



What Is a Sector Initiative?

**An Introduction for
Sector Initiative Leaders,
Policy-makers, and Other Partners**

Who We Are

Insight Center for Community Economic Development

- National, nonprofit, research and consulting organization formed in 1969. Previously: National Economic Development & Law Center.
- Mission: helping people and communities become, and remain, economically secure.

National Network of Sector Partners

- Project of the Insight Center for Community Economic Development.
- Membership organization of sector initiatives and their supporters, formed in 1999.
- Mission: to promote the use of sector initiatives and strategies that support them in order to improve employment and economic opportunities for low-income individuals, families, and communities, strengthen industry sectors that are important to regional labor markets, and increase regional economic vitality.

Description of Sector Initiatives

Key Characteristics

1. Focus intensively on an industry within a regional labor market, and multiple employers in the industry, over a sustained period of time
2. Are led by a workforce intermediary with credibility in the industry
3. Create new pathways for low wage workers into the industry, and up to good jobs and careers
4. Achieve systemic changes that are “win-win” for employers, workers, and the community.

Sector Initiatives: Structure

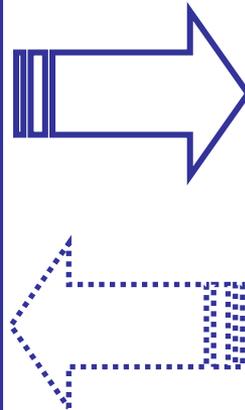
Focus:

An Industry within a Regional Labor Market

Management by a Workforce Intermediary
Services Delivered by Partner Organizations

Design/Development

- Convene partnership
- Conduct research
- Target occupations
- Design services
- Determine new needs
- Obtain start-up resources



