



Recommendations for a Fully Funded and Transformed Workforce Development System

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About Jobs for the Future

Jobs for the Future (JFF) drives transformation of the U.S. education and workforce systems to achieve equitable economic advancement for all. www.jff.org

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Introduction

The U.S. postsecondary education and workforce development systems are in need of transformation. In an ever-evolving economy, where the skills that are required to drive growth are continually changing, workers and employers alike need well-funded, agile, equitable, easily navigable, and effective skills development systems.

At Jobs for the Future (JFF), we've embraced an ambitious goal as our North Star: In 10 years, 75 million people facing systemic barriers to advancement will work in quality jobs. We believe an overhaul of the U.S. workforce development and postsecondary education systems is essential to achieving that goal. In this brief, we urge policymakers to pursue 10 legislative and regulatory strategies to help achieve the transformation we envision—and put millions more people on pathways to quality jobs.

Here's a summary of JFF's policy recommendations to transform workforce development in the United States:

- **Create a lifelong learning system** that increases funding for skills development, transforms the structure and delivery of education and training, and expands sector-focused career pathways and other evidence-based models.
- **Ensure that U.S. workers are protected during times of transition** by reforming unemployment insurance programs to include expanded eligibility for benefits.
- **Adopt measures for verifying the quality of education and training programs** as demand for short-term learning options increases among workers who need to continually build new skills to keep pace with the demands of the labor market.
- **Encourage employers to engage more substantively** in the design and delivery of occupation-focused programs and in the training and education of their own frontline workers.
- **Ensure that education and skills development efforts are focused on quality jobs** in growing industries that offer the most opportunity for economic advancement in state and regional economies.
- **Improve outcomes for people who face barriers to education and employment** by creating conditions that put them in a better position to succeed in attaining the skills and credentials they need for quality jobs.
- **Increase investments in and programming for “opportunity youth”**—young people who aren't in school and aren't working—with the goal of supporting programs that create strong bridges between education and employment; address the need for affordable, high-quality postsecondary education and training; and offer paid work experiences.
- **Increase investments in the U.S. workforce** at levels that create pathways to economic advancement for all workers by enabling them to build the skills that U.S. employers are seeking.
- **Make the changes required** to modernize the nation's workforce development system and transform the delivery of education and training in ways that reduce the time workers and learners spend in the classroom and enable them to earn valuable workforce credentials quickly.
- **Develop a robust career navigation system** that helps students, parents, jobseekers, and workers make well-informed decisions about the education, career, and employment pathways they choose.

The Need for Investment and Transformation

The Urgency

Before the onset of COVID-19, roughly 75 million people in the United States were unemployed, underemployed, or not working but not counted in official unemployment statistics.¹ The pandemic made the problem worse, as millions of people, especially those in low-paying positions, lost their jobs. While employment has improved significantly since 2021, with unemployment sitting at 3.7% in December 2023, the numbers don't tell the full story.

More than 6.3 million people in the United States who are counted in the official unemployment rate are still without jobs. Of those, 1.2 million unemployed individuals are experiencing long-term unemployment, meaning they've been out of work for 27 weeks or more.² Beyond the official unemployment count, an estimated 5.7 million people aren't included in official unemployment totals because they've stopped looking for work, even though they want a job; another 4.1 million people aren't counted because they're working part time but would prefer a full-time job; and millions of workers are stalled in low-paying jobs with limited opportunities for advancement. Many of these workers are Black, Latine, or members of other populations facing systemic barriers to economic advancement.

Meanwhile, U.S. employers continue to experience difficulty hiring workers with the skills they need to fill open jobs. In October 2022, the National Association for Business Economics said that 45% of the employers responding to its most recent [Business Conditions Survey](#) reported a shortage of skilled labor. This trend is likely to continue because the skills required for quality jobs will also continue to change as a result of ongoing technological advances and because recent policies—including those in the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act (IRA)—are creating millions of new jobs that need to be filled.

The creation of new jobs combined with a tight labor market should expand the number of career opportunities available to members of populations that have long been excluded from such opportunities. However, transforming the country's talent pipelines to make them more equitable and inclusive will require significant, targeted investments in workforce development. The U.S. economy and its workers and employers need a well-funded, agile, equitable, easily navigable, and effective skills development system.

Without focused investments in workforce development, the country could miss another opportunity to promote economic advancement for all. In today's economy, most quality jobs require at least some postsecondary education and training. However, opportunities to acquire the skills and credentials that lead to quality jobs and economic advancement haven't been equitably accessible to all workers. It's time to close the longstanding gaps that have limited opportunities for people based on race, ethnicity, and socioeconomic status.

The United States Needs a High-Quality, Well-Resourced Workforce Development System

Congress must significantly increase investments in skills development programs for U.S. workers. And policymakers must enact changes to transform the delivery of education and training.

