

POLICY BRIEF

Help Wanted

June 2009



Abstract

Help Wanted: Policy Brief (June 2009)

In today's economy, strong basic skills and success in the workforce are intertwined. Employers across all industries demand a new kind of worker. They must be highly literate, skilled in problem solving and quantitative reasoning, proficient with information technologies, and able to communicate, respond to change, and work collaboratively. This worker is in short supply in Philadelphia. Today over 50 percent of working-age Philadelphians – approximately 550,000 individuals – need to develop these workforce literacy skills to effectively compete in our new knowledge-based economy or successfully complete a post-secondary degree. At the same time, more than 70 percent of jobs located in the city now require intermediate literacy skills or higher. As a result, over half of Philadelphia's adults compete for 30 percent of available jobs.

In a world where businesses can go virtually anywhere to find the right people, to compete Philadelphia must commit to becoming a city with a world-class, highly literate workforce. This policy brief outlines strategies for uniting the full community to advance adult workforce literacy levels. By preparing Philadelphians with the skills they need to be successful now and in the future, we will position Philadelphia and the region at the forefront of the global economy – educated, innovative, and prosperous.

This policy brief is a product of Excel Philadelphia, an initiative of the Philadelphia Workforce Investment Board created with the guidance of business champions and leaders in the adult education community to address the issue of adult workforce literacy levels in Philadelphia and the region. The mission of Excel Philadelphia is to inform, engage, and mobilize the full community to create the conditions necessary to support literacy gains, particularly among working adults.

This full report and the brief containing the research behind this report may be found at www.pwib.org.

Help Wanted: The Policy Brief

(June 2009)

“Education is the linchpin for everything we hope to do in this city toward a future of personal safety, economic prosperity, and sustainability supported by an efficient, ethical government.”

*Philadelphia Mayor Michael A. Nutter
September 11, 2008*

Technology, globalization, innovation...all of these factors have contributed to a seismic shift in our economy. And the currency of the new economy is human capital. If Philadelphia is to compete in a world where businesses can go virtually anywhere to find those people, it must commit to becoming a city with a world-class, highly literate workforce.

In today's economy, strong basic skills and success in the workforce are intertwined. To be marketable for jobs in Philadelphia, residents must have a high level of workforce literacy. Workforce literacy includes “traditional” skills such as reading, writing, English language proficiency, and math – but it is much more than this. Success in this economy requires workers to be skilled in problem solving, quantitative reasoning, the use of information technologies, and communication, as well as comfortable with the specialized vocabulary of their industry, working collaboratively, the concept of lifelong learning, and organizational change.

Over 202,000 adults in Philadelphia have not obtained a high school diploma, and many of those who have completed high school have not had the opportunity to acquire the strong foundation skills needed to be optimally competitive in the labor market. In fact, today over 50 percent of working-age Philadelphians – approximately 550,000 individuals – need to develop these workforce literacy skills to effectively compete in our new knowledge-based economy or successfully complete a post-secondary degree. More than 70 percent of jobs located in the city now require intermediate literacy skills or higher. As a result, over half of Philadelphia's adults compete for 30 percent of available jobs. By 2015, the retirement of baby boomers will result in an additional 120,000 vacancies at higher-level managerial and professional jobs. If we cannot prepare our current workforce to fill the majority of these jobs, the risk is high that employers will simply exit the region in search of a more skilled workforce. And, by 2030 we project that without an additional investment in building the workforce literacy skills of our residents approximately 50,000 *more* people will not have the most basic foundational and literacy skills necessary to compete in the economic mainstream.

Make no mistake about it: this is a crisis.

United we can confront this challenge and fundamentally recreate our workforce in alignment with our new economy. To do this, all community stakeholders must actively engage. Each of us has a role to play. That includes adult learners, government, employers, labor unions, community-based organizations, literacy providers and educational institutions, foundations, thought leaders, the media, and others. Our future depends on it.

A City Positioned for Success

Fortunately, Philadelphia has long been known as a center for learning, and is well positioned to align the foundation skills of its workers to the requirements of the new economy. We are home to the nation's first public library; the first paper mill established in North America was built on the Wissahickon near Germantown; the first public school in the American colonies was established in Philadelphia; and the first computer was developed here. Philadelphia can proudly claim the country's first university; the first Mayor's Commission on Literacy; the first college access program; and, most recently, the nation's first program aimed at helping adults return to college. With our city's history of prioritizing learning and education and a strong commitment to creating positive change, we are poised to confront this challenge and prepare our workforce for the jobs of the 21st century economy.