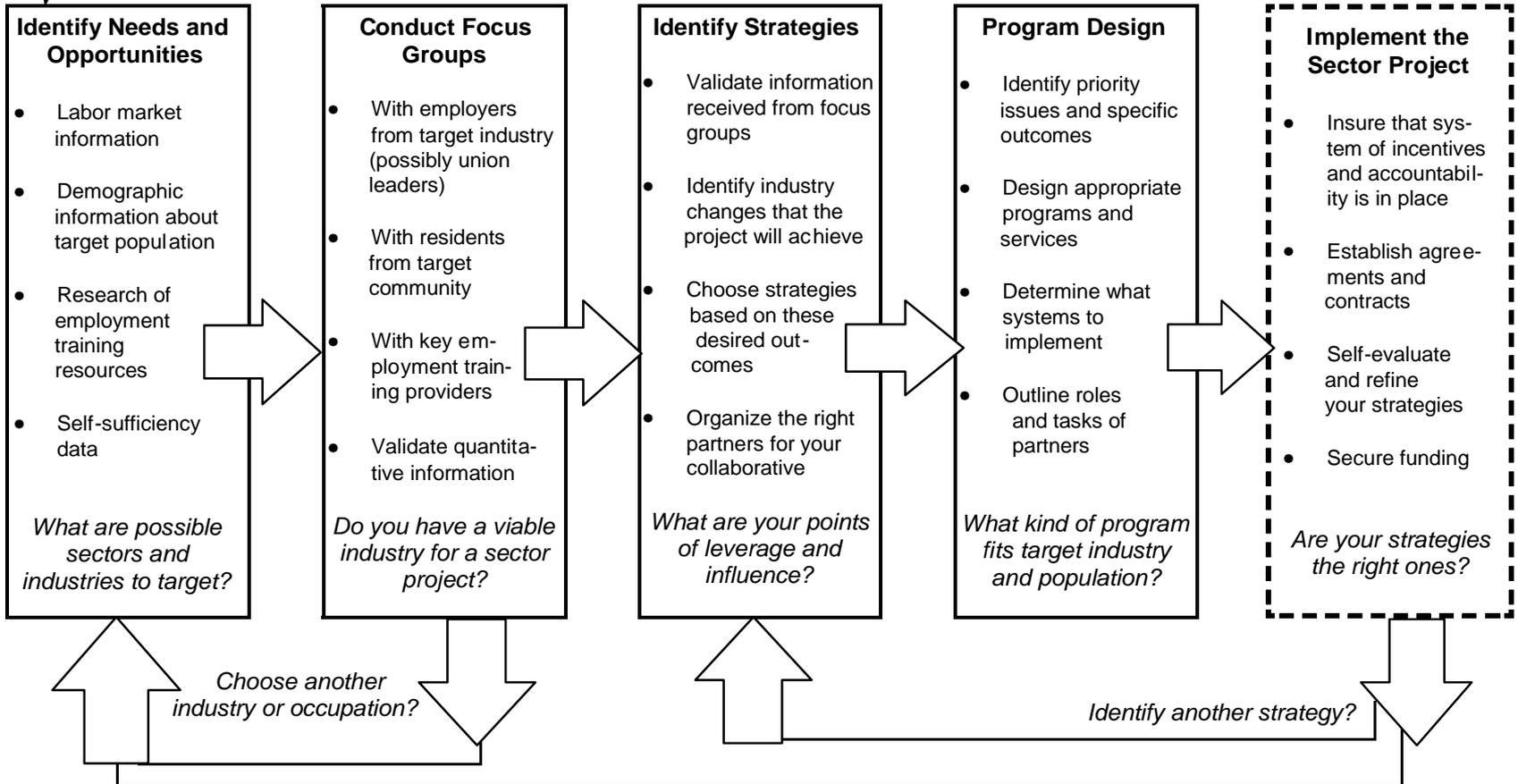
Operations

- Provide programmatic services to workers and employers
- Coordinate activities to produce outcomes
- Obtain resources for sustainability and expansion
- Bring about system change

Before starting research and design, create a *mission statement*

Sector Initiative Research and Design

Identify partners/stakeholders and *build relationships* throughout these phases of development



Does your program meet its intended goals?

Workforce Intermediary Roles

- Manage the financing of the initiative and coordinate resources
- Manage and monitor the initiative's progress, and ensure that its strategies change in response to new needs and new conditions
- Broker or deliver services
- Stimulate systems change
- Monitor outcomes for industry and workers
- Market the sector initiative; publicize progress

Potential Partner Roles

- Provide accurate industry, worker, and job-seeker assessments
- Provide high-quality services that respond to sector employers' and workers' needs, and adapt them in response to changes in sector initiative strategy
- Bring about change in industry practice, institutions, and policy
- Seek and contribute resources
- Help analyze progress and celebrate success
- Collaborate on data-driven learning and decisions

Examples of Sector Initiative Partners

- Businesses
- Business/Trade Associations, Labor Unions, and Labor-Management Partnerships
- Community Colleges, Adult Ed, Training Providers
- Community-based and Faith-based Organizations
- Workforce Organizations: WIBs, Career Centers
- Providers of Work-Related Social Services
- Workforce, Economic Dev. and Other Agencies
- Advocacy or Interest Groups

Improving Access to “Good” Jobs

Sector initiatives’ approaches include:

- Methods of skill development that works for industry and workers and lead to hiring/promotion
- Establishment of career paths so workers can move up
- Development of support services so workers can succeed in skill acquisition and employment
- Provision of support from peers or mentors
- Calibration of hiring requirements to occupational requirements
- Enforcement of legal requirements

“Win-Win” Job Quality Improvement

Sector initiatives’ approaches include:

- Improvement of working conditions
- Training of supervisors
- Establishing tiers of service to employers
- Establishing industry recognized credentials
- Enforcing the law regarding worker treatment
- Marketing of companies with good HR practices
- Inclusion, diversity, and cultural competence

Industry Benefits

- Improved capacity to produce goods/services positions businesses to increase top line
- Creation of skill development pipelines based on industry-wide need, aligning previously disconnected resources
- Shared costs and risks of program development, better responsiveness and availability, benefits of scale
- Improved employability, morale, retention, quality, efficiency, and output positions business to improve bottom line
 - Through access to support services for job seekers and workers, better human resource practices, and improved working conditions or expanded opportunities for career advancement

