Systems Change

A Survey of Program Activities

This publication expands on the discussion of systems change presented in *Sector Strategies for Low-Income Workers: Lessons from the Field*

Sector initiative leaders generally describe the goals of their work in these ways:

"We help un- and under-employed people find jobs."
"We help people advance on a career ladder."
"We help businesses find the skilled workers they need to compete."
"We work to improve the quality of the workforce in the industry."

To achieve these goals, most sector employment development programs either directly or through partnerships provide training to individuals, including incumbent workers and the unemployed. Many sector programs also deliver a range of non-training services to their business customers – services geared to helping businesses become more competitive in their own markets.

As sector initiatives become more deeply involved with both workers and businesses, they often encounter recurring obstacles to promoting their successes. Addressing these obstacles usually requires strategies designed to overcome structural issues that hinder the achievement of the initiative's mission. In the sector field, these strategies are sometimes referred to as **"systems change."**

Defining a "Sector Strategy"

The Aspen Institute's Workforce Strategies Initiative defines a "sector strategy" as an approach to workforce development – typically on behalf of low-income individuals – that:

• **Targets a specific industry or cluster of occupations,** developing a deep understanding of the interrelationships between business competitiveness and the workforce needs of the targeted industry;

• **Intervenes through a credible organization, or set of organizations,** crafting workforce solutions tailored to that industry and its region;

• **Supports workers in improving their range of employment-related skills,** improving their ability to compete for work opportunities of higher quality;

• **Meets the needs of employers,** improving their ability to compete within the marketplace; and

• **Creates lasting change in the labor market system to the benefit of both workers and employers.** The outcomes workforce programs achieve are greatly influenced by how other actors in the labor market system operate. These other actors include regulators, policy makers, businesses, educators, etc. Sector initiatives examine the relationships among these actors to find opportunities for positive change.

Through interviews and a survey of sector program leaders, AspenWSI researchers have found that sector initiatives engage in systems change activities in three spheres: **industry practices, education and training systems,** and **public policy.** Sector initiatives use a wide variety of tactics to influence the way these systems operate.

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Workforce Strategies Initiative
The Aspen Institute

For example, to better align curriculum at a community college with the skills needed by employers in a particular industry, sector initiative leaders report bringing employers and education providers together to develop new programs that reflect employment demand. Similarly, an initiative might identify obstacles that bar capable workers from employment opportunities. In such cases, some sector initiative leaders have worked with businesses to reduce requirements for formal academic credentials for entry-level employment, when such credentials do not reflect skills needed on the job.

Systems Change That Benefits Business and Workers

The SOURCE, based in Grand Rapids, Mich., is a not-for-profit business membership organization that provides support to employees of member companies, primarily in the manufacturing sector. Many of The SOURCE's members employ large numbers of entry-level workers. The SOURCE works with these companies to improve employee retention and support the skill development and advancement of workers. Recognizing that many of these workers face stresses and challenges in their personal lives, The SOURCE offers both training and case management services to employees.

Early on, The SOURCE found that readily available case management and support services were needed to help workers retain their jobs. For example, if a worker has to travel across town to arrange for emergency housing assistance, child care or other services, he or she may not make it to work that day, which could lead to termination. Moreover, workers are more likely to stay employed if caseworkers can help them address issues before they become a crisis. To improve how low-income workers connect with public benefits, The SOURCE contracted with the Michigan Department of Human Services for a case manager to work on-site at member companies, helping employees who qualify to obtain public resources. The SOURCE also employs a second case manager to work with employees who may have low incomes but do not qualify for public assistance, connecting these individuals with other community-based and/or faith-based organizations. The organization, which is led by a former human resources director, also works with businesses individually to identify and develop alternatives to workplace practices that negatively affect retention.

Member companies appreciate The SOURCE's ability to help them better support and retain their entry-level workers. During 2006 – 2007, The SOURCE grew from eight to 17 member companies, doubling the number of employees represented, from 2,000 to 4,000. These business members now support 100 percent of the organization's cost for programming and caseworkers.

This publication describes systems change activities in practical and concrete terms to underscore the significance of systems change efforts and to demonstrate how this critical work can be better recognized, encouraged and more explicitly supported. The publication begins by briefly presenting a framework for understanding the range of systems change goals and strategies undertaken by sector initiatives. The body of the publication describes the results of a survey of sector initiatives that explored the range of systems change activities they pursue, and provides examples that illustrate systems

change work in practice. The publication concludes by discussing common challenges that programs face as they attempt to develop capacity to pursue systems change activities, document the outcomes of these activities, and finance this type of work. This is a companion piece to another recent AspenWSI publication, *Sectoral Strategies for Low-Income Workers: Lessons from the Field*, which expands on the framework presented here and provides additional examples of systems change work in the field.

Primary Data Sources that Inform this Publication

To write this publication, AspenWSI researchers collected and analyzed a variety of data between 2005 and 2007, and conducted a Web-based survey of sector initiatives. The survey was designed to examine the prevalence of systems change activity across sector initiatives and the specific types of activities that programs pursue. The survey also collected information about resources and programs' capacity to pursue systems change. In summer 2006, an e-mail invitation was sent to approximately 2,200 public workforce agencies, nonprofit organizations, community colleges, and other workforce and training entities. AspenWSI received 564 un-duplicated responses to the survey, for a response rate of approximately 26 percent. Of these, 221 respondents noted that their organization pursues a strategy or delivers a service targeted to a specific industry or industries – our screen for whether a respondent fits a generous definition of "sector initiative." Other important sources of data used in this publication include findings from more than 60 in-depth telephone interviews with sector initiative leaders, and roughly a dozen site visits that included interviews with sector initiative staff and a range of representatives of partner organizations involved with sector initiatives.