This country has an array of postsecondary education, skills training, and workforce development programs that provide vital learning and employment services for workers. However, these systems aren't adequately funded and they aren't agile enough to fully meet the skill needs of the workforce.

Federal funding for postsecondary education and workforce development efforts totals more than \$58 billion annually when taking into account Pell Grants and federal programs that provide education and training assistance for military veterans.³ The Pell Grant program helps millions of students from low-income backgrounds pay for a postsecondary education, but the program's inflexible rules make grants unavailable to the growing number of people who want to pursue short-term training programs that lead to industry-recognized credentials. And although the GI Bill and related employment assistance programs are critical to helping former members of the military prepare for new jobs in civilian life, there are no similar comprehensive programs for nonveterans.

Beyond Pell Grants and veterans' programs, the United States invests only \$16 billion annually in initiatives that provide workforce-focused education, employment, and training assistance for the rest of the country's learners, jobseekers, and workers. This funding is divided among 17 education and workforce development programs, including career and technical education, adult education, and vocational rehabilitation programs, as well as other programs authorized under the Workforce Innovation and Opportunity Act (WIOA). In fiscal year 2023, funding for WIOA state formula grants—the primary employment and training assistance resource for adults with low incomes, young people, and dislocated workers—was a scant \$3.3 billion for all 50 states.⁴

Current funding levels are not sufficient to provide jobseekers or underemployed workers with the training pathways or meaningful supportive services they need to progress into careers that offer family-sustaining wages. Funding for WIOA's state grant programs is down about 50% from fiscal year 2000 when factoring in inflation. In fact, investment in workforce development reached its peak in the late 1970s, and to match that level now, policymakers would need to increase annual WIOA state formula allotments to about \$35 billion in those programs alone.

The United States would have to spend an additional \$80.4 billion on employment and training annually to match the average spending of other Organization for Economic Cooperation and Development (OECD) member countries (based on percentage of GDP). With millions of people in this country in need of skills development, we must do better.

Changes Needed to Transform the U.S. Workforce Development System

I. Increase Investments in the U.S. Workforce

To ensure a future where all workers in this country are able to build the skills they need to land quality jobs and advance economically, and where all employers are able to hire the talent they need, policymakers must invest in U.S. workers at levels that adequately support the economic and skill needs of workers and employers, allow for needed transformation of workforce programs, and bring workforce investments into parity with those of other OECD countries. Just to keep up with inflation, programs under WIOA should be funded at a minimum of \$35 billion.

- **Invest in the expansion of comprehensive career navigation services and infrastructure** ([as described in Section III of this brief](#)). We recommend a significant increase in funding for career navigation services as part of WIOA reauthorization, with a graduated public-private match for states and regions to encourage resource leveraging and efficiency.
- **Significantly increase investments in skills development to meet the needs of all jobseekers and workers:**
 - » Fund skills grants (Individual Training Accounts, or ITAs) through a dedicated funding stream under WIOA for jobseekers and workers at levels comparable to those provided for college students under the Pell Grant program (approximately \$38 billion).
 - » Expand Pell Grant eligibility to include short-term credentialing programs at institutions of higher education.
 - » Expand tax-advantaged programs for employers and individuals who invest in education and skills training, such as the educational assistance plans authorized under Section 127 of the Internal Revenue Code (IRC), lifelong learning savings accounts, and the Earned Income Tax Credit (EITC).
 - » Examine the potential of alternative financing mechanisms with guardrails (see Section IV of this brief).
 - » Provide incentives for employers to engage in workforce efforts and to invest in the training of their frontline workers ([see Section VII](#)).

- **Invest in the alignment and modernization of the workforce development ecosystem:**
 - » Make a one-time significant investment in a federal data and technology transformation fund for states and regions, with annual funding in subsequent years for continued data and technology improvements.
 - » Codify and make investments in the Strengthening Community Colleges Training Grants program to seed innovation, scale evidence-based reforms, and meet increased demand for accelerated reskilling and reemployment programs.
 - » Adopt new modes of service delivery, including technology-enabled training and immersive learning platforms that make use of artificial intelligence (AI), virtual reality (VR) systems, and other extended reality (XR) technologies.
 - » Expand evidence-based strategies through dedicated investments in career pathways, sector strategies, and other models that have proved to be effective in helping individuals who experience barriers to employment to attain in-demand credentials required for quality jobs.
- **Increase investments in comprehensive programs for “opportunity youth”**— at levels that expand services for the 4.7 million young adults ages 16 to 24 who aren’t working and aren’t in school.
- **Ensure that implementation efforts for the new Infrastructure, CHIPS, and Inflation Reduction acts prioritize** funding for workforce services, including training, for unemployed and underemployed individuals, including opportunity youth, in communities that are underserved by public and private institutions.

