

June 2017

SkillWorks: 2018-2021

A LOOK AHEAD

This document is a statement of SkillWorks' core values and strategies, which we have held as important ingredients to serve our dual mission to create greater access to good jobs for low-income jobseekers and workers through high quality, sector-based training, while simultaneously developing a qualified and diverse talent pipeline for employers. As a nationally recognized workforce funder collaborative, we have spent more than a decade developing evidence-based strategies for training and employment that have linked thousands of people and hundreds of employers to help close the persistent skills and opportunity gaps in our region.

SkillWorks has been a consummate mainstay for the past 14 years, acting as an innovative funder and partner while influencing the policies and practices of dozens of organizations in the region. As the pendulum of the economy has made dramatic shifts from periods of high unemployment to today's tight labor market, SkillWorks has applied its practice, knowledge and experience to respond as a nimble tool in support of our region's workforce needs. As we consider our role for the four years ahead, we will continue to sustain our values and act as a *dynamic partner* to aligned funders, intermediaries, organizations and employers, *innovative platform* to link talent to employers, *responsive driver* for diversity and inclusion, and *strategic shaper* of policy and practice.

VISION AND VALUES

SkillWorks' vision is to help to make Boston a place where every resident has an opportunity to thrive by making a good living and where employers have access to a diverse, well-trained, and qualified talent pool. We support that vision with a set of values that we believe shape and sustain our work.

- We are employer centric in order to ensure we are a nimble tool for employers.*
- We believe diversity and inclusion are critical to business success.*
- We believe a "good job" means wages at or greater than a living wage, access to benefits, strong supervisor training for frontline workers to support retention and advancement, access to professional development and training for employees, and opportunity to advance in a career.*
- We support coaching to help jobseekers persist and complete training and retain good jobs.*
- We believe the first job is not the last, and individuals need greater opportunity to advance into higher skilled, better paying jobs through incumbent worker investment.*
- We support career pathways to good jobs and family sustaining wages*
- We create a culture of high expectations among all stakeholders.*
- We believe work readiness and career navigation should be integrated early and often in training and education to better prepare the workforce to meet employer needs.*

ORGANIZATIONAL HISTORY

Established in 2003, SkillWorks is a nationally recognized funder collaborative that has impacted the lives thousands of low-income jobseekers and low-wage workers and has created a pipeline of talent for the region's highest demand businesses and industry including more than 100 employers seeking qualified employees for jobs in healthcare, biotech, construction, financial services, hospitality, green jobs, and most recently, IT/Technology. Hosted by the Boston Foundation, SkillWorks acts as a workforce intermediary that pools funding from public, private and corporate

philanthropy to create a flexible set of resources that we can steer towards innovative solutions across community based organizations, vocational training, community colleges and employers.

SKILLWORKS HISTORY OF SUCCESS

SkillWorks and our partners have trained, placed and supported over 6000 job seekers and incumbent workers since inception, including nearly 1,700, since the beginning of Phase III (Jan 2014). SkillWorks has also increased the number and capacity of dozens of workforce partnerships, and advocated for more than \$100M in workforce resources locally, statewide and nationally. Since the beginning of Phase III in 2014, SkillWorks can report that through our investments in sector-based workforce training programs, and postsecondary and career readiness initiatives, we have served over 1,700 individuals, including jobseekers, incumbent workers and youth and young adults. Within our workforce training programs, between 1/1/2014-12/31/2016: 80% of jobseekers enrolled have completed training; of those completing 68% have been placed in jobs; of those placed in jobs 95% are still employed, and 21% of jobseekers got wage increases or a second job after completing training. During the same period, incumbent worker outcomes are as follows: 81% have completed training, 68% of those who completed training and/or coaching obtained a raise or new job, and of all incumbent workers enrolled 98% are still employed.

VALUE PROPOSITION

After more than a decade of work, SkillWorks has a proven track record and a set of differentiating assets that we can leverage to add value and fill the gaps in the workforce system.