Philadelphia's adult education providers have already developed a range of programs and models that are successfully improving the foundational skills of adults in our city. In fact, Philadelphia literacy providers lead the state in workplace and workforce development efforts. For example, District 1199C Training and Upgrading Fund partnered with Temple University Health System to develop a work-based learning program that prepared 25 grandfathered employees of a closing hospital to meet new educational requirements and continue their employment at a new facility. The Center for Literacy worked with JEVS Human Services to develop workplace documentation skills training, which resulted in greater accuracy and productivity in their Home Health and Work Division. A multitude of other successful programs exist, and every day adult education providers are enhancing workers' employability and productivity.

Philadelphia has led the way in connecting adult literacy to workforce development through a new model for delivery, with results that are exceptional. In 2008, two literacy providers partnered with two local CareerLink workforce centers to embed intensive work-contextualized literacy programming in the Centers for a cohort of adults who were struggling in the labor market. Job search and counseling for continuing education opportunities were core elements of these literacy programs. These two programs, which each had a different structure and approach, enrolled students who had average test scores in both reading and math at less than a 7th grade level, even among participants who were high school graduates. Over the course of 10 - 12 weeks, students received 10-20 hours a week of instruction and achieved average gains of about two and a half grade levels in both reading and math. This effectively propelled learners into a world that was previously closed to them – one where they could read and analyze information found in newspapers and qualify for many job training programs, which are frequently designed for people with a minimum of an 8th grade education level. Students gained critical information necessary to independently continue on the path to success. Where's the proof? Most students chose to complete another 10 - 12 weeks of instruction, demonstrating their dedication to changing their lives. More than half the graduates secured new employment or were accepted to post-secondary education by the end of the program, and many of the students chose to complete their General Equivalency Diploma (GED) exam or adult high school diploma. In effect, graduates independently are taking steps to become more competitive in the economy. Additional pilot projects are underway employing a range of different models, long term outcomes are being tracked, and all literacy programs affiliated with the

workforce system have seen dramatic increases in enrollment and persistence. Average cost per student for the intensive programming described is about \$2,200 to \$4,100.

Adult education providers have a presence throughout the city at a range of venues, delivering classes at workplaces, in community-based organizations, at libraries, at local workforce centers, at traditional places of learning, houses of worship, and more. Programs are flexible, with a focus on providing options that work for learners regardless of circumstance and preference: such as one-on-one and small group instruction, distance learning, classes in the morning, afternoon, evening – weekdays and weekends. There are programs that focus on teaching English as a Second Language, those that emphasize technical literacy, and others that prepare students to obtain their GED or enroll in postsecondary education. What they have in common is they all offer options for adult learners to become more competitive in today's economy.

More recently, in response to new research by the Philadelphia Workforce Investment Board documenting the extent of the adult literacy challenges in the city and highlighting the insufficient resources to address these challenges, the adult literacy community organized to build their capacity to deliver workforce literacy services. The group leading this effort is a cross-section of adult literacy and workforce development providers and experts, city government, and philanthropy who have come together to foster the development of a unified, readily accessible adult workforce literacy system for the greater Philadelphia area. The group's intent is to be the leading voice for this system in order to create a comprehensive, fully resourced continuum of services that meets the needs of adult job seekers and workers who require additional assistance to enter and/or advance in the workforce. They will also work with industry to meet the needs of area employers that seek access to a reliable source of ready-to-work individuals for entry level positions. This is a strong start, but the actions of one group alone will not change our future. Now it's time for the rest of us to get serious, to get organized, and to take these efforts to a scale that can transform our labor force to meet 21st century needs. If we don't act now, the future will be bleak for our city's people and our city's economy.

Build It and They Will Come

Philadelphia is well-prepared to enhance and build upon the successful models already developed by literacy providers throughout the city. But first we need to build an adult workforce literacy *system* that gives us the capacity to do what needs to be done.

Imperative #1: Create a system.