II. Make Systemic Changes in Workforce Development Infrastructure

Workers in every sector of the economy are expected to experience employment disruptions as the economy continues to evolve, with a disproportionate impact on individuals who are already underemployed. Millions of people face the need to retool as they prepare to move into new roles and even new industries. The country needs to embark on a new era of research, innovation, and policymaking to enable the sort of economic resilience and advancement opportunities that an equitable economy requires.

Policymakers must support modernization of the U.S. workforce development system by aligning disconnected federal employment and training programs; streamlining infrastructure toward a regional service delivery model with updated governance; redirecting fragmented funding streams through a single workforce delivery system that is comprehensive, agile, and capable of meeting the skills needs of regional economies; and augmenting and improving service delivery through IT infrastructure updates and the use of new technologies and improved data systems. This comprehensive workforce development initiative must also include efforts to transform the delivery of education and training in ways that accelerate learning so people spend less time in the classroom and provide credit for prior learning regardless of where it occurs ([see Section IV](#)). JFF urges policymakers to take the following actions.



AT THE FEDERAL LEVEL:

- **Establish an Office of Workforce Innovation in the U.S. Department of Labor (DOL)** to build an advanced research capacity and transform the workforce development system. Modeled on DARPA—the U.S. Department of Defense’s Defense Advanced Research Projects Agency—the new DOL agency could work with innovators within and outside of government to make investments in breakthrough technologies and other strategies that improve the way workforce development services, including career navigation and skills training, are provided and financed in the United States.
- **Establish a Data and Technology Transformation Fund** to do the following: support the above-described federal activities; fund direct work with employers and national employer associations on multistate training and credentialing efforts; give stakeholders incentives to engage in cross-state and multi-state initiatives such as the [Workforce Data Quality Initiative](#) or the [Statewide Longitudinal Data Systems Grant Program](#); and provide funding to states and regional workforce systems to modernize state and regional workforce data and technology efforts. This includes the integration of technology into career navigation and training services at American Job Centers and related providers.
- **Fully align disconnected employment and training activities and funding streams** at the federal, state, and regional levels—including employment and training activities under WIOA, the U.S. Employment Service, the Temporary Assistance for Needy Families (TANF) program, the Supplemental Nutrition Assistance Program (SNAP), and U.S. Department of Housing and Urban Development programs—through a single, streamlined workforce development system with common intake processes, standards for determining eligibility, and performance metrics. The federal government should also form an inter-agency workgroup tasked with identifying recommendations for developing such an aligned system and for eliminating the “benefits cliff,” where people who receive public benefits risk abruptly losing those benefits when they get wage increases.



AT STATE AND REGIONAL LEVELS:

- **Require systemic regional approaches to workforce development** that are tied to regional economic development efforts (building upon regional planning provisions already in WIOA).
- **Dedicate funding for regional career pathways** system changes in the delivery of education and training, with expectations established in all partner programs (including WIOA, adult education initiatives, programs authorized under the Higher Education Act, and career and technical education).
- **Dedicate funding for regional sector strategies**, including the establishment of industry sector partnerships in in-demand industries and occupations.
- **Expand the vision of workforce development systems**, accompanied by robust professional development supports, to include new modes of service delivery—including tech-enabled career navigation, training, and data analysis systems—and interoperability with high-quality private-sector offerings.
- **Implement changes in the structure and delivery of education and training** that significantly expand opportunities for accelerated attainment of skills and credentials that meet the needs of regional economies ([discussed in Section IV](#)).



III. Develop a Robust, Modernized Career Navigation System

The United States lacks a comprehensive career navigation system that can help learners, parents, jobseekers, and workers make well-informed choices about education and career paths. The workforce system established under WIOA provides career navigation services to youth and adults who are seeking jobs or making career changes through the WIOA system, but these services are in need of modernization and are currently restricted to individuals participating in WIOA programming. JFF urges policymakers to do the following:

- **Establish a comprehensive career navigation system** that's available to users across education and workforce systems nationwide, administered by the Department of Labor based on an interagency agreement with the departments of Education, Health and Human Services, and Commerce to ensure its use by education, workforce development, economic development, and human services programs. This system would:
 - » Offer comprehensive real-time labor market information, skills assessments, skill matching, and access to skills training, supports, and reemployment services.
 - » Provide all services remotely and through in-person access points via American Job Centers and affiliated sites (such as community-based organizations, libraries, community colleges, and K-12 guidance departments) to ensure that all services can be accessed by as many people as possible, including residents of rural areas, members of populations that are underrepresented in quality jobs, and people from communities that are underserved by public and private institutions.
 - » Focus on both regional employment opportunities and the increasing proportion of jobs that can be performed remotely.
 - » Connect to existing national education and career counseling platforms offered through multiple access points (in-person and remote) and in multiple languages.



