Background

Sector Initiatives as a Workforce Development Approach

Sector initiatives are regional, industry-focused approaches to workforce and economic development that help make good jobs more accessible to job seekers and workers, and increase the quality of existing jobs while strengthening an industry’s workforce. Four common elements distinguish sector initiatives from conventional workforce development programs. Sector initiatives:

- focus intensively on a specific industry over a sustained time period, customizing solutions for multiple employers within a regional labor market.
- strengthen economic growth and industry competitiveness by creating new pathways into targeted industries, and toward good jobs and careers. This approach benefits low-income individuals and sustains and creates middle-class jobs.
- utilize workforce intermediaries, organizations that have a deep understanding of worker and employer issues in an industry and within a regional labor market. These organizations facilitate the many stakeholders involved to develop and implement industry-based workforce solutions.
- promote systemic change that achieves benefits for the industry, workers, and the community.

About the Insight Center for Community Economic Development

Established in 1969, originally as the National Economic Development and Law Center (NEDLC), the Insight Center for Community Economic Development (Insight Center) is a research, consulting, and legal organization dedicated to building economic health and opportunity in vulnerable communities. The Insight Center partners with a diverse range of colleagues to develop innovative strategies and programs that result in systemic change, and help people become, and remain, economically secure.

One of the Insight Center’s key strategies is promoting the advancement of low-income workers, the underemployed, and the underrepresented through industry sector-focused programs. The Insight Center has carried out, and managed, a significant amount of research focused on this strategy and other community economic development strategies. Since sector initiatives first emerged as a workforce development strategy, the Insight Center has played an important role in the development and expansion of the strategy nationwide. The Insight Center manages the National Network of Sector Partners.

The National Network of Sector Partners

The National Network of Sector Partners (NNSP) was founded in 1999. NNSP is a nation-wide membership organization dedicated to promoting and increasing support for sector initiatives.

NNSP promotes 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, to strengthen industry sectors that are important to regional labor markets, and to increase regional economic vitality. Our goals are to:

- Expand the commitment of public and private resources to industry-specific workforce development
- Achieve the enactment of supportive public policy
- Raise awareness about the benefits of sector initiatives
- Increase the quality, capacity, and number of sector initiatives
- Provide information and resources to those working in the sector field
NNSP works in partnership with local community stakeholders to design, implement, and improve sector initiatives. We also promote effective sector policies that align workforce, economic-development, education, and social service systems.

A national advisory committee primarily composed of sector initiative leaders guides the work of NNSP. The advisory committee also includes leaders representing national organizations, funders, business and labor.

Acknowledgements

This report was written by Ravi Mangat, Program Manager for the National Network of Sector Partners. The Insight Center is grateful to each of the sector initiative leaders who took the time to complete this detailed survey. Their responses were invaluable in informing this maturing field of practice.

We also thank the following organizations for recommending respondents for this survey, helping us fine-tune, or disseminating it: the AFLCIO’s Working for America Institute, the Aspen Institute’s Workforce Strategy Initiative, Instituto del Progreso Latino, San Francisco Office of Economic and Workforce Development (OEWD), Jobs for the Future, the National Association of Workforce Boards, National Council of La Raza (NCLR), Public/Private Ventures, and Regional Technology Strategies.

In addition, we thank representatives of the workforce development departments in the following states for helping to disseminate the survey: New York, Pennsylvania, Minnesota, Massachusetts, and Georgia.

We also thank Bronwyn Mauldin who posted the survey to her Workforce Developments blog¹, thereby launching Sector Snapshot on its first foray into social media, as well as to Saskia Traill, currently Director of Policy at the After School Corporation, and former Insight Center Program Manager, who advised on our analysis of survey responses, and Lori Warren, former Insight Center Communications Director, who advised on survey and research development.