Results for Massachusetts Employers

3rd-party evaluation of sector initiatives showed:

- Turnover: 41% reduction
- Rework: 19% reduction
- Customer complaints: 23% reduction
- Companies that said partnerships with other companies were valuable: 100%

Worker Benefits

- Increased availability of jobs offering decent wages, benefits, and/or opportunities for advancement
- Improved working conditions for entry-level and low-skilled workers
- Expanded supply, accessibility, and coordination of work supports for low-income workers that lead to better job retention
- Increased opportunities for education and training for high-demand occupations
 - including literacy, language, and job-skills development programs

Results for Low-Income Workers

Aspen Institute evaluation of six sector initiatives across the United States showed:

- Participants who worked: 74% before training; 94% after
- Workers' median earnings: \$8,580 at baseline, \$14,040 in the year after training, \$17,732 in the second year after training
- Participants who moved out of poverty: 48% -- based on earnings alone
- Participants who reported better job prospects: 82%

Community Benefits

- Close skill and labor gaps in the labor market
- Enhance a community's ability to attract and retain higher-wage employers
- Support the retention and expansion of local industries
- Address poverty and unemployment challenges
- Increase community cooperation
- Use public resources more efficiently and effectively

Systems Change Impact

Sector initiatives address key problems for

- An industry's businesses
- The industry's workforce/potential workforce

By doing so, they gain leverage for systems change in the areas of

- Workforce and economic development (including education/training, support services, business services, etc.)
- Public policy
- Industry practice

Example of Institutional Change

Los Angeles Healthcare Workforce Development Program

- Has served 1,000 people; 89 percent are people of color.
- SEIU 721, Department of Health Services & L.A. City Community College district
- New approach to preparing those not college-ready
 - Weekend & evening classes
 - Occupationally contextualized classroom-based developmental courses
 - Cohorts with coaches and tutors
- Success Factors
 - Early partnership agreement that pilots will be scaled up
 - High level of start-up funding
 - Commitment by Community College District Chancellor to improve service for urban poor

Example of Policy Change

San Francisco Working Families Credit

- SF Works: Program of the San Francisco Chamber of Commerce Foundation; co-located with the Chamber
- Strategy to increase economic self-sufficiency of low-income workers
- Partnered with a local child-advocacy organization
 - Local match to the Earned Income Tax Credit for working poor families
 - First two years' **Working Families Credit** helped boost the incomes of more than 16,000 families
- Success Factors
 - Simultaneously operating programs and building alliances with businesses and nonprofits made it possible to mobilize both constituencies
 - Executive Director's Civic leadership provided influence

Example of Industry Change

Manufacturing Works

- Contractor: Instituto del Progreso Latino
- Ranks businesses based on worker compensation, bonuses and working conditions
 - Top tier businesses are given priority when seeking recruitment assistance, incumbent-worker training, and other training
- Assists lower tier businesses to improve job quality
 - Human resource consulting, lean manufacturing workshops, help locating affordable healthcare options and other services
- Results: job quality improves & industry improves its capacity to attract and retain skilled workers

Involving Business/Meeting Industry Needs

Success factors

- Deep knowledge of industry, its culture, and employers' needs
- Credibility with industry, or an effective strategy to gain it
- Entrepreneurial character
- Capacity to develop solutions for businesses & workers
 - Tiers of service: businesses that have good jobs, that want to improve job quality, other
- Meaningful measures of results, and effective ways to report
- Focus on quick response to changing industry needs
- Commitment to long-term involvement
- Governance that involves business leaders in key decisions

Recruiting Workers/Meeting Worker Needs

Success factors

- Deep understanding of workers' and job seekers' needs and perspectives
- Credibility with community leaders
- Effective communication vehicles
- Programmatic capacity to address specific needs regarding skill development and support services
- Influence to bring about systems changes that increase access and retention in programs and employment