

New Ways to Strengthen Your Regional Economy

How to Help Workforce Investment Boards Set Higher Community Job Standards

The AFL-CIO Working for America Institute has developed a new strategic agenda designed to help the hundreds of labor representatives and other advocates for higher standards for job-related programs who serve on the nation's Workforce Investment Boards (WIBs) create a public workforce investment system that embraces the principles of a high road economy: one that competes on the basis of innovation, quality and skill rather than on low wages and limited benefits. Just as importantly, the *High Road Public Workforce Agenda* enables today's unions and other advocates of high road development to learn more about their regional economies and to use public resources to encourage the creation of the quality jobs that working families need.

Why Should Labor Leaders Care?



If unions and their employers do not play an active role in setting higher standards on their local and state Workforce Investment Boards (WIBs), they risk allowing advocates and beneficiaries of low-road practices to determine their community's workforce agenda.



By championing higher workforce development standards, unions build stronger relationships with other community stakeholders who share their vision of creating a high road economy that benefits both employers and workers.



Unions can build alliances with their community's better-paying employers to discourage public subsidization of low-paying jobs without benefits.



By helping WIBs conduct comprehensive high road community audits, unions can have a much better understanding of the strengths and weaknesses of their regional economy—the first critical step in developing an effective strategy that ties the retention and creation of more good jobs to those economic strengths.



By setting realistic self-sufficiency standards and expanding their use, WIBs can direct workforce investment dollars to assist more workers (including union members in lower-wage industries) to advance into family-sustaining jobs.



By enlisting the support of the WIB in advancing a high road agenda, unions gain credibility at the bargaining table and in other union activities.



The *High Road Workforce Agenda* calls for:

► **Comprehensive high road community audits so that WIBs can identify the good jobs in their communities and implement strategies that encourage more of them;**



► **Expanded use of realistic self-sufficiency standards so that WIBs can extend eligibility for training services to more low-wage workers; and**



► **New policies for public subsidy accountability so that taxpayers can find out what kinds of jobs are being underwritten with public dollars.**

For more details on each strategy, see the reverse side of this page. The Institute offers even more information about each strategy on its website at www.workingforamerica.org.

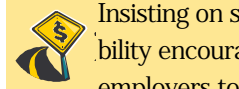
Why Should Communities Care?



Local leaders can have a direct impact on the quality of life in their communities by setting higher standards for workforce investment.



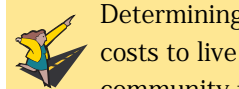
Raising standards creates more and better-trained workers, who, in turn, can make a community more attractive to employers.



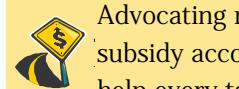
Insisting on subsidy accountability encourages better-paying employers to locate in and contribute to the growth of the community and discourages low road employers from applying for public subsidies.



Comprehensive high road community audits can help WIBs meet the requirements of the Workforce Investment Act on strategic planning, stakeholder engagement and customer information and can help identify demand occupations in the region.



Determining what it really costs to live and work in a community facilitates programs that help more workers to get the skills to earn family-sustaining wages and builds cohesion among diverse constituencies within that community.



Advocating new policies for subsidy accountability can help every taxpayer in the community understand the cost/benefit ratios involved in government subsidies.

WIB labor representatives surveyed at Institute training sessions indicated an interest in developing greater expertise on the following issues related to the national High Road Workforce Agenda:



Community Audits

Building high road business-labor partnerships around industry sectors was cited by **64%** of respondents

Understanding and using labor market information **52%**



Self-Sufficiency Standards

Promoting use of self-sufficiency standards **52%**

Approaches for serving incumbent (employed) workers **52%**



Public Subsidy Accountability

Understanding the potential for economic development linkages **47%**

What's a WIB?