- *Systems Change.* SkillWorks approach to system change has sought to change how practitioners and policymakers think about the boundaries of the workforce system through expanding employer involvement; making connections between higher education, particularly community colleges, and the workforce development system; and thinking about the ABE/ESOL programs and investments as part of the continuum of services needed in an effective workforce system. In addition, SkillWorks has sought to change relationships between major stakeholders in the workforce system as well as to change the perspectives of those operating within the system.
- *Convening power.* SkillWorks has strong relationships with partners that are deeply embedded in the communities they serve, community colleges and other educational institutions, employers, career and technical schools, policy advocacy groups, government agencies, philanthropy, policymakers and other key stakeholders in this field. SkillWorks' deep experience and expertise as a workforce development convener is evidenced through our investments in and coordination support of the Boston Healthcare Careers Consortium, our new IT/Tech employer consortium known as *TechHire Boston*, and a planned hospitality employer consortium, as well as our regular grantee convenings, coaches group meetings, and various other convenings, forums, and meetings that facilitate networking and discussion, partnership, best practice and knowledge sharing, capacity building, and other positive outcomes. We have also been deeply involved with our policy advocacy partners to convene legislators and government officials around workforce issues and needs demonstrated by successfully advocating for more than \$100M in state workforce training funds. We are well positioned to leverage this experience and expertise to continue acting as a central point of connection and contact between various stakeholders to

facilitate increased and aligned resources, best practice sharing, and employment brokerage between providers and employers.

- *Flexible funding to test innovation.* SkillWorks is in the unique position as a funder collaborative with access to pooled funding from a variety of funding sources across local and national philanthropy, local government, and corporations. SkillWorks is able to combine and direct these funds toward programs, interventions, curricula, etc. as identified by leadership and approved by our group of highly engaged and issue-oriented funders. Whereas other funders, especially government agencies and others that allocate public dollars must comply with many restrictive and prescriptive regulations, SkillWorks' pool of funds is much less restricted, and can thus be used to pilot and expand innovative programs, interventions, practices, etc. – a key piece of our investment strategy. This opportune position allows us to be a valuable learning lab, as we will then share and elevate the results and outcomes from successful investments to motivate increased investment in what works.
- *Reputation as a provider of quality assurance.* SkillWorks is known in the field of workforce development as investing in and scaling impactful, high quality and high performing programs and initiatives. SkillWorks will build upon the experience and expertise we have already developed in the workforce development field as a whole, expanding and replicating our trusted quality assurance through rigorous research, due diligence and evaluation.

CREATING A NIMBLE RESPONSE TO REGIONAL NEEDS IN TODAY'S ECONOMY

To be successful, SkillWorks must act as flexible and responsive economic solution to workforce and employer needs in real time. Today, the Boston region is enjoying a remarkable resurgence from the Great Recession marked by a 3.4% unemployment rate, 60,000 jobs added in three years, new corporate headquarters, 6.5 Billion dollars in new development in the pipeline and 30,000 new residents since 2014. By most measures, Boston is an economic engine affording many people a chance to live and work. However, all residents do not meet that standard of living and working. In fact, in 2016, Boston was identified as the number one city with the greatest income disparity among the largest U.S. cities.¹ The income gap shows that in Boston 30.1% of residents hold a bachelor's degree, with a median income of \$52,000, as compared to 20.4% of residents with only a High School Degree or Equivalent who have a median income of \$29,000. The same report also pointed to the disproportionate share of non-degreed workers in low wage jobs. Crittenden Women's Union's Economic Independence Index indicates the average income needed to meet a household's basic expenses in Boston is at \$61,618 per year for a family of one adult, one preschooler and one school-aged child. More than half of Boston's residents earn less than \$35,000 annually. The income gap will threaten to persist and grow if we do not increase access to training and education for low income workers competing with the 62% of Boston's workforce who commute from outside the City² and for the more than 70% of jobs that will require a post-secondary credential by 2020³.

At the same time as our economy continues its resurgence, employers are still experiencing difficulties finding qualified talent. The Massachusetts Business Alliance for Education released a

¹ Alan Berube, Natalie Holmes, *City and metropolitan inequality on the rise, driven by declining incomes* (Brookings 2016)

² Boston Redevelopment Authority, *Boston's Workforce: An Assessment of Labor Market Outcomes and Opportunities* (March 2015) p20.