Collaboratively develop a plan and a unified adult workforce literacy system to coordinate services and develop standards of practice.

Philadelphia is home to a number of exemplary workforce literacy programs that provide models for the rest of the state. However, a single *system* of adult workforce literacy does not exist. Philadelphia's leadership group of adult literacy providers and strategic partners is prepared to develop and implement the greater Philadelphia area's blueprint for workforce literacy, a continuum of services and supports to prepare adults to enter and advance in the workforce. The creation of this blueprint and an accompanying action plan outlining specific goals for the next 3, 5, and 10 years would position Philadelphia to realign its workforce to meet the needs of our new economy. Ultimately, the development of such a system by all key stakeholders would dramatically enhance services and play a vital role in increasing the city's capacity to serve more adults at a higher level.

Such a system would provide a single point of entry into a variety of literacy programs for adult learners, offer employers and labor leaders easy access to information on the full range of providers and services in the city, and play a critical role in coordinating activities with other related systems. It would provide a venue for collecting and distributing information, cataloguing and disseminating effective curricula, organizing professional development opportunities, gathering data and studying workforce outcomes, and developing uniform standards of practice, which would drive innovation and lead to enhanced services.

Imperative #2: Resource the system.

Organize an adult workforce education system that has the capacity to serve every adult who wants to become more competitive in the labor market and contribute to our economic future.

Workforce literacy needs far surpass the resources our city has to improve adult literacy, which come primarily from federal and state sources. Annually, our city's adult basic education providers can only accommodate about 21,000 learners per year, which is less than 4 percent of adults with low literacy levels. Furthermore, every year Philadelphia is welcoming new residents who can be great assets to our economy with the support of English language programs. Yet, research suggests that less than 10 percent of that population is being served by agencies who receive state and federal funding.¹

From the period July 1, 2008 – June 30, 2009, Philadelphia received an allocation from the Commonwealth of \$11,041,859 for Adult Basic and Literacy Education. In a city where 550,000

¹ Data is only available on the English as a Second Language services offered by programs that receive Adult Basic and Literacy Education funding from the Commonwealth.

people have functionally low workforce literacy levels, the current investment of government dollars translates into only \$20 per person. As a community, we must creatively think of strategies to leverage public and private resources, and advocate for resources to support all of our citizens endeavoring to increase their skills and employability. These are investments that will yield returns to our economy: our research suggests that an additional investment of \$84 million over the next 7 years would result in taxes and savings to the City of Philadelphia of more than \$370 million. By strategically investing \$12 million each year in work-specific, intensive, group literacy courses, our city could serve just over 3,000 more adults with low workforce literacy levels each year. Census data demonstrates that average wages for Philadelphians with a high school diploma or GED are close to \$6,500 higher than wages for those without. If a reasonable portion of students enrolled in workforce literacy classes are able to benefit from these wage gains as expected, the City of Philadelphia would see a significant increase in wage taxes. At the same time, in a city where the average annual cost per high school drop-out per year is \$6,779 for services such as food stamps, Temporary Assistance for Needy Families, unemployment insurance, the probability of incarceration and court costs, and the like, the opportunity for savings is tremendous. While \$84 million is a huge amount in these tenuous economic times, there are very few other opportunities where you can invest and expect a nearly 450 percent rate of return.

Imperative #3: Connect the System.

Strategically link the adult workforce literacy system to economic development, education, job training, justice, and social service systems to advance shared priorities.

To have the greatest impact, our efforts to increase adult workforce literacy levels must be strategically connected to already existing services and systems. These efforts should create clear points of entry from related systems into adult workforce literacy programs, and clear points of exit from adult workforce literacy programs into other related systems. For example, adult literacy providers have a very important role to play in preparing people to succeed in post-secondary education, and the creation and enhancement of bridge programs to post-secondary education is a vital component in developing a highly skilled workforce in Philadelphia. Adult literacy programs should also be connected to the K-12 system and services available for out-of-school youth. Improving literacy levels and basic skills should be easily connected to workforce development efforts – such as services delivered in CareerLink centers and through industry partnership and other training programs – to prepare people for in-demand occupations. People who receive Temporary Assistance for Needy Families (TANF) should have easy access to workforce literacy programs, which will prepare them with the skills necessary to earn family-sustaining wages. Immigrant populations receiving services from community-based organizations should be connected to English as a Second Language classes. Workforce training occurring in the local prison system should be organized around a central literacy component, and literacy services must be seamlessly incorporated into re-entry services for ex-offenders. Efforts to conquer the digital divide should provide people with information on computer literacy and workforce literacy programs. In addition, other opportunities for collaboration and cross-system efforts should be explored.