- Provide states and regions with funding through the **Data and Technology Transformation Fund** ([described in Section II](#)) to identify and integrate new digital technologies, including high-quality private-sector innovations, into publicly funded career navigation efforts.
- Augment traditional labor market information made available through the Bureau of Labor Statistics with publicly available **real-time labor market information**, which is currently available only through proprietary platforms.
- Increase emphasis on and funding for **professional development** to ensure that all staff members focused on career navigation service delivery are well trained in the use of new technologies and in providing equitable, human-centered services and supports.





IV. Create a Lifelong Learning System

The United States must invest in the skills of its workers and make changes in the ways education and training are provided to meet the needs of all learners, jobseekers, workers, and employers. JFF urges policymakers to do the following:

- **Expand skills development financing** by taking these steps:
 - » **Expand Pell Grants** to include high-quality short-term credentialing programs.
 - » **Provide adequate funding for skills-based training in WIOA for adults, dislocated workers, and youth**, to support ITAs, work-readiness, digital literacy, sector-based training, and work-based learning programs that are not eligible for Pell Grants. Such funding could be mandatory or discretionary, but should be provided through a dedicated fund at levels that are significantly higher than the amounts currently available under WIOA, comparable to levels provided for Pell grants.
 - » **Expand tax-advantaged skills training** to encourage individual and employer investments in education and training, including plans authorized under IRC Section 127, lifelong learning accounts, and Earned Income Tax Credits.
 - » Explore **alternative financing** options, such as income share agreements, to leverage additional education and training resources for in-demand industries and occupations, with adequate guardrails to protect borrowers.
 - » Allow states and workforce boards to use federal funding to establish **renewable training funds, such as workforce trust funds**, to pay for workforce development efforts (such as Massachusetts Workforce Training Fund Programs).
 - » **Increase incentives for employers** to invest in the training of their frontline workers through the tax code or other mechanisms such as sector strategies ([see Section VII](#)).



Note: The above-listed financing policies should be part of a comprehensive workforce transformation strategy, taking into account the differing financial circumstances and skill needs of individuals and employers.

For example, Pell Grants would continue to focus on helping people from low-income backgrounds cover postsecondary tuition costs. Skill grants or ITAs would be for individuals who aren't eligible for Pell Grants for use on programs and providers that Pell doesn't cover. Alternative and tax-advantaged financing mechanisms may serve learners with higher incomes, individuals who have paid into tax-advantaged plans, or workers whose employers offer education benefits. Meanwhile, employer-provided training would serve incumbent workers.

A transformed workforce system would make sense of and build upon all these financing options, as well as provide workers with information on and assistance with accessing and using these resources efficiently.

- **Change WIOA performance metrics to encourage, rather than discourage, pathways-based approaches to training.** WIOA's current employment-related outcomes are measured after people "exit" from participation in a program. This discourages individuals' continued participation in training through career pathways or other approaches that move them beyond initial employment to higher-level skills and jobs that pay family-supporting wages. Such exit-focused measures should be replaced to provide credit for employment, educational progress, and the attainment of additional credentials and employment-related progression along career pathways.
- **Transform the structure and delivery of education and skills training** provided through workforce systems, community colleges, and other organizations to ensure that programs are:



- » More **innovative, agile, and responsive** to the skill needs of workers, employers in in-demand industries, and rapidly changing national and regional economies.
 - » **Available through in-person, online, and hybrid formats and are open to an expanded array of high-quality providers and delivery structures** with strong participant outcomes.
 - » **Skills-focused**, offering multiple entry and exit points, competency-based and accelerated learning modalities, credit for prior learning, and in-demand credentials, including stackable credentials.
 - » **Augmented with expanded earn-and-learn opportunities**, including apprenticeships and other high-quality work-based learning strategies.
- **Build out and scale sector-focused and career pathways systems with dedicated funding** to ensure that these strategies are fully developed and responsive to the rapidly changing needs of a diverse array of learners, workers, and employers. In particular, these systems should support members of populations that have long been underserved by public and private institutions and underrepresented in quality jobs, including Black, Latine, and Indigenous workers.
 - **Create system transformation grants for postsecondary education and workforce partnerships** that fund states and consortia of postsecondary institutions and workforce systems to scale evidence-based practices and innovations that transform the nation's community college systems (codifying the Strengthening Community Colleges Training Grant program). These initiatives should support students' equitable progression through postsecondary education, foster increases in completion rates, and effectively connect postsecondary programs to in-demand careers.

V. Ensure That U.S. Workers Are Protected in Times of Transition

The United States must invest in the skills of its workers and make changes in the ways education and training are provided to meet the needs of all learners, jobseekers, workers, and employers. JFF urges policymakers to do the following.