³ Anthony Carnevale, *Recovery: Job Growth and Education Requirements through 2020*, (Georgetown Center on Education and the Workforce, 2013).

November 2016 employer survey that indicates 75% of employers are having difficulty finding talent. This statistic is up from 69% in 2013. Many of Boston's highest demand and growth sectors such as healthcare, hospitality and IT/Tech are experiencing this pain. According to an index published by the MA High Technology Council, MA ranks as the most difficult state in the country to hire tech workers, along with Maryland and Virginia.⁴ According to a 2014 report, 36% of top C-level company leaders in MA reported that challenges with talent acquisition and retention was the top barrier to company growth, and 76% of those leaders reported that talent challenges were among the top three barriers to growth.⁵ Furthermore, the IT/Tech industry in the Boston region is incredibly homogenous with only 3% Black and 5% Hispanic workers represented.⁶ The Food and Accommodation Industry is also booming as Boston's 5th largest sector employing 8.2% (nearly 58,000) of Boston's workforce. In Boston proper alone, more than 35 hotels are in either the design, construction or completion phase projecting demand for new workers between 3000-4000 in the next five years, in addition to the 1500 retirements projected for the same time period. Lastly, in healthcare, organizations like the Boston Healthcare Careers Consortium and the Mass Senior Care Network are reporting wide vacancies from certified nursing assistants to registered nurses, and further note the lack of diversity among registered nurses and enrolled nursing students in 4-year programs therefore making career pathways an even more important strategy for SkillWorks to invest.

SkillWorks intends to target our region's skill gaps and systemic challenges by expanding employer engagement in healthcare, information technology /technology, and hospitality in order to aggregate better labor market intelligence to inform training programs, focus on career awareness and workforce readiness integrated with career pathways so youth and young adults are exposed earlier to career options and credential requirements, diversifying pipelines through internship models for youth and young adults to expose employers to non-traditional talent pools, and leverage retention and succession planning needs of employers by promoting job quality, upskilling and career advancement strategies.

TARGET POPULATION

SkillWorks' mission is to create opportunities toward economic sufficiency for low-income workers and meet employer needs for high demand occupations. To that end, we will focus our investments on populations that require deeper supports to bolster their advancement opportunities including integrating skills training with basic skills and English language proficiency for job skills, industry relevant skills training and education, job coaching, and employment retention and advancement. Priority populations are further defined below and also include maintaining SkillWorks' commitment to investment in workforce training programs that benefit people whose financial resources are below 80% of the area median income in greater Boston area.⁷

⁴Dodge, John. "The War for Tech Talent Escalates." The Boston Globe, February 19, 2016.

⁵ Massachusetts Technology Leadership Council, The Truth Behind the Talent Crisis. 2014.

⁶ Shirely Leung, *Tech firms have a lot to do to fix diversity* (Boston Globe, 2016)

⁷ Average family Area Median Income (AMI) for the Boston Metropolitan Area is \$98,100 as of FY16. 80% of AMI would be \$65,450 for a family of three.

Under and unemployed jobseekers: The unemployed in the Boston Metro region are disproportionately younger and lower-skilled, with nearly 50% of individuals only attaining a high school diploma or less. While the unemployment rate has declined rapidly during recovery, there is also an under or uncounted percentage of people who are underemployed. Coupled with those who are unemployed, we are face with approximately 10% of our prospective labor force requiring new and better skills to compete in the job market.

Immigrants and refugees: Boston has the seventh highest share of foreign-born residents among the 25 largest cities in the United States. According to the 2014 American Community Survey, Boston's foreign-born population stood at 177,461, an increase of over 17 percent from 2000. It can also be said that the region's growth is largely attributed to our immigrant population, which represented a 3.1% annual growth rate between 2008-2010. While foreign-born have contributed to the overall growth of the region, they also face considerable barriers to entering the workforce including limited English language skills and lower levels of educational attainment and they are generally over represented in sectors with lower wages resulting in lower income levels as compared to their native-born peers making it more of an imperative to engage, train and harness the economic potential of this growing population.

