, PACE also considered adding a state license inspection training component to the curriculum, but to do so required several steps, including becoming state-certified to teach the course. Given the reality of time remaining in the program, PACE did not incorporate training for this additional license.

Sub-targeted Population

Over the last three years, PACE has made an effort to advertise its program to both women and veterans. Despite multiple outreach attempts, overall progress attracting these two groups to the program was limited. In the five cohorts, PACE enrolled a total of seven women and only a handful of veterans. Unfortunately, the partnership placed only two women and no veterans.¹

¹ Two veterans, one of whom was a woman, enrolled in the final cohort of training participants, but placement results were not available for these individuals as of July 2014.

Long-term Progress: Retention² and Wage Increases

Since the beginning of PACE in 2005, graduates have not had great success retaining their jobs.⁴ The retention numbers from these five cohorts indicate that retention is still a major challenge. The table in this section summarizes client retention in the automotive sector for the last five cohorts of PACE. All of these rates are likely to change in the future as the number of participants who have had time to reach each employment milestone increases. The 24-month placement figure is especially likely to change since it is currently based on just nine participants who were hired in June 2012 or earlier. So far, participants from the third and fourth cohorts have been staying in the sector at a higher rate than the participants from the first two cohorts had been staying at the equivalent stages. This change may be an impact of the hiring of the retention specialist in March 2013. It is too early to make any conclusions, but if the trend toward improved retention continues, it would be evidence that PACE's efforts to improve outcomes for its clients after placement are working.

Retention	In-sector retention rate ³
6 months after placement	83.8%
12 months after placement	57.7%
18 months after placement	41.2%
24 months after placement	33.3%

Graduates employed in the automotive sector have experienced minimal wage increases. Over the three years, graduates have received an average wage increase of \$0.24, although the first cohort with the most work experience has realized an average wage increase of \$0.54, the highest among the graduating cohorts.

While in aggregate advancement for PACE graduates has been a challenge, there are numerous individual success stories among participants. One graduate who had only been in the United States for four or five years recently received an award for being the top MINI Cooper mechanic in Boston. Another graduate is working full-time for Cambridge Honda as a fleet maintenance mechanic, a highly-coveted position. A graduate working at the Ford dealership in Saugus recently went back to school at BFIT and acquired a postsecondary automotive degree. For AACAA staff, seeing these individuals move into reliable positions that afford them the opportunity to support their families makes its dedication to the partnership meaningful.

² Retention figures are based primarily on PACE's client retention data.

³ The in-sector retention rate only includes those placed graduates who have had the opportunity to reach these milestones. For instance, the calculation does not include graduates from the more recent cohorts if 18 or 24 months have not passed since they have entered the sector.

⁴ The 2013 PACE evaluation provides a snapshot of long-term retention for graduates of the full program.

EMPLOYER BENEFIT

Employers were primarily engaged in PACE in the capacity of hiring graduates. While a handful of employers offer their time to weigh-in and advise on program curriculum, allow participants to job-shadow on-site during the program, conduct mock interviews with participants, or donate parts to the educational partners, the majority were not engaged beyond sending a job opening announcement to AACA on an ad hoc basis and indicating their willingness to hire PACE graduates.

Those employers who have hired PACE graduates have been more or less satisfied, finding some graduates excellent, while others require more time and effort to get up to speed. Once hired, employers treat PACE graduates like any other entry-level employee. Beyond hiring a qualified, trained employee through PACE, many employers have expressed their satisfaction at being able to help individuals “get on their feet” with steady employment. For some companies, PACE has become the go-to source when they have an entry-level automotive opening. In fact, several employers no longer post jobs to the public and instead contact the employment specialist at AACA directly. As employers consider potential hires, they see PACE graduates as attractive because of the dedicated AACA staff who follow-up with the new hires and supervisors to ensure new hires are working out well, and they are impressed that AACA staff care enough to drive quite a distance from downtown Boston to visit a new hire.

Employers’ engagement over the course of PACE has fluctuated, and AACA finds that the level of engagement really depends on who the service managers are at the companies. Overall, the intensity of some employer partners has waned since the beginning of the partnership in 2005, and the most recent Green Jobs Innovation Fund (GJIF) investment in PACE does not appear to have reversed this trend or reinvigorated employer engagement. Though a number of new employers have “joined” PACE, these employers have limited engagement in the partnership as a whole and instead see AACA as a resource and less as a partner.

SYSTEM CHANGE

Beyond hiring graduates, employers do not feel that PACE had an impact on their employer practices or the culture in the shops or dealerships. With only a small set of PACE graduates working for them (among many other employees), PACE had only had a light touch on their companies and, consequently, has not made a significant impact on employers’ policies, culture, or outlook on workforce development.

PACE’s likely most enduring impact on the sector is employers’ greater comfort with and value of workforce diversity. AACA believes that over time it has witnessed a shift in employers as they have become more open to employing PACE applicants with backgrounds they previously might not have considered—individuals with criminal records, minorities, immigrants, etc. PACE has exposed employers to much more diversity. As employers hire graduates who are succeeding in the workplace, they gain more trust in the program and are more willing to take a risk on someone who has only been in this country for a short time or may have a criminal

record as they find the program overall to be reputable. Some employers believe the diversity contributes to the satisfaction of their customers, employees, and supervisors.

PACE has placed limited emphasis on a broader system change agenda within the sector or on broader workforce issues. In the early years of PACE, both AACA and its educational partners worked more closely with employers to understand their needs and design a curriculum accordingly, but even then the partners did not engage on large industry-wide issues such as raising the floor on low entry-level wages. Without strong support from employer partners, AACA, a community-based service provider, highly skilled at providing quality training programs and placing graduates in the field, is weakly positioned to dramatically affect system change in an industry. Instead of tackling industry-specific system change, AACA has been working at a more general policy level to advocate for increased funding for workforce training. AACA is part of the Job Training Alliance, a network of greater Boston community-based workforce development organizations with an agenda aimed at increasing sustained funding for workforce development that would support low-income individuals pursuing employment opportunities.