Additional thanks to the NNSP Advisory Committee², particularly Ric Gudell, Scott Sheely, Steven Horsford, Cheryl Feldman, Paula Gomez Farrell, Phyllis Eisen, and Nancy Mills, who provided their insight and guidance in this effort. The survey was designed by NNSP staff with assistance from these advisory committee members, and several sector initiatives. Finally, thanks to my colleagues at the Insight Center: Jack Mills, Jim Torrens and Tim Lohrentz, Esther Polk and LaVerne Gardner for their assistance in developing the survey and this report.

We also wish to acknowledge the generous support of the Charles Stewart Mott and Ford Foundations, without which this survey and report would not have been possible.

Background to survey and methodology

A survey conducted in 2009 by NNSP provides the data for this Sector Snapshot. It is the fourth such survey NNSP has conducted.

In 2000, NNSP conducted the first nationwide survey of sector initiatives. The resulting report, Scanning the Field, provided a snapshot of the sector field. It identified which industries the surveyed sector initiatives targeted, identified how they were being funded, the strategies they used, and the types of assistance necessary for them to flourish.

NNSP produced subsequent editions of Sector Snapshot in 2003 and 2007. In the third edition the survey added a focus on the role sector initiatives play in systems change. Systems change includes the impact that sector initiatives have that extends beyond their programmatic scope and duration such as changing industry practices to improve employment opportunities and conditions, changing providers’ services to

¹ http://workforcedev.typepad.com/workforcedev
² A full list of advisory committee members and their organizations can be accessed at: http://www.insightcced.org/index.php?page=nssp-advisory-committee
workers and industry to improve their quality (and increase their coordination), and changing policy to make it more supportive of a sector’s employers, its workforce, or sector initiatives themselves.

The 2010 edition of Sector Snapshot made use of an on-line survey for the first time, which allowed for wider distribution than previous versions. NNSP distributed the survey to a list of organizations that are involved with workforce development programs. This list was compiled from NNSP’s database of organizations, which includes past and present NNSP members as well as those that have attended NNSP events.

Additional lists of organizations were provided by AFLCIO’s Working for America Institute, the Aspen Institute’s Workforce Strategy Initiative, Instituto del Progreso Latino, Jobs for the Future, the National Association of Workforce Boards, National Council of La Raza (NCLR), Public/Private Ventures, and Regional Technology Strategies.

The survey received 200 responses from organizations. Of these, 196 responses were considered qualifying by the fact that the organization identified themselves as operating industry focused workforce development programs. A full list of qualifying respondents is included in Appendix A.

**Cross tabulation analysis**

We used cross-tabulated analysis to determine the relationship amongst certain variables, for instance whether certain organization types (e.g. WIBs) are more likely to target specific industry sectors. When the report uses the phrase “more likely” this means that occurrence is more likely at the 5% significance level.
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Executive Summary

Sector initiatives, also known as sector partnerships, are regional, industry-focused approaches to workforce and economic development that help make good jobs more accessible to low-income workers and increase the quality of existing jobs in ways that strengthen an industry’s workforce. In 2000, NNSP published the results of the first nationwide survey of sector initiatives, the purpose of which was to describe the scope and key characteristics of the field. Subsequent editions, in 2003 and 2007, provided updates and expanded the information and analysis they provided. The 2010 Sector Snapshot contains responses from 196 different organizations involved in sector initiatives, and provides a broader range of information and analysis than ever before.

Growing body of research

The 2010 Sector Snapshot adds to a growing body of evidence demonstrating that sector initiatives are beneficial to jobseekers, workers, and employers, and therefore to the nation’s economic growth. In 2009, the results of a random assignment evaluation showed that individuals involved in sector initiatives received significantly higher average wages when they were hired, and over the long-term—a conclusion that is also supported by multiple longitudinal evaluations. Other studies have concluded that sector initiatives benefit employers. For instance, in an evaluation of Pennsylvania’s state sector strategy, 84 percent of employers surveyed reported that sector partnerships helped them markedly increase their productivity.

