

Career Pathways

One City
Working Together



The City of New York
Mayor Bill de Blasio

Alicia Glen, Deputy Mayor for
Housing & Economic Development

NYC

Executive Summary

Our Challenge

With a gross metropolitan product of almost \$1.5 trillion—roughly the size of the second and third largest metropolitan economies in the US combined—the New York Metropolitan Area is home to one of the most vibrant economies in the world. We know that one of the key factors driving this economic growth is New York City’s most valuable resource: its human capital.

Yet, despite this picture of economic success, many families would tell a very different story. The unbalanced economic recovery that followed the Great Recession underscored structural weaknesses in the labor market that need to be rectified if the City is to prosper over the long term. Nearly a million working New Yorkers—almost a quarter of the total labor force—earn less than \$20,000 per year. Because these workers rarely possess the qualifications they need to advance to middle-class jobs, many of these individuals have no escape from poverty. This surplus of low-skill workers with no means of getting ahead has also eroded labor standards, often resulting in working conditions that are both detrimental to workers and bad for business.

At the same time, employers that offer higher quality jobs in industries such as healthcare, technology and modern manufacturing are facing a shortage of skilled workers. The net effect of this divide—unskilled New Yorkers struggling with stagnating wages and adverse work conditions on one hand, and employers grappling with a shortage of skilled labor to drive productivity on the other—is a significant missed opportunity to strengthen our labor market as well as grow our economy.

New York City’s workforce system is currently not configured to address these challenges. Over the past 20 years, the workforce system has shifted away from job training to focus almost exclusively on job placement without any strategic focus on high-value economic sectors. The system has moved too far in this direction without adapting its practices to changing market conditions. Currently, roughly two-thirds of the \$500 million spent annually on workforce services is allocated to programs that connect jobseekers to entry-level positions with low wages and limited advancement prospects. By contrast, only about seven percent of this budget supports training programs that can provide skills that lead to career-track jobs with opportunities for advancement.

Without a doubt, the workforce system’s fragmentation poses a significant barrier to addressing these challenges. For decades, City agencies have maintained disparate goals and processes, leading to uncoordinated program offerings and confusion among jobseekers and employers. We have also failed to meaningfully connect the City’s economic development investments and spending to potential employment and career advancement opportunities.

Our Goal

Mayor Bill de Blasio took two steps earlier this year to begin addressing these issues. In April, he established the Mayor’s Office of Workforce Development to serve as

the coordinating entity for the City’s workforce initiatives. A month later, he convened the Jobs for New Yorkers Task Force (the Task Force), comprised of members from government agencies, businesses, educational institutions, organized labor, nonprofits, and philanthropy, to articulate goals for the new workforce system.

The Task Force has developed a series of recommendations to build a workforce system that will:

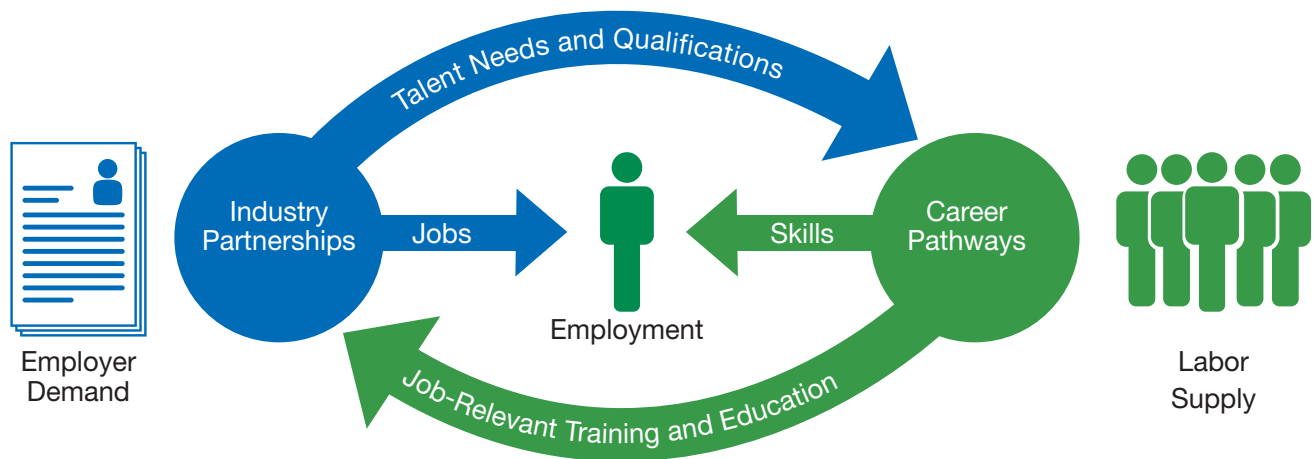
- Support career advancement and income mobility by helping jobseekers and incumbent workers address educational needs and develop high-demand skills;
- Ensure that businesses in New York City can find the talent they need within the five boroughs;
- Improve the quality of low-wage jobs to benefit both workers and their employers;
- Leverage New York City’s economic development investments and purchasing power to place more New Yorkers into jobs; and
- Function as a coherent system that rewards job quality instead of the quantity of job placements by using system-wide job outcome data.