Systems Change Arenas and Activities

The in-depth telephone interviews and site visits provided information for developing a practical framework that guided the subsequent survey-based exploration of the systems change activities undertaken by sector programs. In brief, three systems have a primary influence on the work of a sector initiative and are, in turn, amenable to being influenced by a sector initiative.[1] These include:

> ▶ **Industry practices** that shape the way individuals are recruited, hired, trained, promoted and compensated within the workplace,
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> ▶ the **education and training infrastructure** (including Workforce Investment Boards, community-based training providers, community colleges, apprenticeship programs), and
>
> ▶ **public policy,** including rules, regulations and funding streams related to the workforce and education systems as well as those that influence business practices.

The following chart lists objectives that illustrate a range of change goals related to each of these three systems. Later in this publication, we will discuss examples of specific strategies and activities employed in practice.

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[1] This framework is discussed more fully in *Sector Strategies for Low-Income Workers: Lessons from the Field*; available as a free PDF at: www.aspenwsi.org/sectorstrategies.

Figure 1: Systems Change Framework

Systems	Sample Objectives
Industry Practices	Influence hiring practices to include low-income constituency Improve working conditions Create (access to) advancement opportunities
Education & Training Infrastructure	Improve access to education (credit-based and industry-recognized certificate programs) Create new apprenticeship programs Preserve and revitalize existing industry-specific programs
Public Policy	Change regulatory framework for target industry to encourage high-quality employment opportunities Increase or alter public funding streams that support education and/or training

Systems Change Work is Integral to Sector Practice

As noted earlier, sector initiative leaders generally describe their goals in terms of helping individuals find and advance in employment and helping businesses build and maintain a quality, competitive workforce. "Systems change" usually is not mentioned when they discuss their work.

Yet in conversation with staff from sector initiatives, AspenWSI identified a number of specific activities that initiatives pursue and that populate the typology of systems change activity presented above. The subsequent e-mail survey was designed to learn how widespread systems change activity is across the field. The survey led respondents through a series of questions about specific activities in the education, policy, regulatory and business environments. Respondents were asked whether their organization or a partner organization had engaged in specific activities in each of these areas. At the conclusion of the survey, respondents were asked about their initiatives' systems change activities and their ability to engage in systems change activities overall.

Approached in this way, most sector initiative leaders identified systems change activities that they pursue. Most of the survey respondents (92 percent) indicated that systems change activities are a priority. In addition, the majority (73 percent) indicated that their initiative is in an appropriate position within their target industry to conduct systems change activities. However, this finding was not as strong, with a large proportion of the group indicating that they only somewhat agree with this statement. Some of the respondents' comments include:

"We've positioned ourselves well in the transit industry as a credible intermediary on workforce issues. We have significant grant funding and a growing staff with growing capacity. We have not reached the level of multiple funding streams that would allow us to take on advocacy work in a major way."

"We have one staff person (me) who engages in all work related to this sector. I am very energized and hopeful about our work, but it has thus far been a project that is implemented only when there is funding to do so."

"We are trying to be at lots of tables where discussions happen regarding health care and workforce issues in our region and state."

Table 1: Systems Change Survey Results – Priorities and Positioning (n=181)		
Systems change activities are a priority	Strongly agree	70%
	Somewhat agree	22%
	Neither	5%
	Somewhat disagree	2%
	Strongly disagree	1%
We are in an appropriate position in this industry to conduct systems change activities	Strongly agree	40%
	Somewhat agree	33%
	Neither	10%
	Somewhat disagree	11%
	Strongly disagree	6%

A slight majority of respondents (52 percent) report that they do not have appropriate staff capacity and skills to engage in systems change activities. And while almost half (48 percent) of respondents indicated agreement that their funding is flexible enough to support systems change activities, it is important to note that only a small proportion of respondents in this group stated this strongly. And only 18 percent of respondents reported that they have sufficient levels of funding to engage in systems change activities. A number of respondents offered comments that highlight how their funding restricts them as they work to achieve their participant and business goals.

"Although we do have several relatively flexible foundation grants, most of our funding for work in the biotech industry is from the public sector and is restricted to education and training."

"The federal regulations under WIA are not flexible enough to really support all the work we would like to do. We are tied to the funding requirements that generate dollars."

"Issues are primarily lack of funding to provide staff time to approach these areas, and the delicate balance of approaching funding sources and/or employer partners with advocacy issues."

Table 2: Systems Change Survey Results – Capacity (n=181)*		
We have appropriate staff capacity and skills to engage in systems change activities	Strongly agree	13%
	Somewhat agree	28%
	Neither	8%
	Somewhat disagree	31%
	Strongly disagree	21%
We have funding that is flexible enough to support systems change activities	Strongly agree	7%
	Somewhat agree	41%
	Neither	9%
	Somewhat disagree	18%
	Strongly disagree	24%
We have sufficient levels of funding to engage in systems change activities	Strongly agree	2%
	Somewhat agree	16%
	Neither	7%
	Somewhat disagree	29%
	Strongly disagree	46%

*Percentages may not total 100% due to rounding.

Survey results reinforce much of what we learned via in-depth interviews with sector initiative leaders – underlining the importance of systems change work and highlighting how difficult it is to find flexible resources and capacity to support it.

In the following section we report findings about the prevalence and range of systems change activities undertaken by survey respondents in response to challenges inherent in their target industry's workforce practices, their local education and training infrastructure and related public policy environments. We augment survey results with examples of program activities with an eye toward illustrating systems change efforts in these three spheres, on the ground and in very practical terms.[2]

A Profile of Survey Respondents

Sector initiative survey respondents operate in a range of institutional types, industries and locations. The most common organizational types represented among survey respondents are community-based organizations, local public workforce providers such as Workforce Investment Boards and one-stops, and community colleges. Other entities represented included: economic development agencies, such as community development corporations; business or industry associations; and other public agencies, such as human services providers. It is important to note that many respondents reported partnering with a range of organizational partners – both to deliver training and business services and to influence identified barriers to successful outcomes.