Overview

Overall, the 2010 Sector Snapshot reveals that sector initiatives have become more important as a means of providing workforce development, adult literacy, post-secondary education, and economic development services. They have expanded into new industry sectors, grown in number throughout the country, involved employers in a more integrated way, broadened the types of organizations involved, and more specifically targeted the needs of low-income and other disadvantaged individuals. Additionally, they are weathering the economic storm by adapting their range of services to job-seekers, incumbent workers, and businesses, and leveraging public funding associated with the economic recovery.

Perhaps most significantly, sector initiatives are helping create change in how industries hire, promote, and retain workers and how workforce development and other services are organized and delivered. Similarly, there has been significant growth and change in policy. For instance, in 2007, 11 states appointed leadership teams to examine how they could support sector strategies. Now, half the nation’s states are already employing sector strategies or actively investigating how they can do so.

Characteristics of Sector Initiatives

Sector initiatives target a wide range of industries

Sector initiatives are operating in at least 22 separate industry sectors. As in the 2007 Snapshot, healthcare (66% of organizations), manufacturing (57%), and construction (40%) continue to be the three main industries targeted by sector initiatives, which are also three of the largest sectors of the economy. The field also reflects changing industry patterns in the economy, with more than a third of organizations targeting the energy and utilities sector, a far greater proportion than the previous survey. The vast majority (83%) of organizations responding to the survey are involved in more than one industry focused sector initiative. Organizations are involved with a median of four sector initiatives in different industries.

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3 For a more detailed definition please see the background section of this report
4 For more information on the studies cited here and others, please see Appendix C
A wide range of organization types are involved in sector partnerships

Again, similar to the 2007 Snapshot, the organizations most commonly involved in sector initiatives are WIBs (27% of organizations) and Community Based Organizations (22%). Overall, WIBs are also the most likely organization to play the intermediary role in the sector partnership. Many other types of organizations are also involved in sector initiatives: community colleges and other training providers, economic development agencies/community development corporations, employers and employer associations, union affiliated organizations, research and/or advocacy organizations, among others.

This most recent Snapshot reveals a comparatively more equal distribution of organization types (involved in sector initiatives). This indicates that a wider range of organization types are focusing more attention on the sector approach as an effective workforce development solution.

The field of sector initiatives is maturing

The field has also matured - 85% of organizations have partnered on sector initiatives for at least 3 years. The median length of time that organizations have been involved with sector initiatives is six-and-a-half years. It is also notable that there continues to be a significant group of newer organizations - 15%, that have been involved with sector initiatives for less than two years.

Sector initiatives are widespread and impacting all parts of the country

Organizations that partner on sector initiatives are mainly city, county or regional in scope (75%), compared to those that focus statewide or nationwide (22% combined).

Most participants in initiatives are from urban or suburban areas. However, 30% of participants are from rural areas, which compares favorably to an overall rural population of 16%.

Sector initiatives are commonly found across the country, and concentrations can be found in the Great Lakes and the states bordering the Pacific. Sector initiatives are less concentrated in the Farm Belt, Mountain region, and parts of the South.

Impact of Sector Initiatives

Initiatives are helping a significant number of jobseekers, workers & businesses

Almost all (93%) sector initiatives offer direct services to workers or jobseekers. Focusing on each organization’s most successful sector initiative, they provide at least one workforce development service to a median of 76 incumbent workers and 71 jobseekers per year. The corresponding figure at the organizational level is a median of 360 incumbent workers and 400 jobseekers per year, across all of their sector specific initiatives.

Though the exact number of sector initiatives is not known, NNSP estimates that there are at least one thousand initiatives across the country, and the number is growing. Since the mean number of individuals served by each initiative is several times the median figures noted above (mainly due to the presence of several very large initiatives) it is clear that sector initiatives not only have a major impact on the communities in which they operate, but on the country as a whole, and this impact is growing.

