



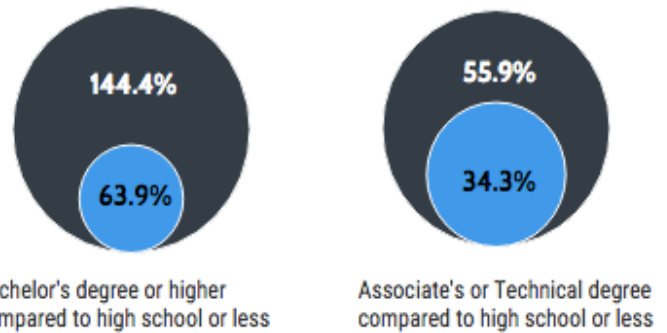
Workforce Development Panel

Panelists: Erin Baudo Felter, *Zynga.org*, Martha Torres, *Thurgood Marshall Academy*, Johnnie Williams, *#YesWeCode*, Jordan Smith, *Addepar*, Zach Ingraham, *Addepar*
Moderator: Cecily Joseph, *Symantec*

According to the Center of Excellence for Labor Market Research, California’s labor force is not keeping up with the demands of employers. Over the next 10 years, middle skills will be in high demand, and these jobs will need applicants with college preparation up to an Associate degree, which will greatly outweigh the labor supply. By 2025, **there will be 2.5 million job openings for middle skill jobs**, both in new occupations and replacement occupations. Roughly 700,000 openings will require an associate degree or some college experience. In the greater job market, **30% of all job openings will require some college experience, but California’s workforce is not prepared to fill these openings.**¹ To address these shortages, community colleges, businesses, workforce partners and policymakers need to come together to help Californians get the skills to maintain California’s strong economy.

Nationally, the real wage income gap based on educational attainment is growing. The wage premium for education attainment has increased over the past 50 years, and more often than not, this divide has fallen along racial lines. In Silicon Valley, while the median household income is about \$25,000 above the state average, education and related household income is below the state average for Hispanic and African-American residents. Additionally, **workers with low levels of education have seen real income declines over the past 10 years.** As more firms report having trouble finding skilled workers, there is an opportunity to bridge these educational and economic gaps. **Stated simply, our citizens need work and our economy needs workers.**

Increase percentage in wage between different levels of education 1979 vs 2014



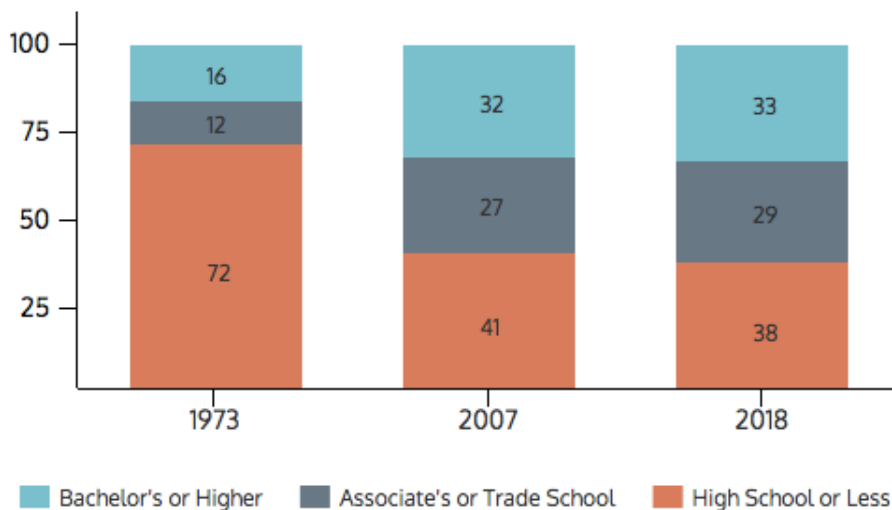
Median earnings of individuals with a bachelor's degree or higher compared to those without a high school degree rose from 63.9% higher in 1979 to 144.4% higher in 2014. Similarly, median earnings of individuals with associate degree compared with without high school degree rose from 34.3% higher in 1979 to 55.9% higher in 2014.²