Table 3: Sector Initiative Organizations (n=221)*	
Nonprofit community-based organizations	35%
Public providers (WIBs, One-stops)	18%
Community colleges	13%
Business and industry associations	5%
Economic development organizations	3%
Missing or unable to categorize	27%

*Percentages may not total 100% due to rounding.

Respondents' initiatives target a wide variety of different industry sectors, with about 60 percent reporting that they work in health care, manufacturing or construction trades. Industries targeted by five or more respondents include:

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[2] Expanded discussion of many of the examples presented in this publication are available in *Sectoral Strategies for Low-Income Workers: Lessons from the Field;* see: www.aspenwsi.org/sectorstrategies.

Table 4: Sector Initiative Target Industries*	
Health care	31%
Manufacturing	19%
Construction trades	8%
Retail/customer service	4%
Information technology	3%
Business services	3%
Industrial/distribution/logistics	3%
Hospitality	2%
Food service/restaurants	3%
Biotechnology	3%

*Percentages do not total 100% because only industries targeted by at least five respondents are included.

Respondents are located in 36 states and the District of Columbia. We received responses from more than 10 initiatives located in California, Massachusetts, Illinois, New York, Oregon, Pennsylvania and Washington.

Table 5: Respondents by State (n=221)

State	Number of Programs	State	Number of Programs	State	Number of Programs
Arkansas	2	Kentucky	2	Ohio	6
Arizona	4	Louisiana	1	Oregon	12
California	31	Massachusetts	21	Pennsylvania	11
Colorado	6	Maryland	5	Rhode Island	2
Connecticut	1	Maine	4	South Carolina	1
District of Columbia	5	Michigan	9	Tennessee	4
Florida	2	Minnesota	8	Texas	7
Georgia	2	Missouri	5	Virginia	3
Hawaii	3	North Carolina	5	Washington	11
Iowa	3	New Jersey	2	Wisconsin	5
Illinois	20	Nevada	1	West Virginia	1
Indiana	2	New York	12	Wyoming	1
Kansas	1				

Changing Education and Training Systems

Education and training providers play an important role in most sector initiatives. Many of the community-based organizations that have operated long-standing sector initiatives began by providing or brokering training services. Moreover, public policy increasingly has encouraged the development of sector partnerships involving formal education providers, such as community colleges and technical schools, and these relationships seem to be growing in number. Similarly, public workforce agencies, such as Workforce Investment Boards, also have become more engaged in leading sector initiatives.

Because of the direct and substantial role education and training institutions play in sector work, it is interesting to note that leaders of sector initiatives often try to create change within their own institutional settings. For example, AspenWSI staff heard sector leaders employed at community colleges describe how they worked to spread a new approach throughout the community college system. Similarly, leaders at public workforce agencies described how they worked to make new approaches to working with business clients standard practice in the workforce system.

Interview respondents described a wide variety of specific change strategies and goals they pursued to encourage the education and training system to be more responsive to a particular industry's needs and/or to better serve a low-income worker constituency. This information was used to develop specific survey questions about how sector leaders work to influence the education and training system.

A large majority of survey respondents indicated that their initiative had been involved in activities designed to influence or help educational institutions change the way education services are designed and delivered. Respondents were asked whether they engaged with their educational partner(s) in any of a specific set of activities. This set of questions corresponds to the category "Education & Training Infrastructure" in the systems change framework (see Figure 1), and survey responses indicate this is the area in which respondents are most active. Brokering business input into curriculum development was the most frequently cited activity, with 91 percent of respondents indicating that either they or a partner agency engaged in this activity. But for all activities, at least 75 percent of respondents reported that either their agency or a partner agency was engaged. The next table provides further information.

Table 6: Survey Results – Creating Change in the Education System (n=192)					
Have you done any of the following? If NO, what is the main reason you have not? *	YES, we have done this	NO, but a partner agency does this	NO, it is not relevant to our work	NO, funding reasons	NO, some other reason
Broker business input and approval in curriculum development	80%	11%	4%	0%	3%
Influence other educational institutions to increase course offerings that are more accessible for working adults	68%	13%	10%	3%	4%
Integrate math, literacy, Adult Basic Education, English as a Second Language or work readiness into vocational technical skills training your organization provides	60%	28%	5%	2%	5%
Influence other educational institutions to integrate math, literacy, Adult Basic Education, English as a Second Language or work readiness into vocational or technical skills training	57%	17%	10%	4%	9%
Establish case management or social services for post-secondary adult learners	64%	20%	7%	4%	4%
Establish tutoring or academic support programs for post-secondary adult learners	51%	31%	7%	5%	5%
Implement work-experience opportunities, e.g., internship or apprenticeship opportunities	77%	14%	3%	3%	3%

* Reported percentages are calculated as % of valid, non-missing responses. May not total 100% due to rounding and respondents who reported "Don't Know."

Comments offered by some respondents indicate that influencing the education system was seen as an important activity both for the purpose of assisting workers' access to skills development opportunities and for ensuring that educational offerings are tailored to industry needs. The following are examples of these comments:

"[We and our partners] work together to expand training programs and other options for working adults."

"Especially as industry adapts to the information age, so must schools and their curricula."

"[In our industry] employers don't want formalized curricula … They want skills-based competencies."

"Partnerships with community colleges allow [workers] to grow to the next level of education."

An example of an initiative that focuses on opportunities for improving the education system is the **Valley Initiative for Development and Advancement (VIDA)**, a nonprofit organization founded in 1995 in the Rio Grande Valley of Texas.[3] VIDA's mission revolves around the provision of workforce services that contribute to sustained economic growth for the local area and promote access to quality, living-wage jobs for

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[3] A more extensive profile of VIDA's work can be found on the AspenWSI Web site at: www.aspenwsi.org/Profiles/VIDA.pdf.

low-income residents of the region. VIDA's programs assist individuals who are poised to advance into high-skill, high-demand positions, but encounter a range of obstacles that block advancement. To accomplish this, VIDA partners with a variety of educational institutions to link clients to education and job skills training. To promote the success of its clients, VIDA provides an expansive range of tailored supports, including tuition assistance, counseling/case management, support services, a peer support framework, financial planning, career planning, job placement, and follow-up services.