The nation's more than 600 Workforce Investment Boards (WIBs) serve as a "Board of Directors" for a range of activities in local labor markets. They directly oversee more than \$4 billion in federal funds for workforce development and can leverage additional billions of dollars. WIBs also oversee the One-Stop system of service delivery in their communities and make policies that govern access to employment and training services. Each board is required to have at least two labor representatives nominated by state and local labor federations.

3 Ways to Strengthen Your Regional Economy

Tools you can use to build a stronger community and create better jobs

The Alabama High Road Community Audit

In 2002, the Alabama AFL-CIO Labor Institute For Training (LIFT), with technical assistance from the Working for America Institute and funding from the Department of Labor, began work on a high road community audit of Alabama and its important metropolitan regions. This report focused on the state of workers in key Alabama labor markets, the condition of the state's historically important industries and the workforce and economic development system that supports them.

The audit is helping Alabama LIFT create a workforce and economic development strategy for the state. By looking at the situation of the workforce and the key industries that drive the state's economy, Alabama LIFT is gathering information that will support a program to keep good jobs in the state.

Like those in many other states, Alabama's economic and workforce development programs are largely aimed at attracting new business to the state. In contrast, Alabama LIFT's high road community audit explores those industries that already operate in the state, that have driven the state's economy and that have provided good jobs to the state's workers. The audit pays special attention to the steel, aluminum, paper, automotive, aerospace and telecommunications industries. Many of these industries are highly unionized and have provided stability to Alabama's families and communities.

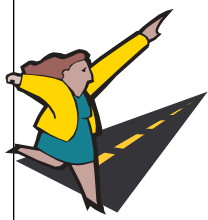
The purpose of the Alabama High Road Community Audit is to stimulate an economic development program that focuses as much on retaining the good jobs in the state as it does on attracting new ones. In doing so, LIFT will create a strategy that supports unionized sectors that have been largely left out of the state's economic development efforts.



High Road Community Audits

A community audit is an essential—but often underutilized—tool that can assist Workforce Investment Boards in strategic planning and decision-making. Unfortunately, many Workforce Investment Boards (WIBs) use the term in a limited way to describe the practice of distributing and evaluating employer surveys. Often, without a strategic way of assessing community needs, WIBs invest their resources in funneling job seekers into low-wage jobs.

When community audits are based on reliable research and embrace the needs of workers and the community as well as employers, they can provide a more complete picture of the labor market and a framework for understanding the needs of employers and workers. And when these comprehensive community audits focus special attention on the region's better jobs—what the Institute calls High Road Community Audits—they can provide the critical information that WIB representatives need to create and implement workforce investment plans that build more stable working families and more stable communities.



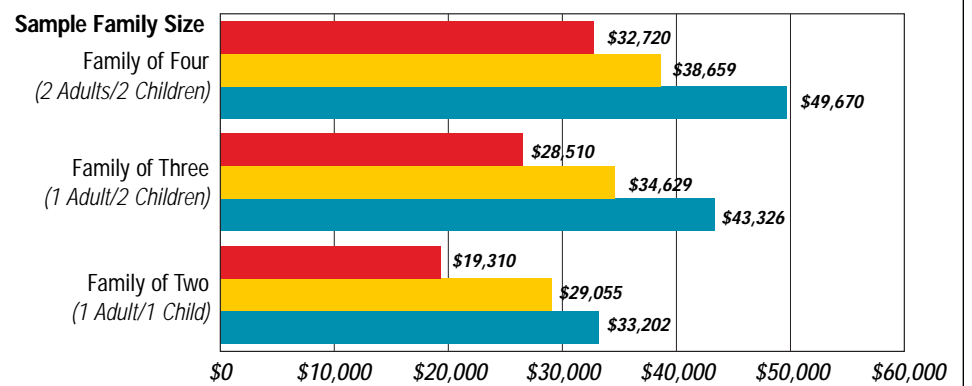
Expanded Use of Realistic Self-Sufficiency Standards

Workforce development's twin goals are to provide the talent and skills employers need to produce and deliver goods and services as well as to raise the living standards of working families. Access to appropriate training is a key element in achieving both of these goals.