Imperative #4: Develop the System.

Create and nurture a professional development network that prepares more adult education providers to offer workplace literacy services.

The adult literacy programs that have the greatest immediate payoff for the regional economy are sponsored by employers and delivered in places of employment. Yet, only a handful of literacy providers have developed significant relationships with employers over the past 10 years. And, according to a survey of literacy providers, less than 30 percent of clients served were following a work-oriented curriculum. This same survey found that the vast majority of service providers were interested in forming more partnerships with employers. To capitalize on this interest, we should establish additional professional development opportunities, technical assistance, and mentoring to translate current content and teaching style into workplace literacy and work-based learning. If a unified adult workforce literacy system was established, with sustainable funding, it could serve as a venue for providing these services and it could develop policies and procedures for certifying workforce literacy instructors and agencies.

Imperative #5: Measure the System.

Define adult education outcomes that align to the needs of the labor market, and develop a coordinated reporting and assessment system to measure impact over time.

Currently, program measures are decentralized; vary with literacy providers, learners, and program type; and often do not relate to workforce, community, or economic outcomes. Together, we need to develop a series of outcomes and measurements that we can use to gauge our progress in creating a more literate and highly skilled workforce. Each of these measures must be connected to the needs of the labor market. Improving in these areas should drive the actions of literacy providers, adult, learners, employers, and others and will move us toward strengthening our local economy. Simultaneously, we need to improve our systems for collecting and analyzing outcomes data.

Imperative #6: Expand the System.

Spread the adult workforce literacy system beyond the city to the greater Philadelphia region.

Although, the statistics in this brief highlight the challenges facing the city of Philadelphia, the issue of adult workforce literacy impacts our entire region. Many local employers and literacy providers are regional, and people and entities across the region are already working together to enhance the local economy. Ultimately, this effort must be expanded to engage people in the surrounding counties and potentially beyond.

Imperative #7: Market the System

Initiate a communications campaign that demonstrates the impact of increasing adult workforce literacy levels, markets available services, and highlights successful partnerships and people.

Marketing must occur at many levels. As a community, we must understand the critical nature of this issue to our economy and our future. Together, we must work to break down the taboos associated with low literacy levels – as well as the misconceptions of the term “literacy” in the context of the 21st century economy – and encourage talent development through workforce literacy. We must make the business case for supporting learning for workers, and give employers a roadmap for engaging with providers. We must erase the stigma of adult education, and empower workers and other adults to take the next step on their educational pathway, and their first step toward true economic freedom. Our future is at stake, and we need to talk about it.

Our Roles

Just as our future depends on an adult workforce education system ready and able to meet the changing demands of our economy, the success of our adult education efforts depend on active and strategic engagement from all quarters of our community to reach its potential.

Corporate & Community Power Brokers: demand new investments and real outcomes to transform our economic future. Unless we recognize our adult literacy crisis now, we will continue on the current path to the point of no return. Therefore, people of influence in the community and within corporations must exercise leadership by articulating the challenge, fostering a sense of urgency, advocating for investments equal to the crisis, and demanding action, accountability, and outcomes.

Adult Learners: engage to take control of their careers and economic futures. We are working hard to address the issues with our schools to help our next generation of workers. But it is not too late for adults. Whatever their experiences in the past with education, we are counting on adults now to find the courage to make the journey back to education. And when they've succeeded, we need them to tell their story to motivate others to follow in their footsteps. We also need their voice as a customer and as an advocate to create the system that is going to work for them.

Adult Education Community: collaborate and adapt to meet the changing demands of the 21st century economy. The adult education community must be the architects of the new workforce literacy system, and stand ready and united to weather the challenges that lie ahead. A leadership group has already formed, and has positioned themselves to lead this charge. This group of progressive early adopters understands that for this, the broader purpose of transforming our economy, competitors must become collaborators and long-held traditions of service may need to be put aside. This community must make room for new partners, practices that center on workforce development, new standards that link to economic outcomes, and the new intensive level of scrutiny befitting a system as critical to our future as adult literacy.