One of the most comprehensive examples of VIDA's multi-faceted partnership approach can be seen in its efforts related to the Rio Grande Valley Allied Health Training Alliance. The Alliance is a region-wide collaboration including 10 hospitals, five educational institutions, four counties, and two workforce development boards working together to help local workers qualify for and obtain high-skill, high-wage jobs in occupations that otherwise are filled by professionals hired from outside the area. VIDA is the administrative, organizational and oversight hub of the Alliance. VIDA and the Alliance have developed a comprehensive set of training opportunities so that individuals already practicing in the medical field have access to the additional training or certification they need to obtain a degree or post-licensure for specialty positions, and are equipped to advance or move within the Valley's health care industry. To address a regional nurse educator shortage in the region, VIDA and the Alliance also designed expanded training avenues to equip and entice practicing nurses to become nurse educators.

Additionally, VIDA is working to improve opportunities for low-income adults to enter the health care field. VIDA and **South Texas College** have partnered to find ways to institutionalize VIDA's comprehensive and tailored student support approach, and extend the benefits of this approach to a large number of South Texas College students. As a result of this collaboration, the college has begun to implement an intensive advising and support services system to increase retention and completion among at-risk students. VIDA provides case management training to the college's admissions, financial aid and academic counselors. With VIDA as an essential partner, South Texas College is applying instructional innovation to support low-level learners and increase the rate of students completing remedial or "gatekeeper" courses and moving into credit-bearing academic courses. The college also is working to identify and address incongruities in financial aid and admissions deadlines and procedures, as well as other subtle, systemic barriers to post-secondary success.

Changing Business Practice

Sector programs engage business as partners and investors in their work in a variety of ways. They may involve businesses – individually or through trade and industry associations – in sector employment work by inviting them to participate in the design, management, financing, and implementation of activities that meet industry needs and have real business value. As their interactions with business deepen, sector initiatives may become positioned to influence business practices, particularly with regard to hiring, working conditions and worker advancement. To this end, there are many strategies, both carrots and sticks, which sector initiatives employ to change standard industry practices in ways that benefit low-wage workers, including: developing internships that expose businesses to non-traditional labor pools and provide low-income jobseekers with work experience; negotiating changes in hiring qualifications; providing higher

levels of services to employers offering relatively higher quality jobs; developing and implementing new business models by creating social-purpose businesses; helping employers institute new skills standards and credentialing; and working to influence public policy and/or regulations that impact the targeted industry.

Large percentages of respondents indicated that their initiative has been involved in activities designed to influence business practices. The table below details their responses. While fewer respondents indicated that they strive to create change in business or industry practices than did those responding that they work to change education and training system practices, the overall level of activity was still quite high.

Table 7: Survey Results – Creating Change in the Businesses or Industry					
Have you worked with business in any of the following ways to better accomplish your work in this industry? If NO, what is the main reason you have not?	YES, we have done this	NO, but a partner organization does this	NO, it is not relevant to our work	NO, funding reasons	NO, some other reason
Negotiate a set of competencies or skills for hiring	60%	14%	7%	2%	16%
Negotiate a set of competencies or skills for promotion	48%	15%	8%	4%	23%
Train supervisors or managers to better support and retain entry-level workers	46%	24%	6%	10%	12%
Persuade business(es) to improve wage and benefit structures	37%	20%	13%	4%	23%
Link business to qualified workers they do not typically hire, e.g., minority or disadvantaged individuals	77%	9%	6%	2%	4%
Offer a higher level of services to businesses that provide better-quality jobs	52%	9%	11%	5%	17%
Run a business that demonstrates the viability of providing better-quality jobs	23%	15%	19%	10%	24%
Form a coalition of businesses to address a common issue	57%	18%	7%	3%	15%
Provide consulting services or a new product you market to business, to improve competitiveness and retain or expand quality jobs	51%	9%	14%	8%	15%
Work with business to develop jobs recognizing skills learned on-the-job, or with interim advancement opportunities	52%	12%	8%	7%	19%

*Reported percentages are calculated as % of valid, non-missing responses. May not total 100% due to rounding and respondents who reported "Don't Know."

The **Auto Sales and Service Training Pathways Program** at **Shoreline Community College** in Seattle, Wash. is an example of a sector program that leverages its involvement with business partners to encourage changes in industry practice that benefit low-income people and, at the same time, enhance business performance.[4] Over time, Shoreline Community College has developed and maintained a strong working

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[4] A more extensive profile of Shoreline Community College's Auto Sales and Service Training Pathways Program can be found on the AspenWSI Web site at: www.aspenwsi.org/Profiles/Shoreline.pdf.

partnership with key industry actors in the Seattle region, including the Puget Sound Automobile Dealers Association and a group of major automobile manufacturers. The relationship between Shoreline and the dealers association began 25-plus years ago, and has resulted in the development and the construction of the Professional Automotive Career Training (PACT) center, which opened in 1992, and the creation of a two-year Automotive Service Technician degree program. Shoreline is the regional training headquarters for General Motors, American Honda, Toyota, Chrysler and Volvo. Each of these companies set up its own corporate certification programs at the college, attracting some of the most highly certified automotive service instructors in the country. Because students in Shoreline's Applied Associates in Arts and Sciences degree program are sponsored by dealerships, 100 percent of them are placed in careers with starting salaries of approximately $40,000 after graduation.