Our Strategy

To achieve this, the Task Force made recommendations in three key policy areas: **building skills employers seek, improving job quality, and increasing system and policy coordination.** The City is committed to implementing these recommendations and establishing a workforce system that supports upward income mobility and better job quality within a coordinated, data-driven infrastructure.

1. Building skills employers seek. The workforce system will significantly expand its capacity to provide job-relevant skills and education. The City will implement two interrelated and mutually-dependent strategies to achieve this: *Industry Partnerships* and *Career Pathways*.

Industry Partnerships will be comprised of teams of industry experts focused on addressing mismatches between labor market supply and demand in six economic sectors. To define and fulfill labor demand in their respective sectors, Industry Partnerships will establish ongoing “feedback loops,” or a platform for regular interaction with employers. Industry Partnerships will work to determine the skills and qualifications that employers need, and continuously upgrade curricula, training, and credential attainment programs to reflect local market conditions. Industry Partnerships will collaborate with organized labor, educational institutions, service providers, philanthropy, and City agencies to develop workforce development strategies and mobilize resources in their respective sectors.



Career Pathways will be a new system-wide framework that aligns education and training with specific advancement opportunities for a broad range of jobseekers. All agencies overseeing workforce development programs will reorient their services toward career progression instead of stopping at job placement. This effort will include sector-focused bridge programs, skills training, job-relevant curricula, and work-based learning opportunities.

The City will adopt the following recommendations to help New Yorkers build the skills that employers seek:

- **RECOMMENDATION 1:** Launch or expand Industry Partnerships with real-time feedback loops in six sectors: healthcare, technology, industrial/manufacturing, and construction, which will focus on training more New Yorkers for jobs with career potential, and retail and food service, which will focus on improving the quality of low-wage occupations.
- **RECOMMENDATION 2:** Establish Career Pathways as the framework for the City’s workforce system.
- **RECOMMENDATION 3:** Invest \$60 million annually by 2020 in bridge programs that prepare low-skill jobseekers for entry-level work and middle-skill job training.
- **RECOMMENDATION 4:** Triple the City’s training investment to \$100 million annually by 2020 in career-track, middle-skill occupations, including greater support for incumbent workers who are not getting ahead.
- **RECOMMENDATION 5:** Improve and expand CTE and college preparedness programs, adjust CUNY’s alternative credit policy, and invest in career counseling to increase educational persistence and better support students’ long-term employment prospects.
- **RECOMMENDATION 6:** Increase work-based learning opportunities for youth and high-need jobseekers.

2. Improving job quality. In addition to enabling income mobility by investing in skill development, the City will take measures to support the economic stability of New Yorkers in lower-wage jobs. Building on recently passed Living Wage and Paid Sick Leave legislation, the workforce system will pursue a “raise the floor” strategy that rewards good business practices and promotes a baseline level of stability for low-wage workers.

The City will adopt the following recommendations to improve job quality:

- **RECOMMENDATION 7:** Create a standard that recognizes high-road employers who have good business practices, with the goal of assessing at least 500 local businesses by the end of 2015.
- **RECOMMENDATION 8:** Improve the conditions of low-wage work by expanding access to financial empowerment resources in partnership with at least 100 employers and pursuing legislative changes such as increasing the minimum wage.

3. Increasing system and policy coordination. New York City’s economic development investments and contracts must work in tandem with training and employment services to deliver value not only for the entities that benefit from public subsidies, but for jobseekers and incumbent workers as well. Accordingly, the multiple agencies that administer workforce programs must also function cohesively, with shared metrics, definitions, requirements, processes, and data systems.

The City will adopt the following recommendations to increase system and policy coordination:

- **RECOMMENDATION 9:** Maximize local job opportunities through the City’s contracts and economic development investments by establishing a “First Look” hiring process and enforcing targeted hiring provisions in social service contracts.
- **RECOMMENDATION 10:** Reimburse workforce agencies on the basis of job quality instead of the quantity of job placements by aligning service providers under a system-wide data infrastructure that measures job outcomes such as full-time work, wage growth and job continuity.

Our Plan

The City is committed to implementing the recommendations of the Task Force and to achieving the transformational vision of this report, *Career Pathways*, which will improve outcomes for both workers and employers. This effort will require a sustained commitment from the City's partners in the private sector, the nonprofit community, and philanthropy. Although the task will be challenging, the potential payoff is enormous: a better life for countless hardworking New Yorkers and a much stronger competitive position for businesses across the five boroughs.