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5 Some of these are focused on specific populations such as youth programs, and adult basic education providers
6 http://www.ers.usda.gov/StateFacts/US.htm
7 The initiative that provides services to the most individuals
Business services and involvement

Sector initiatives in this survey provided services to a median of 20 businesses. Customized workforce training (e.g. technical/trade skills) and referral of candidates are the two most commonly used services, a pattern also noted in the 2007 Snapshot.

Businesses continue to take a very active role in the implementation of sector initiatives. The vast majority of sector initiatives report that employers are involved with governance, program design, publicity, and providing funding or resources.

Sector initiatives are inclusive of all individuals

Sector initiatives are particularly inclusive of individuals with low incomes (50% of participants) and racial minorities (46%). In addition, over one-fifth of participants in sector initiatives are from the following populations: displaced/dislocated workers, non-native English speakers, and those with less than 12 years education. Homeless adults (8%) and under 18 year olds (12%) represent a smaller share of participants.

Sector initiatives provide vital training & support services to jobseekers & workers

The most common service used by initiative participants is jobseeker training (includes soft skills & job readiness), followed by incumbent worker training (technical or trade skills), career counseling and management, and placement services.

Sector initiatives and funding

The median budget size of initiatives is approximately $300,000. Around two-thirds of initiatives operate with budgets less than $500,000, whereas almost a fifth have budgets of $1 million or more. The size of initiatives' budgets is likely to increase with age - under 20% of initiatives aged up to two years old have a budget over $500,000, compared to 42% of initiatives aged ten years and above.

State sources, followed closely by federal sources, are the two largest components of funding for sector initiatives, representing a combined 60% of total funding for the field. The next most common sources of funding are local sources (14%) and philanthropy (13%). Earned income and other sources are relatively small sources of funding for the field.

The sources that sector initiatives most commonly expect to increase as a share of their budget are earned income and federal sources, and the sources they most commonly expect to decrease are state and philanthropic sources. Respondents indicated that the changes they expect are mostly attributable to the economic crisis. It is also noteworthy that a significant number of states have faced, and continue to face, budget deficit challenges that constrain availability of funding.

Sector initiatives are weathering the economic storm

Overall, sector initiatives have shown promising recent growth despite the difficult economic environment. 73% of organizations said that their most successful initiative expanded in the last two years, in terms of jobseekers or workers served.

On balance, more sector initiatives expect that this recent expansion in activities is likely to continue. Forty-two percent of sector initiatives report that their budget size is likely to increase in the next two years, compared to 33% expecting a reduction, the remainder being neutral.

The economic downturn appears to be a strong factor for sector initiatives that expect their budget to increase, and also for those that expect a decrease. Around half the initiatives that expect budget increases attributed this to the downturn, for instance because of the availability of ARRA funding. This is helping them to expand and meet the increasing needs of, for example, dislocated workers. Of those who expect their budgets to decrease, three-quarters attributed this partially or entirely to the recession.
Notably, overall business demand for sector initiatives’ services has stayed stable during these tough economic times. Approximately a third of respondents reported that demand had decreased, a third that demand had increased, and the other third reported that it stayed the same.

**Policy and systems change**

A significant number of states have adopted sector strategies. The most helpful component of these strategies to sector initiatives is increased funding, closely followed by assistance facilitating the creation of local partnerships, and capacity building.

Sector initiatives are creating systems change relating to how services are delivered, the way in which service delivery partners coordinate, and the types of services that are delivered. For instance, the most common ways in which the training system is being changed are by transforming how workers are trained for particular occupations/industries, and how the workforce system links individuals, training, and available jobs.

Initiatives are also making the system more responsive to the needs of business, by improving how publicly-funded workforce development and other services respond to the needs of employers; making these services accessible to employers; and supporting businesses to grow in local communities by assisting in areas such as skill development, that improve their productivity.

