Worker training is not keeping pace with employers’ needs, though it’s not for lack of effort. In fact, almost 50 workforce development programs are run out of Washington, DC, alone. Yet, despite the number of programs, a skills gap caused in part by a workforce untrained for the new economy has left many regions with the strange combination of a lot of open jobs and a lot of people still looking for work. Frustrated policymakers have struggled to come to an agreement on the right approach to filling the skills gap and funding programs appropriately. What is widely agreed on, however, is the need for increased efficiency in the workforce development system to better match the unemployed with the jobs available.

With multiple funding streams and the diverse needs of those looking for work and training, the national workforce development system has become more of a patchwork than a system. A lack of collaboration and communication among stakeholders has led to many programs being designed to meet specific needs without knowledge of or research into existing programs that may already offer what is needed. A 2011 report by the Government Accountability Office identified nine federal departments that run a total of 47 workforce development programs. Of the 47 programs, 44 offered services that overlapped with at least one other program.

Funding itself, too, is an issue. Funds come from federal, state, and private sources, with the majority of federal funds coming through the Workforce Investment Act (WIA). Despite a brief injection of stimulus funds under the American Recovery and Reinvestment Act in 2009, federal funding for workforce development has been steadily declining since 2001. This is due in large part to Congress’ inaction on reauthorizing WIA. Proposals have been made in both houses, but there is little movement on crafting a final bill. Since expiring in 2003, WIA’s program has been funded through annual continuing resolutions, but the amount budgeted has not increased since the original legislation. WIA, as it happens, was supposed to serve as the “one-stop” delivery service for adult education and literacy services, the employment service, and vocational rehabilitation services for individuals with disabilities.

With tightening federal resources, workforce training programs are being asked to do more with less. As such, there is heightened interest in the structure of the national workforce development system. The redundancies in the system, paired with the push for deficit reduction, have drawn attention from legislators looking for cost savings and greater efficiency in government services.

To that end, in 2013 Senator Rob Portman (R-OH) introduced the CAREER (Careers through Responsive, Efficient, and Effective Retraining) Act with Senator Michael Bennet (D-CO). Among other things, the bill requires the Administration to create a plan for “decreasing the number of federal job training programs without decreasing services or accessibility to services by eligible training departments.” Portman’s legislation has supporters from a wide range of stakeholders, including educators, workforce development agencies, businesses, and advocacy organizations, all of which have offered public statements in favor of the bill. Currently the bill is in the Senate Committee on Health, Education, Labor, and Pensions, where the committee chair will decide if it moves forward.
Similar calls for efficiencies were heard at structured “listening sessions” convened by the Federal Reserve Banks of Cleveland and Philadelphia to discuss workforce development for workers ages 16–24. Talking with stakeholders in five Pennsylvania cities, Fed staff heard several themes consistent with concerns at the federal level. Listening-session participants, including educators, chambers of commerce, and community foundations, spoke of the need for greater collaboration, better dispersion of funds, more information on available programs, and greater flexibility in implementing programs.

A familiar theme, frequently touched on by participants, was the disconnect among the numerous workforce development programs. Like federal programs, local and regional programs are often not aware of each other, leading to unnecessary duplication of services, not to mention confusion for clients. Progress is being made, though, and collaboration among agencies has increased recently. For example, in Harrisburg, Pennsylvania, the Education and Business Partnership Committee, a collaboration between the Harrisburg Regional Chamber and the Capital Region Economic Development Corporation, guides students as they enter the workforce and retrains unemployed workers.

While decreases in funding have prompted some programs to share resources and work more collaboratively, working with tighter budgets is always difficult. For instance, smaller cities and rural areas noted that they find it difficult to develop workforce programs because they feel their piece of the pie takes the biggest hit when funds decrease. Stakeholders in these areas say that, because their programs serve relatively few people across a large geographic area, making a case for more funds is challenging when larger cities have documented greater populations in need.

Another example: Subsidy-dependent programs tend to operate for only a short time, minimizing their effectiveness and cutting the number of people served. Programs that were funded for a few years and then discontinued include a Job Corps program in Erie that provided training and subsidized youth employment and a YouthBuild program in Harrisburg.

Conversation with stakeholders also highlighted the need for better communication about existing services to both those looking for training and those looking to hire. In Erie, for example, participants spoke about the need to increase awareness of programs among employers in order to serve more people and improve training experiences.

Better communication with high school teachers is also needed because they have had to serve as career advisors as well as teachers in the wake of guidance counselor cuts.

Finally, federal programs’ sometimes-narrow focus often hamstring them. Many have very specific demographic requirements that participants must meet. Income, ethnicity, location, age, and a variety of other indicators can determine eligibility for training and assistance programs. Added to that is still the lack of a holistic perspective on workforce development, which would consider the collateral needs of trainees. The fact that potential participants are seeking help in finding work indicates that they likely have tight budgets. As a result, clients may have a variety of collateral needs, such as child care and transportation, that directly impact their success in any program.

The workforce development system—nationally, regionally, and locally—faces difficult challenges. The patchwork system that currently exists would likely benefit from a variety of administrative efficiencies and other cost-saving measures along the lines of those being discussed at the federal level. Building the political will at all levels could prove the more difficult task.

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* Federal workforce development funding has steadily decreased*  

![Bar Chart](chart.png)

*Adult, dislocated workers, and youth programs

Source: United States Department of Labor.

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For more on the listening sessions described in this story and other workforce development research, visit [www.clevelandfed.org/Community_Development](http://www.clevelandfed.org/Community_Development)