CONCLUSION

Over the last three years, PACE has enrolled 74 individuals, graduated 62, and placed 49 in jobs in the automotive sector. PACE provided these individuals with the opportunity to build skills that have the potential to set the foundation for a long-term career. For many individuals, the program allowed them to better their lives. Despite the individual success stories, however, PACE has struggled to put participants on a clear path to financial self-sufficiency. The industry's low starting wages and the limited retention or upward mobility for graduates in the sector raise questions about whether this five-month training program, with a relatively high cost due to the technical nature of the training, is a worthwhile investment given the results.

Sustainability

AACA has recently started to come to terms with the low starting wages in the automotive sector and the subsequent weak retention rates among graduates. It has begun to focus more on how to sustain the structure of a program that has positively impacted the lives of many participants, while redirecting employment placements to companies with higher starting wages. Several employer partners would like to see PACE continue to train entry-level workers to provide them with a pipeline of applicants. However, at the moment, public and philanthropic funding is not available to continue with the current PACE model. Employers have not indicated that they would subsidize such a program either, although one dealership spokesperson suggested that this program is important enough to the dealership that he believes the company would consider it.

AACA is currently exploring the idea of shifting PACE's focus to fleet maintenance. With an \$8,500 grant from SkillWorks, AACA staff have undertaken a fleet maintenance feasibility study that has confirmed that entry-level wages for fleet maintenance positions are, on average, \$13-\$16 per hour, several dollars an hour more than the aggregate average starting wage of the last five PACE cohorts. Additionally, the feasibility study has confirmed that some of the existing

equipment at Madison Park Technical Vocational High School is applicable for fleet maintenance training, though there would be some new investment required, particularly in equipment. Initial research suggests that fleet maintenance may require even more training time, possibly making the class prohibitively expensive. The study is not yet complete, and AACA is continuing to investigate the operational feasibility of such a program as well as better calibrate the demand from potential new employer partners. A full report will be delivered to SkillWorks by September 1, 2014. Additional funding would have to be secured to run the program.

Lessons Learned

For the field:

PACE's ongoing effort to improve long-term success for graduates has produced lessons learned both in its successes and in its challenges:

Successful retention starts early with effective recruitment and assessment.

PACE's experience suggests that proper recruitment and assessment are essential for long-term retention. Job satisfaction over the long term requires that participants fully understand what they are getting into in terms of work environment, wages, and advancement. PACE refined its recruitment process over time to provide participants with an accurate picture of the work and advancement structure, yet retention remains an issue. Particularly for individuals employed at the time of enrollment who are unlikely to see a significant change in hourly wages as a result of program participation, PACE assessment staff should carefully examine their motivation for entering training, and ultimately the sector.

AACA may see better success with retention by focusing recruitment on those with a deep interest in the automotive industry, who either are unemployed or have a particularly low wage at the time of enrollment.

A retention specialist dedicated to supporting graduates once they are in the industry is valuable to graduates and employers.

The retention specialist has been able to deepen relationships with both graduates and employers by physically visiting companies to check-in with graduates and supervisors. This type of personalized attention indicates AACA's level of interest and dedication to seeing its graduates succeed and maintaining positive relationships with employers over time. Employers noted that they had "excellent communication" with AACA staff. Though it is too soon to see the benefits of this new model of retention services,⁵ AACA is confident that this service has prevented frustrated new employees from quitting, contributed to stronger relationships with employers, and deepened graduates' connection to AACA so that they are more apt to reach out to AACA staff for support if they have personal or professional issues that are impacting

⁵ The retention specialist started in March 2013 and has worked with Cohorts 4 and 5.

them on the job. AACA expects that over time this type of deep support for graduates in the field will improve retention rates.

- ➔ **Multi-stakeholder partnerships require nurturing so that all parties continue to derive and contribute value from engagement.**

After nine years of partnership, it is a challenge to sustain the level of engagement seen in the early years. When PACE began back in 2005, employers had far more entry-level openings to fill, were paying for part of the training, and were much more engaged, even to the extent that employers were present during PACE program applicant enrollment interviews. Maintaining this level of engagement over time is a difficult task, especially after a recession, which led to many more applicants for the entry-level automotive jobs. At this time, it is clear that AACA is playing the driving role in this partnership and employers are reacting to its agenda. Other examples nationally suggest that a different type of partnership is possible. In one successful automotive partnership in Milwaukee, the automotive industry is the driver of the partnership. Employers need to be truly invested and at the table in order to have productive conversations about large industry-wide issues such as the low starting wage for entry-level workers. Without the sustained dedication of the automotive industry, PACE risks transitioning from a partnership model to a training program.

For funders:

- ➔ **Funders should consider carefully and review regularly the attractiveness of the industry to determine if the sector warrants investment.**

PACE is not the only automotive training program to struggle with low starting wages and limited retention. Multiple workforce programs serving the automotive repair sector have noted that the industry wages make the industry unattractive to many graduates. Discussions between AACA staff and staff at Minuteman High School, a regional high school in Lexington, Massachusetts, that offers automotive training, revealed that it, too, found issues with retention among its placed graduates. Madison Park Technical Vocational High School similarly finds that those high school graduates who go into the automotive industry receive the lowest wages among all the trades their peers pursue. These data suggest that the challenges facing PACE may be more related to the sector than to the training program. Even an effective, well-run workforce program may not be successful if the underlying sector characteristics do not support long-term economic self-sufficiency.