Additionally, sector initiatives are influencing the ways that industries hire, promote, or retain workers (e.g. redefining hiring criteria, identifying career ladders), and improving job quality. In the area of policy change, initiatives have actively promoted the need for more (targeted) funding, as well as the need for policy that meets the needs of both employers and low wage workers/jobseekers.
INTRODUCTION

The 2010 Sector Snapshot provides an in-depth report on the sector initiative field and its growth with particular emphasis on the ways in which the approach is maturing and expanding. However, a report on the field’s expansion would not be complete without a look back at its roots.

Use of the sector approach began in the 1980s when a handful of community-based organizations and their foundation supporters attempted to develop new ways to improve economic opportunities for low-income individuals by tailoring their efforts to specific industries. Organizations such as Focus: HOPE pioneered the sector strategy in the manufacturing industry in Detroit, and the Garment Industry Development Corporation applied the approach in the New York garment industry. Even earlier, labor-management partnerships such as District 1199c Training and Upgrading Fund pursued the sector approach, in moving both union members and community residents into jobs and up to better ones, meeting the needs of multiple employers in a specific industry, and bringing about broader changes.

Other organizations also helped to create unique solutions to strengthen regional industries and to improve jobs and pathways to careers for low-income residents in a region. These organizations included Cooperative Home Care Associates, which aimed to improve the home health care industry in the South Bronx, and Project QUEST, which worked in the healthcare and aeronautical industries in San Antonio, Texas. Early on, the National Economic Development and Law Center (as Insight Center was known at the time) played a key role in the development and expansion of the sector approach nationwide, serving as a technical assistance provider, providing support for public policy, and disseminating information to market and build the field. As a result, the early sector initiatives, advocates of the sector approach, and funders who decided to support NNSP initiative selected the Insight Center to manage it.

During the period NNSP has published Sector Snapshot (2000-present), the number of sector initiatives has grown significantly. This growth is largely because public policy support and funding from government, foundations, and employers for industry-focused workforce development has expanded. This growth can also be attributed to increased understanding of the effectiveness of this approach for job seekers, workers, and employers.

Since 2001, a number of federal policy and funding initiatives have contributed to the growth of the sector field. In 2001, the Department of Labor launched its Sectoral Employment Demonstration Project with support from NNSP. The promising results from the demonstration led the Department of Labor to increase its support for sectoral approaches—the High Growth Job Training Initiative, Community Based Job Training Initiative, Healthcare and other High Growth and Emerging Industries grants, Pathways Out of Poverty grants, and Energy Partnership Training grants are examples. In the policy arena, the American Recovery and Reinvestment Act, also included support for sector initiatives.

In addition, support for sector initiatives has grown at the state, regional, and local levels. A majority of states now support sector initiatives, and many have developed state-level sector strategies that reorient existing workforce, economic and education systems. A partnership of the National Governors Association, the Corporation for a Skilled Workforce, and NNSP helped to provide support for efforts to develop sector strategies at the state level.

Regional workforce funder collaboratives across the country now fund sector initiatives. Building upon early experimentation by SkillWorks in Boston, and the Bay Area Workforce Funding Collaborative in the Bay Area, 22 regional workforce funder collaboratives and the National Fund for Workforce Solutions have brought together over 200 funders to support sectoral workforce partnerships.

In addition, a growing number of localities are restructuring workforce development systems to support sector initiatives. These efforts are underway in large cities such as Chicago, Los Angeles, and New York. They are also taking place in regions composed of rural areas and small cities, such as the counties that include Lancaster, PA, and Rochester, MN.
NNSP has also worked with the National Association of Workforce Boards (NAWB), the National Center on Education and the Economy, the American Association of Community Colleges (AACC), the National Council of La Raza (NCLR), Southern Growth Policies Board, and other organizations to promote the sector approach and train their affiliates to develop sector initiatives. Additionally, NNSP has worked with the National Association of Manufacturers to expand business associations’ involvement with sector strategies.
Characteristics of Organizations that Implement Sector Initiatives

Which industries are targeted by sector initiatives?

