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From Jobs for Workers to Workers for Jobs: Better Workforce Training For Minnesota

CITIZENS LEAGUE

RESEARCH REPORT

From Jobs for Workers to Workers for Jobs

Better Workforce Training for Minnesota

*an overview of a report prepared by
the Citizens League
Committee on Workforce Training*

November 1999

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From Jobs for Workers to Workers for Jobs: Better Workforce Training for Minnesota

In the most dramatic shift since the industrial revolution, information-based industries are displacing manufacturing and natural resource-based industries in driving economic growth. Prosperity in this "new economy" rests on capturing high-technology, knowledge-based businesses by having a skilled and flexible workforce.

In Minnesota, the new economy faces an additional challenge: a long-term shortage of workers. Combined, these two economic trends are exerting unique pressures on both employers and workers. Employers cannot find the skilled workers they need to prosper, and workers without skills are watching their wages dwindle. Failing to address this situation will choke off growth and limit our state's long-term prosperity.

Unfortunately, despite some successful individual programs and projects, our overall workforce training system is falling far short in meeting the skill needs of Minnesota's workers and employers.

Current efforts are unfocused and spread out among multiple agencies, local training providers, and educational institutions.

One central challenge is that many of the state's efforts remained geared toward creating and attracting jobs for workers, rather than investing in workers for the skilled jobs that already exist. Little is done to track the supply of skilled workers coming out of the state's education

and training systems and even less to coordinate this supply with the needs of employers.

The state's technical and community colleges come up with some exemplary programs to prepare students for high-skill

careers, but critical gaps remain in the supply of workers for key industries. Students in the K-12 system need more career preparation to make effective choices. Incumbent workers receive little attention from either state job training programs or the higher education system. Programs for disadvantaged workers are left out of the state's workforce supply system.

Many of the state's efforts remain geared toward creating and attracting jobs for workers, rather than investing in workers for the skilled jobs that already exist. Critical openings in high-skill fields go unfilled, while workers without skills fall behind economically.

The Citizens League promotes the public interest in Minnesota by involving citizens in identifying and framing critical public policy choices, forging recommendations, and advocating their adoption.

Recommendations

- **Bring coordination to state workforce training efforts by establishing a "workforce training czar," and focus state efforts on high-skill workforce needs.**

A single, independent "workforce training czar" can pull together the many programs that already exist and hold them accountable for meeting the workforce's needs. This individual will need strong support from the Governor and clear authority to demand results.

Once a training czar is created, the Legislature should begin formally reorienting state programs toward the goal of continuously improving workers' skills to prepare them for high-skill, high-wage openings.

- **Invest in increasing the skills of incumbent workers, particularly in key industry clusters and in the small and medium-sized firms that often face difficulty in paying for training.**

More resources need to be devoted to helping incumbent workers upgrade their skills. Workers also need more information on the opportunities that exist to boost their earnings and advance in their careers through training.

- **Improve student preparation for high-skill, high-wage jobs and give young people more guidance in career choices.**

We need to continue to work to improve student performance in our K-12 system. We also need to encourage new ways to connect students with career information and develop broader programs to involve teachers and parents in guiding students in career choices.

- **Position the Minnesota State Colleges and Universities (MnSCU) system to meet the skill needs of the future.**

Customized training programs should be expanded. Overall system performance should be improved through the use of funding mechanisms that reward institutions for preparing students for the jobs our economy needs to fill.

- **Orient training programs for disadvantaged workers and the unemployed on bringing people into the workforce.**

A strategic approach is needed that includes the unemployed in meeting workforce needs, rather than just finding jobs for people in need.

◆ *Our region's competitiveness in the new economy depends on our intellectual resources and our supply of skilled workers. Instead of just creating jobs, we need to focus on investing in workers and giving them the skills they need to fill high-skill, high-wage openings.*

Preparing Minnesota for the New Economy

This study is the fourth in a series of recent reports focusing on how to prepare Minnesota for the new economy without leaving anyone behind.

The League's work in this area began with the *Compete Globally, Thrive Locally* report in 1996, which was followed by a 1997 study on the University of Minnesota, *A Competitive Place in the Quality Race*, and a landmark report on the region's labor shortage entitled *Help Wanted: More Opportunities Than People* in 1998.



Work of the Committee

The Committee on Workforce Training was chaired by Roger Hale.

The committee met for six months between April and September 1999. A total of 35 Citizens League members took an active part in the work of the committee through the completion of the study.

Meeting space was generously provided by Minneapolis Community and Technical College.

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