Youth and Young Adults: Low-income youth and young adults continue to face multiple barriers to access college and career opportunities. Boston's youth face a near 30% unemployment rate. There are currently 9,000 so-called "opportunity youth" in Boston who are disconnected from both work and school representing 7.5% of the population of residents age 16-24. Of those 9,000, 83% are 20-24 years old and most (63%) have a high school credential or equivalent and are predominantly Black or Hispanic. Career and Technical Education should also play an important role in the city's workforce development strategy. However, students enrolled in CTE programs comprise only 5% of Boston's enrolled high school students creating a very narrow pipeline of students who are ready for work upon high school graduation.

GOALS

SkillWorks' goals are meant to better connect talent to opportunity and employers to talent by:

1.Strengthening the link between employers, training and education providers and jobseekers to create strong networks in support of high demand, good-job occupations.

Our objective in the next four years is to streamline our industry focus and invest in and shape three Industry Consortia in Healthcare, IT/Technology and Hospitality-all high growth and demand sectors in Boston. The consortia are/will be led by champion employers to influence training program inputs and outcomes, support internships for career exposure and learning, and improve employment and hiring practices with a focus on job quality, diversity and hiring and advancement strategies to improve recruiting and retention.

2.Supporting workforce partnerships that serve our priority populations through multiple pathways to training, education and good jobs in healthcare, IT/Tech and Hospitality.

The objective is to serve annually 300-400 youth, jobseekers and incumbent workers seeking to improve their chances for economic mobility by navigating "best-fit" career options, training for relevant skills, and increasing the likelihood that they will earn placement in a good paying job with opportunities for career advancement.

SKILLWORKS STRATEGIES

Over the next four years, SkillWorks plan is to support interrelated components to achieve its overall goal of sustained improvement to the workforce development system:

Industry Consortia: Led by employers, these consortia create effective conduits for labor market intelligence that influence program development at our local community based organizations, community colleges and technical education programs. They are also keys to sharing employment practices and hiring strategies among employer stakeholders and act as strong connections to broker hiring between jobseekers and employers.

Workforce Partnerships are sector specific training and education programs led by training and education partners to meet employer needs, provide skills training, and broker job placement and career advancement services for low-income adults and youth.

Leadership and Community Building efforts support the training, coaching and referral infrastructure among Workforce Partnerships and other workforce development providers to help manage partnerships, implement promising practices, create new programs and services and connect with employers.

Public Policy and Practice efforts to help raise the visibility of the workforce development system in Massachusetts and its critical role in helping workers and employers while working to sustain and increase state funding for workforce training.

Work Readiness and Contextualized Work Experience. Expand our portfolio to include more youth and young adults as an upstream strategy to mitigate consistent work readiness challenges that vex employers. Focus areas include supporting *Work Readiness and Career Navigation* through internships and work based learning, *Employer Engagement and Education* through stronger connections to our industry consortia, and *Coaching for Career Success* from the point of assessment through employment/postsecondary education and retention and completion.

FOUR YEAR METRICS

In order to measure whether we are closing the skills gap for employers and increasing economic self-sufficiency for the low-income jobseekers and low-wage workers we are serving, SkillWorks will closely monitor the following outcomes of each investment:

Under and Unemployed Worker Metric: 1000	4-Year Goal
% Job seekers enrolled will complete training	75%
% Training completers will be placed in jobs	75%
% Placed will achieve 6-month job retention	85%
% Placed will achieve 12-month job retention	70%
% Will earn wages higher than Boston's living wage	85%
% Incumbent workers will get additional coaching and training to advance	35%
% Incumbent workers obtain wage increases	60%
% Incumbent workers will obtain promotions	50%

Youth and Young Adult Metrics	4-Year Goal
# High school, community college, opportunity youth in IT/Tech specific internships	400
% of IT/Tech internships represented by diverse candidates	90%
# Enrolled high school and opportunity youth in Work Readiness and/or Career Navigation Programming through Signal Success	400
% Completing Work Readiness and Career Navigation Programming	70%
% Achieving Soft Skill Gain/Work Readiness	85%
% Placed in Summer Job, Internship, or other Work Experience	75%
% Enrolling in Industry-Related Training Program	30%
% Enrolling in Postsecondary Education	55%