A clear pathway to tackle the increase in the middle skill job market and address racial income inequality is Career Technical Education (CTE). Specifically, an increase in CTE training can raise real wages, start to fill openings and benefit the regional economy. Adding one extra year to the average years of school among those employed in a metropolitan area correlates to a per-worker real wage increase of 8.4% and an increase in real GDP per capita of 10.5%.² California’s community colleges are the best positioned to handle this need for CTE training; however, **only about half of degree-seeking students in community colleges achieve their education objective.** It is crucial to encourage students, as a CTE associate degree has a real and lasting impact on an individual’s wage. **A CTE associate degree on average results in annual wages of \$66,000 5 years later, compared to \$38,500 with a general associate degree.**³

A key part of developing more CTE and college graduates is to increase high school graduation and preparation for life after secondary school. Linked Learning is one model that is working to increase graduation rates and opportunities for high school students by combining rigorous academics with CTE training, work-based learning and comprehensive support services. This model allows high school students to see the practical application of their classroom-based learning. By integrating professional skills and industry-related knowledge into courses, the link between the classroom world and the labor force becomes more tangible and demonstrates the benefit of continuing education.⁴

Other tools for integrating school life and work life include internships, apprenticeships and externships. These vehicles are distinct, but they all help students gain knowledge of work opportunities. Internships and apprenticeships connect classroom instruction with work experience. The former generally last only for a semester or summer, and focus on a specific work-related skill. The latter are year to multi-year long commitments. Due to their time commitments, internships often offer a stipend and college credit, while apprenticeships offer a stable wage. Work-based learning models also include externships, where students shadow a professional for anywhere from one day to eight weeks. This model is aimed at students who don't have as much time to complete an internship or apprenticeship but would still benefit from visualizing the application of the material they are learning in school.

Percentage of Workforce by Education Attainment



The Bureau of Labor Statistics Occupational Employment Statistic estimates that by 2018, 62% of the workforce will have some post-secondary education.

programs, develop collaborative relationships with community organizations and postsecondary schools and integrate industry and career needs into classrooms.⁵

California will experience a workforce skills gap of **roughly 1.1 million college graduates below demand through 2030**.⁶ This gap represents an incredible opportunity to expand post-secondary education and develop the local workforce. In 2009, only an estimated 38% of the labor force had the appropriate training for 47% of California's middle-skill jobs; as 200,000 of these jobs are expected to open annually, the gap between the skills of the local workforce and what the economy demands will only increase.⁷ The economic vitality of the state depends on an expansive and targeted outreach to develop the workforce that our economy needs.

There is significant support from state and federal governments to develop a more skilled workforce. Established by the Workforce Investment Act in 1998, Workforce Investment Boards (WIB) direct federal money to workforce development organizations. The San Mateo and Santa Clara County WIBs are work2future and Nova Job Center, which offer services that fit the specific concerns for the region.

The California Department of Education has also recently **awarded \$250 million in Career Pathways Trust grants that focus on developing workforce development programs in California schools**.

These funds have gone to fund specialists in work-based learning and improve local career pathways

¹ http://coeccc.net/about_overview.asp

² <http://assets1c.milkeninstitute.org/assets/Publication/ResearchReport/PDF/Career-Technical-Education.pdf>

³ http://californiacommunitycolleges.cccco.edu/Portals/0/Executive/StudentSuccessTaskForce/SSTF_Final_Report_1-17-12_Print.pdf

⁴ http://californiacommunitycolleges.cccco.edu/Portals/0/Executive/StudentSuccessTaskForce/SSTF_Final_Report_1-17-12_Print.pdf

⁵ <http://www.cde.ca.gov/ci/ct/pt/>

⁶ http://www.ppic.org/main/publication_quick.asp?i=1166

⁷ <https://edsources.org/wp-content/uploads/old/CA-AE-Skills-Report-2012-update.pdf>