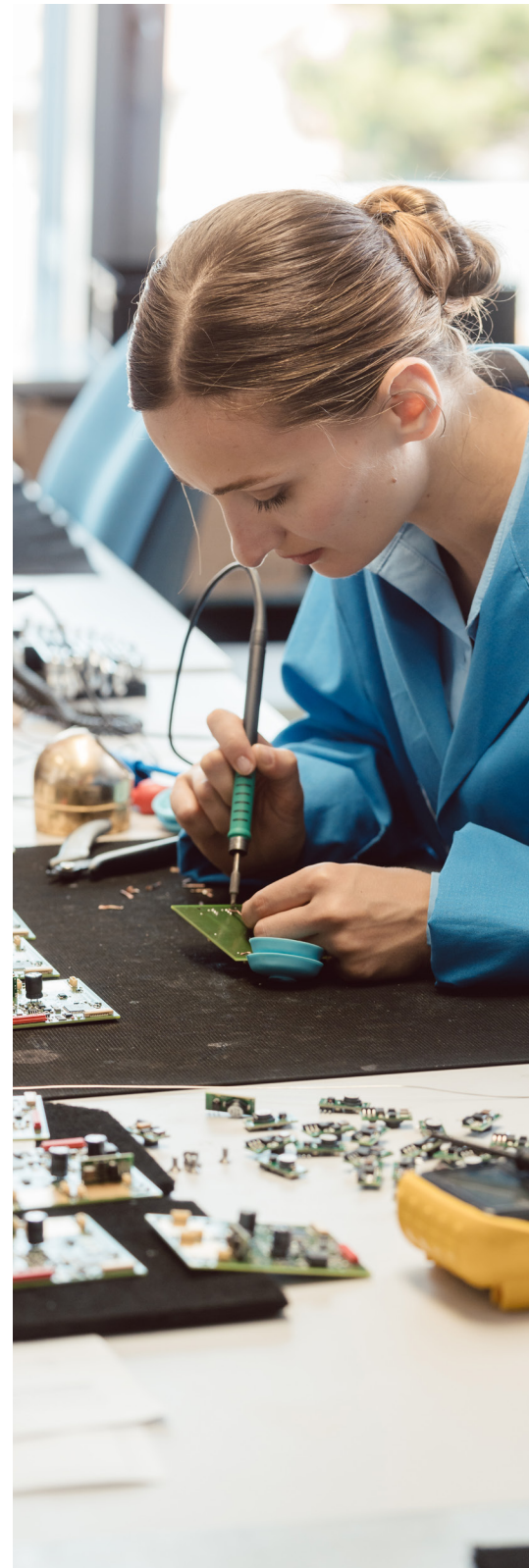
- **Make needed technology upgrades to state UI systems** to ensure that displaced workers receive the resources and services they need to prepare for and find new jobs as soon as possible.
- **Enact systemic reforms in the UI system** that retain the CARES Act's expanded eligibility provisions, provide incentives for shared work and part-time collection of UI benefits, and adopt other system innovations that expand flexibility and depth in coverage, including for underemployed individuals.
- **Ensure that implementation of federal infrastructure, green economy, CHIPS, and health workforce initiatives result in the expansion of high-quality skills development programs and subsidized employment assistance.** Subsidized employment opportunities are especially important for youth who are disconnected from work and for individuals who are experiencing long-term unemployment, providing the employment experiences and supports they need to more easily move into careers that pay family-supporting wages.
- **Ensure greater connectivity and collaboration across the UI and workforce development systems, and expand reemployment assistance** that builds upon services provided under the Reemployment Services and Eligibility Assessment (RESEA) program. These should include worker profiling, robust career navigation, and skills training services to help UI recipients quickly prepare for new jobs in fields that pay family-supporting wages and offer opportunities for career advancement.



VI. Ensure the Quality of Education and Training Programs

In today's economy, we're seeing a significant increase in demand for short-term occupational skills training. People who are looking to quickly reenter the labor market and many secondary and postsecondary students are seeking learning opportunities that help them develop the skills they need to land quality jobs. That means it's essential to have reliable ways to assess the quality of both short- and long-term education and training programs—to provide accurate information to consumers and to lawmakers and regulators, so they can make informed public funding decisions. Policymakers can do the following to better ensure program quality.