The **General Service Technician (GST)** certification training is Shoreline's newest component to the Auto Sales and Services program. The GST program builds on the capacity of the college and the longstanding industry relationships to offer a point of entry to family-sustaining jobs for individuals with barriers to education and employment. Challenged to develop a pipeline for the next generation of skilled workers and to serve an increasingly multicultural customer base, industry leaders recognize that Washington's automotive service sector must improve its image and attract a more diverse group of trained workers. "Our institution was identified for this mission because we host one of the best auto service training programs in the nation, and we have excellent success in helping non-traditional students," said Matt Houghton, the GST Project Manager at Shoreline. "Most of these non-traditional students work in low-wage jobs with little or no wage progression, and are living below poverty. We aim to fill the auto technician shortage with people who desire wage progression, but are traditionally overlooked by the industry."

From a job quality perspective, the GST program is noteworthy because it responds to a critical industry skills shortage by creating a new job title for skilled entry-level employees, who through this program will receive a newly created industry-recognized skills certification and an opportunity for higher entry-level wages.

As a part of the Auto Sales and Service Training Pathways Program, an Auto Skill Panel has been established to develop and articulate career ladder pathways in the automotive sector. The Panel, which is comprised of representatives from industry, both independent service providers and dealerships, as well as community organizations, has further strengthened the program's interaction with employers and addresses a range of industry issues related to skills gaps and standards in the work environment. Moreover, it has played an important role in getting employers to understand and value the new GST certificate.

Changing Public Policy Systems

Sector programs have identified a range of ways to use public education and advocacy activities to influence or support policies and regulations regarding workforce and competitiveness issues that affect targeted industry sectors and the low-wage workers programs seek to assist. The opportunities to influence policy that sector initiatives pursue often divide into two distinct categories: 1) policies and regulations that affect education

and training system resources, and how they can be deployed; and 2) policies, regulations and enforcement actions that influence business practices and the availability and quality of job opportunities in the targeted industry sector. Given this distinction, respondents were asked two different sets of questions regarding changing public policy.

Influencing public funding for workforce services

Workforce development practitioners report a number of concerns related to funding practices and policies, most notably, restrictions on how funds can be used and the amount of funding available. Working with business and serving workers in an industry-specific context gives sector practitioners a unique perspective on the type and amount of funding required to address a full range of both supply and demand side needs. During interviews, sector leaders identified a number of ways that public education and advocacy activities can be employed to marshal public support for industry-specific training opportunities.

The interviews revealed a variety of approaches that sector initiatives have taken to influence public funding streams, while the survey indicated which of these are most common. The most frequently cited activity was using outcomes to demonstrate the effectiveness of workforce investments, with 84 percent of respondents indicating that either they or a partner did this. The table below provides more specific information about the ways in which respondents are active in this area.

Table 8: Survey Results – Creating Change in Policies Surrounding Workforce Development Funding (n=189)					
You may find you need to influence the amount of funding available, or the requirements surrounding the use of funds to better accomplish your work in this industry. Have you done any of the following? If NO, what is the main reason you have not?	YES, we have done this	NO, but a partner organization does this	NO, it is not relevant to our work	NO, funding reasons	NO, some other reason
Conduct and publicize research on the workforce needs of your industry	53%	25%	4%	11%	4%
Use the outcomes of your work to demonstrate the effectiveness of workforce investments	77%	7%	2%	5%	7%
Organize business or community leaders, to influence funding levels or requirements	71%	13%	4%	1%	9%
Organize your peers, e.g., colleagues and workforce providers, to influence funding levels or requirements	67%	18%	3%	2%	6%
Organize low-income workers to influence funding levels or requirements	26%	24%	10%	5%	28%
Influence educational funding streams to reduce the financial barriers that keep low-income adults from post-secondary education	41%	27%	9%	4%	16%

* Reported percentages are calculated as % of valid, non-missing responses. May not total 100% due to rounding and respondents who reported "Don't Know."

The **Workforce Solutions Group** in Massachusetts is a broad, statewide coalition of workforce practitioners and stakeholders that came together to advocate for workforce development policies and funding for sector work.[5] Through its policy, advocacy, organizing and communications work, the Workforce Solutions Group played a pivotal role in the establishment of the **Massachusetts Workforce Competitiveness Trust Fund**, which provides public financing to support a range of sector initiatives throughout Massachusetts. Staff at the Workforce Solutions Group worked to develop a specific policy proposal acceptable to the coalition, and then worked with the wide range of coalition partners to build support for the enactment of the proposal.

The impetus for this policy effort came from SkillWorks, a consortium of local and national funders that had identified the need for sector initiatives in Massachusetts, and recognized that in addition to funding programs, broad-based advocacy would be required to respond to a severe statewide skills shortage and to integrate a fractured workforce system with funds flowing through 12 different state agencies. The Workforce Solutions Group won a five-year grant from SkillWorks to address these problems, as well as other issues related to the effectiveness of the state's workforce system.

The Workforce Solutions Group developed a set of policy recommendations based on a series of regional forums that drew more than 700 workers, employers, educators and advocates. In addition, the organization commissioned labor market research from the Northeastern University Center for Labor Market Studies and used this information to inform the discussions and recommendations related to the policy recommendations. The centerpiece of this legislative agenda, called the Workforce Solutions Act, was a call for the creation of a $21 million Workforce Competitiveness Trust Fund to support multiyear sector initiatives.

The Workforce Competitiveness Trust Fund is designed to support industry/sector projects targeting a particular industry important to each region. In general, critical industries are those with a strong presence and clear job needs in the region, as demonstrated by such data as location quotients, vacancy rates and other information. However, investments also may be made in other industries, such as a nascent industry that has potential to develop a strong job base, or an industry with a shrinking job base that nonetheless is still viable and important to the region. Through the Workforce Competitiveness Trust Fund, Massachusetts awarded a total of $10 million to 20 sector projects around the state in spring 2007. Awards, divided among regions, ranged from $25,000 for planning grants, up to $500,000 for implementation grants.