In addition, SkillWorks plans to increase the number of employers engaged in our Industry Consortia over the next two years including maintaining our current Healthcare Careers Consortium comprised of 40 acute care, home health, community health centers and long term care facilities, expanding our new IT/Tech Consortia from 15 CIOs from cross sector businesses to 35 CIOs, managers and HR managers from small, medium and large IT and Tech firms, and will add at least 15 new employers from the hospitality sectors via a new Hospitality Consortium to be launched in 2017.

PROJECT MANAGEMENT AND GOVERNANCE

SkillWorks is governed by the Funders Group, which is comprised of representatives from the active funders in the initiative. Each funder chooses a representative who serves on the general Funders Group and is entitled to one vote on policy or funding decisions, regardless of the size of its commitment to SkillWorks. The Funders Group meets four times per year. Two key conveners and funders for SkillWorks are its founders, The Boston Foundation (TBF) and the City of Boston. They are represented on the Funders Group by:

- TBF Vice President of Programs and TBF Director of Jobs and Economic Development.
- Executive Director of the Mayor’s Office of Workforce Development

The Boston Foundation acts as SkillWorks fiscal agent and host.

Key Staff/Consultants

- **Executive Director** of SkillWorks reports to the Funder Collaborative.
- **Program Associate** for SkillWorks reports to the Executive Director.
- **Mount Auburn Associates** is SkillWorks’ evaluator.
- **Economic Advancement Research Institute**, led by Phil Jordan, VP of BW Research and the Economic Advancement Research Institute is a labor market economist and SkillWorks’ consultant for labor market research in the IT/Tech sector.

PROJECT IMPLEMENTATION

SkillWorks plans its activities on an annual basis. The calendar below focuses on activities related to implementing strategies in FY18 and anticipates continuing similar activities throughout its four year plan.

When	What
May-Jun 2017	<ul style="list-style-type: none"> • Third Public Forum of the IT/Tech Industry Consortia with key funders, employer leaders and current workforce partnerships • Announce new IT/Tech FY18 investments at third public forum of IT/Tech Consortia • Internships for Hack.Diversity begin • Meeting of the Healthcare Consortia • Summer Funders Meeting
July 2017	<ul style="list-style-type: none"> • Launch investments for IT/Tech FY18 • Prepare for LOI process for SkillWorks FY18 investments in healthcare, hospitality and youth/young adult programming. • Initiate Design Process for Tech Talent Exchange with training and education partners • Communications plan for SkillWorks 2018-2021 • Continue securing multi-year funding commitments via grant applications to new and existing funders. • Tech Apprentice Internships begin
July 2017 – Nov 2017	<ul style="list-style-type: none"> • Launch SkillWorks 2018-2021 with LOI, Review and Recommendation Process • Convene grantees for capacity building and best practices • Begin prep for launch of new Fall IT/Tech investments in FY18 • Celebrate Hack.Diversity and Tech Apprentice
Sep-Dec 2017	<ul style="list-style-type: none"> • Continue securing multi-year funding commitments via grant applications to new and existing funders. • Fall Funders Meeting • Launch “quiet” pilot for Tech Talent Exchange
Jan 2018	<ul style="list-style-type: none"> • Launch new SkillWorks Investments • Launch Mobile Micro Centers for Tech Talent Exchange • Winter Funders Meeting
Feb-May 2018	<ul style="list-style-type: none"> • Convene hospitality employers and training partners to prep for launch of new consortia with the Boston PIC and partners. • Launch Hospitality Industry Consortia with key funders, employer leaders and current and new workforce partnerships • Spring Funders Meeting
Jul 2018-Sep 2018	<ul style="list-style-type: none"> • Tech Apprentice summer internships begin • Continue securing multi-year funding commitments via grant applications to new and existing funders. • Invite prospective new workforce partnerships to submit ideas for FY19