The 2009 Sector Snapshot asked organizations to consider all of the sector initiatives in which they are involved (as partners), and identify which industry sectors⁸ they target. In common with the 2007 Sector Snapshot, the survey results showed that sector initiatives are most common in two main industries – healthcare, with 66% of total survey respondents, and manufacturing, with 57% of respondents. Construction (40%) is the third most prominent sector, as it was in 2007. This is closely followed by energy and utilities (35%), whose importance by any measure has increased greatly since 2007.

It is worth noting that, similar to 2007, sector initiatives continue to serve a wide range of industries. In this survey, organizations were focused on at least 22 separate industries. Organizations typically focus on multiple industry sectors, and therefore the results summarized in Fig. 1 will not sum to 100%.

Placing a spotlight on the healthcare sector, long term care was the most common sub-sector with 50% of all respondents, followed by acute care with 47%, and then public health/health education initiatives with 40%. Approximately 25% of sector initiatives simultaneously focus on all three sub-sectors. In terms of focusing on two sub-sectors, the most likely pairing (42%) is a combined focus on long term and acute care.

Within manufacturing⁹, the most common sub-sectors targeted by initiatives are primary or fabricated metal products (40%), other (38%), transportation equipment (23%), computer and electronic products (22%), and food, beverage & tobacco (21%). A significant proportion of the ‘other’ category can be described as

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⁸ The composition of all the industry sectors is listed in Appendix B. They are mainly based on NAICS codes.
⁹ See Appendix B for a full listing of industry sectors and sub-sectors polled in the survey.
advanced manufacturing, which is a challenging industry to map out because existing definitions do not account fully for occupational changes brought about by the growth of advanced manufacturing.

Focusing on the construction sector, the most common sub-sector is commercial with 33% of respondents in this area, followed by residential with 23%, and heavy & civil engineering with 21%. Most commonly sector initiatives target both commercial and heavy/civil areas together (18%) followed by residential and commercial (17%). It is significantly less likely for initiatives to target residential and heavy/civil together. Only 10% of partnerships cover all three areas together.

In addition, it is notable that over a third of organizations operated an initiative in the energy and utilities sector. Many of the initiatives in this sector can be characterized as renewable energy, energy efficiency, or other “Green” sector initiatives. An emergent area, the energy/utilities sector didn’t feature strongly in the last survey. Currently organizations in 24 states have initiatives in this sector, spanning all major regions of the country.

**How many organizations are involved in more than one sector initiative?**

**Table 1: Sector initiatives per organization**

<table>
<thead>
<tr>
<th>Involved in one sector initiative only</th>
<th>17%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Involved in more than one sector initiative</td>
<td>83%</td>
</tr>
</tbody>
</table>

The vast majority (83%) of organizations responding to the survey are involved in more than one industry focused sector initiative. Organizations are involved with a median of four sector initiatives in different industries.

**Which industries are organizations planning to target in the future?**

The four most common new industry sectors that organizations are planning to target parallel those where initiatives are already being operated, though in a slightly different order. The most likely sector targeted by
a new sector initiative is construction (31%), followed by healthcare (29%), manufacturing (27%), and energy/utilities (23%).

The significant proportion of construction initiatives is underpinned more by the strength of the commercial and residential sub-sectors, than the heavy/civil sub-sector. Also, underlying the headline healthcare figure are a high proportion of both public health/health education and long term care initiatives, relative to acute care.

The energy/utilities sector is also one of the sectors in which organizations are most likely to start a sector initiative in the near future. 23% of respondents said they plan to launch an initiative in this sector, and these organizations span nineteen different states of the country.

The next tier of industry sectors targeted is similar to that for current sector initiatives. Biotechnology (11%) and hospitality services (11%) are the next mostly likely sectors in which organizations are likely to start an initiative, closely followed by transportation & warehousing (9%), and IT (5%).