The **Valley Initiative for Development and Advancement (VIDA),** whose partnership with South Texas College was profiled earlier, has been successful in working with a number of cities in its service area to secure non-traditional, direct, local funding for their work. Specifically, in 1997, as a result of advocacy efforts by VIDA's founder,

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[5] The Workforce Solutions Group is led by the Massachusetts Workforce Board Association, the Massachusetts AFL-CIO, the Women's Union, and the Massachusetts Communities Action Network, and includes Associated Industries of Massachusetts, the Massachusetts Coalition for Adult Education, the Massachusetts Immigrant and Refugee Advocacy Coalition, the Massachusetts Executive Office of Community Colleges, the Massachusetts Association of Chamber of Commerce Executives, Northeastern University's Center for Labor Market Studies, The Strategy Group, and the National Network of Sector partners.

Valley Interfaith, the city of McAllen passed a referendum adopting a new one-half cent sales tax for economic development purposes, including workforce development.[6] McAllen is ranked number two in Texas in per capita sales tax receipts, given that it is a retail center for several surrounding communities. The one-half cent set aside for economic development activities is a robust source of revenue, creating approximately $1 million annually for a local job development and training fund. In 2005, approximately two-thirds of this special fund went to VIDA, covering about 25 percent of the organization's budget. The majority of the remaining funds support adult education and GED programs delivered by the Region 1 Educational Service Center ($125,000), and the development of sector-oriented education programs at South Texas College ($209,000). More recently, other cities in the region have followed suit. Today, VIDA also receives a combined $632,500 in funding from 11 surrounding cities, and may soon be funded by a regional consortium of county and city agencies financed through a combination of toll receipts, general revenue dollars and sales taxes.

Changing regulatory policies

In some cases, sector initiatives identify an issue fundamental to how an industry operates or is regulated that negatively affects access to jobs or job quality for workers. A sector initiative's systems change work may seek to spur action from the public sector to address this issue. For example, changes in licensing or certification standards might improve access to jobs for some categories of ex-offenders who previously had been statutorily barred. Or, the quality of jobs in an industry might be improved if an initiative successfully worked with industry representatives and public agencies either to improve employers' understanding of workplace safety laws, or to enforce existing laws. Unsurprisingly, given the hesitancy of many organizations to become involved in policy issues, activities related to changing regulatory practice were less commonly pursued by survey respondents than the other types of systems change activities described in this publication. Nonetheless, respondents are fairly substantially engaged in this issue area. Table 9 details respondents' activities in this category.

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[6] In 1989 and 1991, amendments were made to a Texas state law, The Development Corporation Act, allowing up to one-half cent addition to local sales tax rates for the purpose of financing economic development activities, including education and job training-related expenses.

Table 9: Survey Results – Creating Change in Regulations Relevant to the Industry (n=181)					
Please think of regulations related to this industry, e.g., licensing, safety or environmental regulations. Have you engaged in any of the following activities related to regulation of this industry? If NO, what is the main reason you have not?	YES, we have done this	NO, but a partner organization does this	NO, it is not relevant to our work	NO, funding reasons	NO, some other reason
Media or educational outreach about the need for additional or reformed industry regulation	28%	17%	27%	7%	16%
Organize low-income workers to Influence regulation	9%	20%	28%	7%	29%
Engage policy makers directly to change regulation	39%	18%	18%	6%	16%
Press public agencies to enforce regulation	19%	17%	30%	3%	24%
Perform compliance monitoring or enforcement in formal arrangement with a public or private entity	20%	13%	36%	2%	22%
Educate employers about existing laws and regulations to encourage compliance	40%	14%	23%	2%	17%
Publicize employers who are not compliant with laws and regulations	5%	8%	39%	2%	38%
Support worker unionization to give them voice on industry regulations and practices	12%	17%	29%	3%	33%

* Reported percentages are calculated as % of valid, non-missing responses. May not total 100% due to rounding and respondents who reported "Don't Know."

Hard Hatted Women (HHW) in Cleveland is an example of an organization that has worked to influence the formation and implementation of regulatory practices that impact the workers it serves. The organization's mission is to "empower women to achieve economic independence by creating workforce diversity in trade and technical careers." To accomplish its goals, HHW provides a range of workforce programming and technical assistance services to workers and businesses, and works to highlight and enforce regulations that govern the construction industry and support women who want to work in the industry. A 10-week construction Pre-Apprenticeship Training program is offered to prepare women for jobs in the skilled construction trades. In addition, HHW provides technical assistance to promote diversity to employers and unions. The program assists with outreach and recruitment of minority contractors, offers sexual harassment workshops, conducts compliance assessments designed to help contractors meet diversity goals, and collaborates to establish diversity task forces that convene industry and community stakeholders. The organization also works with local schools to supply speakers promoting non-traditional careers to students, and supports retention and advancement of women on construction job sites by providing ongoing support services. As a member of Tradeswomen Now and Tomorrow, a national coalition of organizations committed to achieving economic equity by increasing the number of women in trade and technical fields, and by fostering equality in their working conditions, HHW has helped to create a national model for achieving diversity in large-scale construction projects.

HHW has pursued and been awarded public contracts to perform workforce monitoring and diversity oversight on publicly financed construction projects. Its first such contract was from the Gateway Development Corporation to provide Equal Employment Opportunity compliance monitoring for construction of the Gateway Ballpark and Arena (1992-1994). HHW subsequently created a how-to guide, based on what was learned from this project and leveraged that work to secure two additional contracts from the U.S. General Services Administration to monitor hiring and employment compliance by contractors working on the Carl Stokes Federal Courthouse project and on Cleveland Municipal School District construction projects. These contracts led HHW to consider pursuing this line of work more systematically. A local foundation is supporting its efforts to influence employment diversity on public construction projects in the racially and ethnically diverse Cleveland area.