- **Establish and implement a universally accepted quality control mechanism** to ensure that programs and providers that receive federal education and workforce funding meet accepted levels of performance based on participant outcomes.
- As earlier described, **champion an interagency data and technology transformation initiative** to improve the availability of data and promote its use by consumers making education, training, and employment decisions. This initiative should prioritize data privacy, using the Department of Education's [guidance on integrated data systems](#) as a model, and build upon current efforts, such as the College Scorecard and WIOA's Eligible Training Provider List (ETPL). JFF also supports the Workforce Data Quality Campaign's [recommendations](#) for workforce data reform.
- **Establish an aligned performance measurement and reporting process** whereby all federally funded education, workforce development, and related programs provide data on the labor market outcomes of participants, based on standards established by the departments of Labor and Education. Partner agencies should issue joint guidance on best practices for data use and on the availability of wage and workforce data. And federal workforce development programs, including those authorized under TANF and SNAP, would use common performance metrics established through WIOA to measure participant outcomes.⁵



- To address equity concerns, require that **participant outcome data be disaggregated by subpopulation—race, ethnicity, gender, age, and socioeconomic status—and evaluated by the DOL** to identify both barriers and solutions for addressing inequities in service delivery and outcomes. Policymakers should build in **performance incentives** to reward programs and providers that improve the outcomes of participants who are members of subpopulations that have long been underserved by public and private institutions.
- **Regarding the WIOA Eligible Training Provider List:**
 - » Clarify that states are responsible for the back-end matching of participants with wage records or other data sources for determining labor market outcomes.
 - » Require states to develop and publish yearly report cards in an easily accessible format that offers readily understandable information about the quality of training programs, including participant outcomes, so consumers can make informed choices.
 - » Require states to update the ETPL regularly—at least twice a year. Such updates should consider access to services (whether there are sufficient online or other distance-learning options, for example) and responses to ongoing economic shifts to ensure that training options are relevant to current and emerging industry and occupational needs.
 - » Allow the DOL to establish a federal ETPL for high-quality training providers that operate at the national level.
 - » Specify that local workforce boards have the authority to deny funding to training providers that don't provide quality services to WIOA participants.



VII. Encourage Employer Engagement and Mobilization

Employer engagement and mobilization are key to the success of workforce development efforts. Employers must be involved in the design and implementation of new workforce development programs to ensure that they offer workers opportunities to acquire the skills and credentials that are in demand in regional economies. And to better serve jobseekers and workers, employers should also implement new recruiting and talent management practices, such as skills-based approaches to hiring and advancement. To encourage these behaviors and increase employer investments in their own frontline workers, policymakers can take the following actions.

- **Enhance business services provided through the workforce system** that reflect regional economic priorities and are relevant to the needs of industries and occupations offering quality employment and economic advancement opportunities, including the following:
 - » Investments in workforce intermediaries (such as workforce boards, community colleges, or other entities) to support the development of education and workforce programs, including sector strategies, that equip workers with the skills that are in demand in the regional economy.
 - » Continued funding for the expansion of apprenticeships and pre-apprenticeships in which participants can develop the skills employers need while working and earning a family-supporting wage.
 - » Funding of professional development and other human resources services and programs for midsize and small employers, using a model in which workforce professionals can provide guidance and training on using career navigation tools, understanding labor market information, and providing information and assistance on skills-based hiring to develop strong talent pipelines.



- **Provide economic incentives to employers for investing in current and future workers.** This could be done through increased federal and state support for business services such as industry sector partnerships specifically targeted to industries and occupations offering good pay and economic advancement opportunities. It should also involve tax credits and other monetary incentives for small and midsize businesses, as well as subsidized employment and loan forgiveness programs to support regional businesses' investments in the skills of frontline workers, including through high-quality work-based learning opportunities such as apprenticeships.
- **Support efforts to accelerate the shift to skills-based hiring** through the development and implementation of a common skills language used by employers, learners, jobseekers, and education providers. This also includes the development and deployment of digital credential wallets that are recognized and accepted across education systems, workforce systems, and employers. These wallets would serve as repositories of easily shareable and verifiable digital records of people's work and learning histories and would facilitate seamless transitions across learning and employment opportunities. Federal support for efforts to develop and scale digital credentials wallets could include funding pilots that use innovative technologies such as blockchain to ensure portability and verification, convening key stakeholders, and supporting research and development.
- **Provide federal incentives that encourage states to establish workforce trust funds** that are funded with employer contributions to pay for frontline worker training. A modern workforce system not only needs to be well resourced; it should also underscore the fact that government and the private sector share responsibility for supporting the development of a competitive workforce.



VIII. Invest in efforts to measure job quality within states and regional economies, and design incentives that encourage employers to improve job quality.

- **Encourage development of job quality measures.** Building on the work of the [Job Quality Measurement Initiative](#) (JQMI), the DOL should create a standard set of job quality metrics (such as paid leave, flexible scheduling, career progression, and proper classification of jobs) and issue guidance to help stakeholders implement these new evaluation processes.
- **Work with employers to improve the availability of job quality data.** Workforce development agencies should encourage employers involved in the public workforce system or public procurements to maintain and report employment data, disaggregated by race and socioeconomic status. This can be done by including data reporting requirements in procurement and purchasing processes and wage or loan subsidy programs, or by prioritizing services for employers that voluntarily submit such data.
- **Identify state and regional self-sufficiency standards.** The DOL should designate a single tool, such as the [MIT Living Wage Calculator](#), that state and local workforce entities could use to determine living wage and self-sufficiency thresholds. Local stakeholders would have the flexibility to consider additional elements in their calculations.



