

# Strategies to Address Poverty: The Role of Education and Training – What Else is Needed?

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# The Twin Economic Prosperity Goals are Connected

- This presentation looks at reducing poverty in the context of regional economic prosperity. It is hard enough to reduce poverty without strong economic growth and virtually impossible without it.
- Reducing poverty is about jobs AND wages.
- It is critical that regional “prosperity partners” see these goals as CONNECTED because 1) they are and 2) success requires us working as a team and not in adversarial roles.

# The Challenges of Reducing Poverty

- Staff has presented data on discouraging trends in wage and income growth for many residents. The data also show a clear link between education and wages.
- But I have another challenge to share. The number of low wage jobs is projected to grow and not everyone can move up.

# Largest Number of Region Workers Earn Less than 80% of Median Wage

**Regional Jobs in 2010 by Median Wage**



# Largest Job Growth is in Low Wage Jobs

## Job Growth by Median Wage 2010-20



# Most Job Openings are in Low Wage Jobs and From Replacing Retiring Workers

## Job Openings to 2020 by Median Wage



# Strategy Set One: Education and Workforce Preparation for Upward Mobility

## Three Key Strategies

- The prerequisites for successful training initiatives that lead to real jobs.
- The components of successful training strategies.
- Job search, networking and other career pathways strategies.

# Many Need More Help First to Make Training Successful

- There are many prerequisites for training to be successful. Some people need ESL. Some lack basic reading and math skills and digital literacy is important for more jobs nowadays.
- A good high school education is a critical foundation.
- There are best practice initiatives all around and regional leaders can bring these to scale.
- Funding as always is a challenge. But there are best practice models that focus on CONTEXTUAL LEARNING.

# Best Practice Training Strategies

- The best practice training strategy is industry driven partnerships that lead to real jobs.
- The components are 1) an industry partner to help design curricula, 2) a training provider such as a community college or union, 3) a local workforce board and 4) a funding source.
- But the industry partner is CRITICAL and regional leaders can work with the key industries identified in the Summit to make this happen.

# Regional Training Coordination is Critical Given Limited Resources

- The SCAG region has a regional economy. Workers commute from county to county and industries hire from around the region.
- Identify the key industries and occupations of opportunity BUT WORK REGIONALLY. That means not every workforce board or training provider should cover every industry.
- The state workforce board and community colleges are beginning to think regionally but it is more critical to coordinate when resources are limited. Local leaders can encourage this.

# Training is Only Part of Developing Career Pathways

- Creating career pathways has many dimensions. It can start BEFORE the first job and CONTINUE as workers face transitions in their work life.
- Experience and learning the what employers expect is necessary in addition to training. Linked Learning programs in high school and paid internships are ways young people can improve their chances for good jobs.

# Training is Only Part of Developing Career Pathways

- Job search and job application is different today—it is primarily online and less personal at the start. Many workers need help learning these new ways.
- Workers in transition benefit from peer networking and career navigation counseling. Every successful program can establish an alumni mentoring/networking group.
- There are best practice models but they are not yet widely in place. Funding as always is a challenge.

# Many Workers Will Remain in Low Wage Jobs: Possible Responses

- By 2020 the number of jobs paying less than 80% of the regional median wage will increase by 500,000. Our best efforts at education and training will still leave some more low wage jobs.
- Helping these workers who are in poverty (not all are) will mainly require federal and state efforts and a consensus to help out.
- There are also local initiatives that can help and/or provide models for state and federal action.

# Many Workers Will Remain in Low Wage Jobs: State/Federal Responses

- Expanding the Earned Income Tax Credit.
- Increase the minimum wage
- Immigration reform that supports legal earning and learning for unauthorized immigrants.
- Maintain safety net programs like food assistance, child care and housing aid. Continue expanding access to health care and improve service delivery
- Workplace safety and hour and wage protections

# Many Workers Will Remain in Low Wage Jobs: Local Responses

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## Strategy Set 2: Economic Growth: A Rising Tide Does not Lift all Boats But is Essential to Reducing Poverty

- Poverty and unemployment are lower in regions with faster job and wage growth.
- Reducing poverty and unemployment in a bad economy is virtually impossible.
- A strong economy also provides more funds for education and safety net programs.
- While economic prosperity depends on national and world trends, regional leaders have many prosperity tools.

# The Region Competes for Firms AND Workers

- Competing for firms means having places where talented workers and their families want to live.
- There is a positive to understanding this connection. Policies about housing, land use, transportation and the environment now serve **DOUBLE DUTY** as economic prosperity foundations and quality of life imperatives!!
- This means that the SCAG RTP and Compass Blueprint are economic prosperity foundations!!

# Housing, Land Use and Transportation are Economic Prosperity Foundations

- Remember - the region competes for firms AND workers.
- Housing and transportation are the “double duty” prosperity tools. Land use underlies both and local and regional policies are a key.
- To attract firms and talent, the region needs to provide adequate and affordable housing and mobility for people and goods.

# More Economic Growth Challenges

- Cities promoting “economic development” by competing against other cities in the region.
- Lack of funding for transportation system (roads included) repair and expansion.
- Not enough jobs with good transportation access - hurts everyone but especially low wage workers.
- Some cities resist planning for new housing.

# Reducing Poverty and Planning for Economic Growth are Connected

- So the people and organizations working for each goal need to see themselves as CONNECTED.
- The regions that figure out how to think and work so that local actions support “a shared vision and collaborative actions” will be the winners in any economic competition.

# An Important Tool for Reducing Poverty and Helping the Economy

- Allow unauthorized immigrants to earn and learn legally
- There are nearly 3 million unauthorized immigrants in the state. Workers and students account for at least 2/3 of these residents, the majority of whom live in the SCAG
- Imagine helping so many people by simply changing the law

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