Employers: partner, advocate, and drive the standards to make adult literacy relevant to your business and our economy. Approximately half of the adults with low literacy skills are already in our workforce, but are likely not able to contribute at their full potential. Employers can play a substantial role in advancing adult literacy by partnering with literacy providers to establish customized workforce literacy programs and by providing incentives and support systems, such as paid time off, for their employees who choose to engage in these programs. As with all other workforce education investments, employers who invest in increasing the basic skill levels of their employees have experienced increased workforce productivity, reduced costs associated with errors, and improved retention. In addition, employers can play a role by providing a voice in the development of standards of education for all adult learners that align with business needs; validating workforce literacy as an essential skill for success in the new knowledge economy; advocating for funding from both governmental and philanthropic sources; and providing jobs to people who strive to enhance their skills and literacy levels by participating in workforce literacy classes.

Labor Unions: include adult education as part of every negotiation and work with employers to provide workforce literacy programming for members. Philadelphia's "firsts" include the creation over three decades ago of the District 1199C Training and Upgrading Fund, a national

model of labor-employer partnership organized in the interests of worker education and advancement. While other unions have followed suit and Philadelphia's organized labor community – led by the progressive Philadelphia Council AFL-CIO – has in recent years made worker education a priority, in tough economic times these interests can take a back seat to the more high-profile and immediate concerns of wages and health benefits. Unions should keep education benefits on the table, educate employers about the economic returns of these investments, and facilitate employer-provider partnerships in the interest of their members.

The City: lead, invest, and partner to tackle Philadelphia's most compelling human capital challenge. The City of Philadelphia has identified education as one of its six priority areas, with the goals of reducing the high school drop-out rate by 50 percent over the next eight years and doubling the number of Philadelphians with a post-secondary degree. Adult literacy sits at the heart of these two issues. Recognizing this, the city and the Mayor's Commission on Literacy have partnered with local adult literacy providers to deliver education services to city government employees. In taking this step, the Nutter Administration has positioned itself to do what few other Mayoral administrations have done in this country: use its power as a major employer, an investor, and an advocate to take the first, important step toward substantially increasing the literacy levels of the city's working-age population. There will be challenges along this path – not the least of which will be the current economic challenges – and we urge the city to maintain and expand this crucial effort, encourage other businesses to do the same, and develop a sustainability plan for adult education programs driven by our community's workforce needs rather than federal or state funding ebbs and flows.

Our Future...Redefined

The path we choose will define our future.

Our current path – continued good work, but no unified response to the challenge – will lead us to 600,000 low-literate adult residents by 2015. It will lead businesses to other regions with a more ready supply of the workers they need to fuel their growth in a knowledge economy. It will lead close to one-third of our population into increasing rates of poverty. It will leave our children more vulnerable to following a path into poverty, despite enhancements to our public school system. It will lead us to be far less than we aspire to be.

We can take another path: we can commit to the ambitious – but absolutely possible – goal of investing \$12 million a year (\$84 million total) to significantly increase the literacy levels of 21,000 Philadelphians by 2015. This path would more than pay for itself: resulting in over \$370 million in additional taxes and savings for Philadelphia, a nearly 450 percent rate of return. On this path, businesses will experience higher productivity and greater capacity for growth and innovation. This path will give adults the tools they need to make the journey from poverty to self-sufficiency and, at the same time, give children the support they need at home to achieve to their potential in school and succeed to their potential in life. This path is one to a safer, healthier, and wealthier community. This path takes us to what we aspire to be: a city and region at the forefront of the global economy – prosperous, educated, and innovative. A city realizing its potential. A city of firsts, once again.

Learn more at: www.pwib.org

References

The views presented in this brief are those of Excel Philadelphia and the Philadelphia Workforce Investment Board. In addition to specific citations, the following are major sources used in preparing this brief:

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Excel Philadelphia is an initiative of the Philadelphia Workforce Investment Board created in partnership with the Philadelphia Literacy Coalition to increase adult literacy levels in Philadelphia.

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