IX. Target Programming to Individuals Facing Barriers to Education and Employment

To ensure that members of populations facing barriers to employment—including opportunity youth, individuals with disabilities, people of color, workers with low incomes, people with criminal records, and people who are learning English—have opportunities to acquire the skills and credentials needed for quality jobs, policymakers must craft measures designed to provide the following:

- **Access to high-quality skill development opportunities** and on-ramps to career pathways. Federal policy should promote skills development as an economic mobility strategy by providing funding and expanding evidence-based strategies, such as sector-focused career pathways. A good example of such an initiative was HHS's [Health Profession Opportunity Grants](#) program, which made training for well-paid health care jobs accessible to people with low incomes, including TANF recipients.
- **Support services that address the unique needs of people facing barriers to employment** and help them persevere in education and work. Education and training alone aren't enough to help individuals succeed on pathways to economic advancement. Individuals and families may also need coordinated support services that enable them to persist in and complete skills development programs, find jobs, and get on paths to successful careers. These services include high-quality child care; housing, food, and transportation assistance; health care and mental health care; income supports for people who are unemployed or underemployed; and comprehensive counseling.
- **Expanded opportunities to gain employment** through strategies that may include transitional jobs, subsidized employment, earn-and-learn initiatives, and other models that are proven to help people acquire skills and credentials that lead to careers that pay family-supporting wages.
- **A solution to eliminate the benefits cliff effect.** In addition to crafting measures that provide support services, policymakers must also address a pervasive problem in the nation's safety net system—the benefits cliff. The executive branch and Congress should take a comprehensive look at all U.S. public assistance programs to ensure that they seamlessly work together to provide the supports people need to make successful transitions to employment and careers without facing the risk of abruptly losing important benefits when their income surpasses a minimum threshold.



X.**Increase Investments in and Improve Programming for Opportunity Youth**

In December 2023, the U.S. youth unemployment rate was 8%, compared to 3.7% for the general population.⁶ It's estimated that there are nearly 4.7 million young people ages 16 to 24 in this country who are both out of school and unemployed—the population that many organizations and policymakers refer to as “opportunity youth”—and more than one-third of opportunity youth are living in poverty.⁷

There's an urgent need for programs that can help the members of this population build skills and gain work experience. Unfortunately, funding for programs designed to serve them has declined precipitously since its peak in the late 1970s.⁸ Today, the primary federal program serving opportunity youth is the WIOA youth program, which allocates funding to states and local areas based on a formula. In Fiscal Year 2023, funding for WIOA youth totaled only \$948 million, and the programs it supported served just 127,708 young people.

To address the needs of this population, policymakers should take the following actions.

- **Increase funding for the WIOA youth program**
 - » Increase investments in WIOA youth programs to \$10 billion annually, serving an additional 1 million to 1.5 million young people in need of assistance (based on investments per participant that are comparable to those made in college students under the Pell Grant program).
 - » Continue to prioritize services for out-of-school youth in WIOA youth programs but expand the definition of “out-of-school” to include young people who are at extreme risk of disconnection from school. This would allow local areas to carry out evidence-based reengagement strategies with these young people, including pathways and other models with proven success.
 - » Establish a new competitive grant program to serve local areas with high concentrations of opportunity youth. This program would align multiple programs and partners through collective impact strategies for serving in-school and out-of-school youth who are at risk of disconnection; expand evidence-based strategies for helping young people succeed; and focus on the education and employment needs of young people from populations that are underrepresented in higher education and pathways to quality jobs, including Black, Latine, and Indigenous people. Grants would be awarded to partnerships of workforce systems, secondary schools, community colleges, community-based organizations, employers, and other key stakeholders with flexibilities similar to those provided in Performance Partnership Pilots for Disconnected Youth (P3) grants, allowing for creative solutions to the complex challenges faced by young people ages 16-24 who are at risk of becoming disconnected from work and school.