Our interviews with sector stakeholders revealed that programs often seek to influence policy makers to address barriers to employment and advancement by using research staff to identify underlying issues and then publishing and disseminating findings and recommendations for change. In our survey, 78 percent of respondents reported that they or a partner conduct and publicize research on the workforce needs of their targeted industry sector (Table 8). Many sector initiatives couple this type of research with targeted advocacy work to influence regulatory and fiscal policy. For example, the **Restaurant Opportunities Center of New York (ROC-NY)** in New York City conducts quantitative and qualitative research on the restaurant industry. This research is used to support worker-led campaigns to influence standard business practice and push for improved public regulatory practices. ROC-NY learned that, in many cases, restaurant owners who violate labor laws also violate the city's health and safety codes for food service establishments. This information has helped the organization gain additional leverage for change through new partnerships with public health advocates and restaurant consumers. ROC-NY and its allies now are pushing for new legislation that would require consideration of employment law violations when a restaurant owner applies for a new or renewed operating permit.

Funding Systems Change Efforts

By engaging in systemic change strategies, sector programs are able to promote better education and employment outcomes for their own participants. But as new practices are institutionalized on a large scale, some systemic changes also lead to improved education and employment opportunities for individuals beyond the direct reach of an individual workforce program. Thus, investments in systems change work can, over time, make a significant and lasting impact. However, in the short run, systems change work – which typically involves research, relationship-building, advocacy, lobbying and organizing – rarely can be tied directly to traditional workforce system performance indicators (such as enrollment, graduation and placement). For this reason, the work is difficult to fund. Some sector initiatives report that the vital work they do to overcome systemic barriers is conducted "off the clock." Such dedication, while admirable, is hardly a sustainable way to support systems change work. Recognizing the importance of these change efforts, however, some philanthropists and public sector funders invest in this work.

What can investors in workforce systems support?

There are a variety of ways in which both philanthropy and the public sector can and do support systemic change work. Models for supporting staff dedicated to policy work, research, partnership-building, convenings of stakeholders, and other collaborations provide some insight into the role that funders can and do play. Moreover, some of these examples demonstrate that relatively small investments in systems change work potentially can make a large impact.

Funding Sector Programs to Engage in Policy Work

Philanthropists and other investors, such as public agencies and industry and trade groups, can support sector initiatives in their efforts to change regulatory and financing policy to better serve low-wage workers by funding industry research, advocacy, and education and lobbying activities. For example, The Workforce Solutions Group, mentioned earlier, is funded by SkillWorks, a five-year, $15-million investment partnership among local and national foundations, the City of Boston, and the Commonwealth of Massachusetts, designed to provide Boston with a stream of reliable, skilled employees.

Nonetheless, advocacy and lobbying work, while sometimes a natural role for a sector initiative, can be among the most difficult activities for an organization to fund. As previously noted, many organizations feel their funding constrains them from engaging in systems change efforts and from attempting to influence policy, in particular. Statements such as the following were not uncommon among program respondents:

"We are grant-funded, so a lot of advocacy activity falls outside our current allowable activities."

"Our ability to organize colleagues or low-income workers is constrained by funding."

The experience of **Southern Good Faith Fund (SGFF)** in Arkansas exemplifies the strengths and challenges of conducting advocacy and lobbying work. SGFF has an internal "Policy Shop" that it established after repeatedly encountering challenges within the post-secondary system, particularly at state colleges, that made it difficult for clients to achieve their educational goals. SGFF leadership reports that by engaging in policy work that is closely tied to workforce programming, the organization stays informed and gains credibility. Based on its experiences and outcomes achieved, the organization is able to discuss with policy makers issues that hinder its efforts. For example, while SGFF was working with Southeast Arkansas College on a health care career pathways project for low-income area residents, an opportunity arose to expand this approach to career pathways throughout Arkansas. Ongoing work gave SGFF the credibility with the state legislature and the executive branch to advocate effectively for extending the approach statewide, and its experience helped it propose specific details that would allow low-income adults to participate and be successful in the program. Importantly, SGFF not only encouraged the state to fund and support career pathways models, it also provided key experience about how the programs should operate.

Although policy work is integral to the organization's mission, at times SGFF has struggled to finance it. Angela Duran, president of the SGFF, explained that, "The policy work component can be the hardest to pay for and you usually need some

unrestricted funds to do it." On the other hand, she notes that actual lobbying accounts for a very small fraction of her policy expenses, "You can get a lot of your policy work done without actually lobbying on a specific piece of legislation, by educating policy makers about effective models and strategies used in other states through policy reports, conferences and meetings."

Funding Industry-Specific Research

Sector-specific workforce research often provides the rationale and impetus for changing how systems operate. Sector initiatives that conduct industry research on an ongoing basis are able to continuously inform operations, develop sectoral knowledge and expertise that enhances their credibility with industry actors, and, in many cases, build stronger relationships with business partners – while also influencing policy. In this way, research activities are a natural link between service provision and systemic change activities.

To conduct and disseminate industry research, sector initiatives require support for research staff and for disseminating information and publishing reports. Sector initiatives can benefit tremendously when research capacity is integrated into their permanent operations. One of the core objectives of **Port Jobs** in Seattle is to serve as a catalyst for change in the regional workforce system. In so doing, the organization seeks to achieve its goal of helping low-income workers obtain quality jobs. Because the organization views this systems change role as central to its overall strategy, Port Jobs has integrated a research function into its ongoing operations by keeping a researcher on staff and contracting for additional policy/applied research and evaluation services as needed.

For example, over the past 10 years, Port Jobs has conducted ongoing research on apprenticeship programs for the skilled trades in the Seattle area. Recognizing that employment in the trades provides an income, benefits and a pension plan that enables working people to support their families, the organization has sought to understand industry dynamics that impact low-income workers' accessibility to these jobs.