Under the Workforce Investment Act (WIA), WIBs set the wage standards that determine the eligibility of working adults for training services. Specifically, employed workers earning below the self-sufficiency standard are eligible for intensive services and training using local WIA funds. If an area fails to set its own self-sufficiency standard, the Department of Labor prescribes a low standard that leaves many working families ineligible for training. Adopting a more accurate standard will more appropriately target resources to the working poor and will signal that the board is interested in helping community residents on a pathway to earning family-sustaining wages.

Once adopted, self-sufficiency standards can also be used to direct public resources to programs that prepare workers for the better jobs in a community and to restrict public dollars from flowing to providers and employers who don't invest in the well-being of their workers or their communities. Workforce areas may also incorporate the standard into performance measurements and benchmarks, either evaluating the overall performance of the public system in moving customers toward economic self-sufficiency or setting specific performance goals, such as post-placement wages.

Self-Sufficiency Standards for San Diego



Sample Self-Sufficiency Wage (Annual)

- Lower Living Standard Income Level (LLSIL)—USDOL
- Basic Family Budget Calculator—Economic Policy Institute
- The Self-Sufficiency Standard for California—Wider Opportunities for Women (WOW)
[Because WOW's standard also varies by the age of the children, their numbers vary depending on the age of the children.]

The chart above compares several potential self-sufficiency standards for the San Diego, California, Metropolitan Statistical Area. This chart shows the range of additional working families that could be eligible for services in a community under various standards. It shows that allowing the self-sufficiency standard to default to the measure specified by the Department of Labor—the LLSIL—will fall far short of meeting the needs of working families in the community.

Help for WIB Labor Representatives

The AFL-CIO Working for America Institute's first national training conference for WIB labor representatives in March 2003 follows a series of regional training and strategy conferences for labor representatives last year in Atlanta, Philadelphia, St. Louis and Las Vegas. For information about these conferences and to access training materials on the Workforce Investment Act and other paths to a high road economy, see the Institute's website at www.workingforamerica.org.

The Institute has created a list-serve to enable WIB labor representatives to communicate with each other. To join the list-serve or for help in identifying other labor representatives on WIBs, contact your Institute Regional Coordinator or its Public Strategies Team at info@workingforamerica.org.



Public Subsidy Accountability

The Workforce Investment Act envisioned that WIBs would play a broader role in determining labor market policies in their communities. That role included participating in economic development decisions designed to attract and maintain jobs. One way to meet this vision is for WIBs to review the terms of economic development subsidies offered in their communities for their impact on job creation and retention. Boards can advocate that the terms of these subsidies be made public and that certain techniques be adopted, such as "clawbacks," which require repayment of subsidies if employers do not live up to the levels of job creation they promised in order to get the subsidy.

This is an opportunity for members of the WIB to be advocates for responsible use of public dollars. The quality of jobs created with public funds – whether those funds are economic development funds or workforce development funds – should be a matter of concern to the community. The question *Should public resources be used to promote enterprises that will hire workers for minimum-wage jobs with no benefits?* is one that is appropriately posed by labor representatives and other advocates of high-road development on workforce boards. When public investments include the WIB's own resources to recruit or train employees for those enterprises, the voice of the board can be even more critical in setting conditions on the use of taxpayer dollars.

While virtually unknown ten years ago, subsidy disclosure laws and clawbacks in contracts have become a regular part of the practice in public economic development. But it is also important for boards to practice what they preach by using similar techniques in their own investments. WIBs can require a legally binding instrument in contracts with employers for on-the-job training (OJT) or customized training to commit the employer to both the number and quality of jobs to be created. And while this practice would be new to the field of workforce development, the board could also set guidelines to recapture or claw back funds if those commitments are not met.