- » Expand access to more flexible student aid through skills accounts, short-term Pell Grants, and other financing mechanisms [discussed in section IV](#), to reduce cost as a barrier to postsecondary credentials and allow individuals to access more modern postsecondary options that meet their career and personal needs.
- **Expand the flexibility of youth-serving programs**
 - » Allow self-attestation for determining eligibility for participation in WIOA youth programs.
 - » Clarify that all young people residing in a federally designated Opportunity Zone are eligible to participate in WIOA youth programs.
- **Ensure that programs for young people build upon evidence-based models and service delivery strategies that have proved successful in serving opportunity youth**
 - » Expand and improve career navigation services for young people ages 16-24 who aren't working and aren't in school.
 - » Expand the use of technology to improve data collection and enhance service delivery.
 - » Emphasize career pathways approaches that include multiple on-ramps to postsecondary education and training opportunities and end with the attainment of workforce credentials with value in local and regional labor markets.
 - » Expand opportunities to pursue work-based learning experiences, including pre-apprenticeships, youth apprenticeships, and registered apprenticeships, and ensure that participants have access to wraparound supports such as mentoring, mental health services, and trauma-informed counseling.
- **Expand access to work-based learning and quality jobs**
 - » Champion a national initiative to expand work-based learning opportunities for opportunity youth, including pre-apprenticeship and apprenticeship programs.
 - » Promote job creation and subsidized employment opportunities that are focused on young people between the ages of 16-24 who aren't enrolled in school and aren't employed.
 - » In the implementation the Infrastructure Investment and Jobs Act, the CHIPS and Science Act, and the Inflation Reduction Act, ensure that opportunity youth have access to these opportunities and that skills training for new jobs is a priority.

- **Expand national youth service corps opportunities and ensure that opportunity youth have access to high-quality service experiences** that—combined with education, training, and on-the-job experience—prepare them for further education and careers in fields that lead to economic advancement.
- **Provide incentives for inclusive outreach, recruiting, support, and hiring practices** that are designed to ensure that members of populations that are underrepresented in postsecondary education and quality jobs have access to and succeed in careers that pay family-supporting wages.
- **Align youth programs and investments.** Create a cabinet-level interagency task force on youth policy for the purpose of aligning federal efforts across all youth-serving programs and finding key solutions for helping young people earn credentials that can lead to careers in fields that pay family-supporting wages. These efforts could include the establishment of common performance metrics for youth programs, building on performance measures in WIOA.
- **Reestablish Youth Councils** to serve as the primary strategic planning, oversight, and coordinating bodies for local youth programs under WIOA. These councils would be made up of stakeholders with expertise in the field of youth development and include leaders from key education and youth-serving systems as well as employers and a significant number of young people.



Conclusion

Now is the time to transform this country's workforce development system. To do this, policymakers must invest and make changes in the country's education, workforce development, and economic development systems that are necessary to ensure that the U.S. economy remains strong and that workers of all backgrounds have the skills they need to succeed.

By increasing resources for skills development, modernizing career navigation and training services, providing necessary transition assistance for learners and workers, involving employers in the design and implementation of workforce development programs, and ensuring that individuals with barriers to employment have access to high-quality services, we will make sure that all individuals, including members of populations that have long been underserved by existing systems, can achieve their full potential.

JFF urges leaders in Congress and the Biden administration to take action and create a workforce system that works.

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Endnotes

1. This is how JFF quantified the population of working-age adults in the United States who didn't have the employment or wages they needed to get by before the COVID-19 pandemic: The wage threshold was \$15 per hour. The number of workers earning less than \$15 per hour was a JFF calculation based on Bureau of Labor Statistics data. Unemployment figures come from the Bureau of Labor Statistics news release "The Employment Situation—January 2019," February 1, 2019, https://www.bls.gov/news.release/archives/empsit_02012019.pdf
2. U.S. Department of Labor, Bureau of Labor Statistics, "The Employment Situation — December 2023," news release USDL-24-0006, January 5, 2024, <https://www.bls.gov/news.release/pdf/empsit.pdf>
3. Jobs for the Future, America's Untapped Workforce: Federal Programs to Help Develop a Critical Talent Pipeline (Boston, MA: Jobs for the Future, March 2019), <https://www.jff.org/wp-content/uploads/2023/09/BRF-DC-Untapped-Workforce-Federal-Programs-030719-FINAL.pdf>
4. Consolidated Appropriations Act, 2023, H.R.2617, 117th Congress, 2022, <https://www.congress.gov/bill/117th-congress/house-bill/2617>
5. For guidance on best practices, consult the report "Integrated Data Systems and Student Privacy" from the U.S. Department of Education's Privacy Technical Assistance Center, <https://studentprivacy.ed.gov/resources/integrated-data-systems-and-student-privacy>
6. U.S. Department of Labor, Bureau of Labor Statistics, "Employment and Unemployment Among Youth—Summer 2023," news release USDL-23-1792, August 16, 2023, <https://www.bls.gov/news.release/pdf/youth.pdf>
7. "Youth Disconnection in America," Measure of America, accessed January 4, 2024, <https://www.measureofamerica.org/DYinteractive/>
8. Jobs for the Future, Investments in Opportunity Youth Fuel Prosperity, (Boston, MA: Jobs for the Future, December 2018), https://www.jff.org/wp-content/uploads/2023/09/BudgetBrief_1203184.pdf



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