Through this work, Port Jobs has learned about a variety of critical issues impacting workforce preparation for trades occupations, including difficulties recruiting women and people of color, issues with retention in apprenticeship programs, space constraints for training, etc. These findings have led Port Jobs and its partners to develop programs such as the Apprenticeship Opportunities Project, which recruits community residents to enter and succeed in apprenticeships and skilled jobs in the trades. Services include case management and retention support for women and people of color enrolled in apprenticeship programs. The findings have also resulted in the development of Apprenticeship Utilization Agreements that support and sustain apprenticeship programs by encouraging public and private developers to use apprentice labor.

Port Jobs opened for business in 1993 with funding for research and services from the Port of Seattle, King County, the City of Seattle and the Northwest Area Foundation. Today, the Port of Seattle remains the organization's largest funder, providing almost half of the organization's annual budget and supporting its ability to conduct this vital research work.

Another way in which investors can support the essential work of systems change is by funding mechanisms for bringing stakeholders in a region and/or industry together to address issues that affect labor and business in that sector. Developing partnerships to create systemic change may involve support for: liaisons that broker relationships among diverse actors; work groups that bring key parties together to discuss issues and develop strategies; conferences or other convenings; and creation of ongoing structures to facilitate partnership building. Such activities, and the resulting work of the partners, can occur at various levels and may encompass a range of institutional types.

Washington State's Industry Skills Panels are an example of publicly supported local industry partnerships. The state has funded a range of Skills Panels in a variety of industries since inception in 2000. The Skills Panels serve as mechanisms for public and private partners to work together to improve the skills of workers in industries vital to Washington's economy. While auto services was not included in the industries targeted by the state, the Auto Sales and Service Training Pathways Program at Shoreline Community College, described earlier, follows the same model developed in the Industry Skills Panels. These alliances bring a range of stakeholders together to conduct sectoral research, develop solutions to close industry skill gaps and advocate for change on behalf of industries and workers.

The **Baltimore Alliance for Careers in Healthcare (BACH)** exemplifies the role philanthropy can play in bringing stakeholders together. BACH was created by six local foundations to bring acute health care providers together to create workforce solutions that link low-income individuals to improved employment opportunities, while addressing critical skills shortages for the area's hospital systems. BACH involves 80 members, including representatives from eight hospitals, the Baltimore City Department of Social Services, the Baltimore Workforce Investment Board, education and community-based organizations, and philanthropic supporters. Despite the large scale of BACH, the organization supporting the initiative has been kept intentionally small and focused on playing a research and convening role, rather than providing direct services. BACH conducts research on employment needs in the regional industry, convenes members to develop strategies for addressing skills gaps, and provides a forum in which employers can discuss common workforce issues and negotiate common practices and solutions. In addition, BACH administers a grant fund that supports career coaches for incumbent workers and a developmental education program to help workers with low reading and math abilities bridge the gap to education required for high-demand acute care occupations. One of BACH's goals is to help broker more effective relationships among community-based organizations, community colleges and employers to address barriers to training, advancement and certification for disadvantaged adults. Despite receiving philanthropic support, BACH's Executive Director Ronald Hearn, predicts that maintaining long-term funding for its core work of bringing stakeholders together to pursue lasting systemic change will be an ongoing challenge.

What outcomes can be expected?

For supporters of systems change policy and advocacy work, one of the greatest challenges has been establishing expectations and documenting indicators of impact.

Results of systems change work are frequently difficult to identify and describe, much less quantify. Changes are often incremental and can accrue over a period of time that is longer than a typical grant or contract award and reporting cycles. Further complicating the ability to measure results is that, by nature, this work occurs within complex systems that are influenced by a wide range of internal and external factors and agencies, sometimes making it difficult to accurately track the direct impact of a sector strategy. AspenWSI has found that sector leaders are also generally reluctant to "claim" a change – noting that this would be unfair or impolitic. Thus, funding and evaluating systems change efforts requires a willingness to look beyond traditional performance indicators.

Systems change outcomes most often are qualitative and can be observed through such indicators as the creation of new relationships, the institutionalization of new processes among key actors such as educational institutions or employers, enhanced organizational reputation, or revised public policies. While some of these outcomes – such as a public policy "win" – can be very powerful, attributing the outcome directly to the efforts of a sector initiative can be challenging. Such events often are influenced by many factors, confounding our ability to attribute it to an individual or group of individuals. For funders, understanding the impacts of their investments in systems change work may require close engagement with grantees in order to see changes that are not readily visible to system outsiders.

Conclusion

"We don't do any of the activities mentioned alone … they are all with industry associations, employers, educational institutions, other workforce boards, community based providers, etc."

"These activities are critical to us successfully accomplishing our mission, however they are not what is typically funded, and are often performed 'above and beyond' the normal responsibilities of the staff."

"It is embedded in our organization's mission to work toward social change."

There is never enough money. But despite that constant, it is clear that many sector initiative leaders have embraced the role of change agent. The range of change objectives varies widely, according to industry needs, regional resources, organizational priorities and other factors. Change efforts often are seen as integral to a sector initiative's mission, but organizations engage a range of other agencies in pursuing their systems change goals. Indeed, creating these coalitions is often a key way to achieve systems change goals.

For investors in this work, there is considerable creative thinking in the field, and a substantial base of experience to build on. Sector initiatives led by individuals who have credibility among local stakeholders, are knowledgeable about their industry, and have a strong sense of mission, offer promising opportunities for systems change investments. These investments, however, remain risky – outcomes are uncertain, but can be very powerful when they are realized. Communicating clearly about the goals, challenges, tactics and resources related to a change effort can help investors and initiative leaders develop funding and implementation strategies that can support effective systems change efforts. It is hoped that the framework offered in this paper can be a basis for such discussions.

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* *Sector Strategies for Low-Income Workers: Lessons from the Field,* www.aspenwsi.org/sectorstrategies.

* *Sector Strategies in Brief,* www.aspenwsi.org/sectorstrategiesbrief.

* Profiles of sector initiatives, www.aspenwsi.org/sectorstrategiesprofiles.