**Which types of organizations are involved in sector partnerships?**

![Fig 3: Organizations involved in sector partnerships](image)

Similar to the 2007 Snapshot, Fig. 3 above\(^\text{10}\) shows that the organizations most commonly involved in sector partnerships are WIBs (27% of organizations) and Community Based Organizations (22%). Overall, WIBs are also the most likely organization to play the intermediary role in the sector partnership.\(^\text{11}\) Community Colleges (18%) and Economic Development Agencies/Community Development Corporations (EDA/CDCs), with 13% of responses, also continue to be prominent.

\(^{10}\) Note that because some organizations used more than one organization type to describe themselves, the proportions for organization types do not add up to 100%

\(^{11}\) 87% of WIBs play this role. When combined with the high proportion of WIBs involved in sector partnerships overall, this means that WIBs are by far the most common organization observed in this role
Compared to previous Sector Snapshots, the percentage of organizations by type involved in sector initiatives has increased significantly across the board. This indicates that a wider range of organization types are placing increasing priority on the sector approach as an effective workforce development solution.

**Which industry sectors are different types of organization more likely to be involved in?**

Using cross tabulation analysis, a statistical correlation can be established to indicate that certain organization types are more likely to partner in sector initiatives in certain industries.

**WIBs.** WIBs are more likely to be involved in sector initiatives in several industry sectors - biotechnology, energy/utilities, IT, telecommunications, healthcare, transportation/warehousing, construction, and manufacturing than other organizations.

**One-Stops.** One-stops are more likely to be involved in sector initiatives in the following industry sectors - education services, energy/utilities, IT and healthcare.

**CBOs** are a large share of the Snapshot respondents and they are involved in almost all industry sectors. The one sector, however, in which they were found to have more of a correlation is the facilities management sector.

**Community colleges.** There is a correlation between community colleges and sector initiatives in the following sectors – early care and education, finance, media, IT, office & business services, repair services, and healthcare (overall).

**Vocational Schools** participating in the survey are correlated with initiatives in the facilities management, IT, office & business services, public administration, and repair services sectors.

**Adult Basic Education (ABE) providers** are statistically likely to partner on energy/utilities, and repair services sector initiatives, and (to a lesser significance) on initiatives in the IT, ECE, and hospitality services sectors.

Finally, **youth initiatives** are more likely to be partners in initiatives in the hospitality and IT sectors.

**Other organization types** are no more statistically likely to partner on initiatives in any single industry sector.
How long have organizations focused on sector initiatives?

Overall, figure 4 shows that 85% of organizations have partnered on sector initiatives for at least 3 years, and more than half have done so for at least six years. In fact, the median age of sector initiative is six-and-a-half years old. Although, the majority of survey respondents had significant experience in partnering on sector initiatives, it is also notable that there are a significant group of new initiatives: 15% are two years old or less.

Is there a link between the age of sector initiatives and the types of organization involved with them?

Cross tabulation of the age of sector initiatives by organizational type shows that all the organization types are equally likely to have partnered on sector initiatives that are less than two years old (except CBOs, which are slightly more likely to have done so). The fact that no organization types within the newer initiatives predominate supports the trend identified above that a wide range of organizations have increased their focus on sector approaches in the last few years.

Focusing on sector initiatives which are three to five years old, EDA/CDCs and WIBs are more likely to partner on sector initiatives in this age bracket. Considering medium aged sector initiatives (six to ten years), community colleges and WIBs are more likely to partner on sector initiatives in this age category. Finally, CBOs, Vo-techs, and unions/labor management partnerships are more likely to partner on the oldest initiatives - above ten years in age.

Is there a link between the industry focus and the age of sector initiatives?

Newer sector initiatives are no more likely to be formed in any one industry sector as compared to others. In the next age category, three to five years, the only industry sector in which initiatives are more likely to be found is the residential construction sub-sector.

As we look at older sector initiatives (six to ten years), concentrations are more likely in several industry sectors: the agriculture, aerospace, biotechnology, finance, IT, and healthcare (including all sub-sectors).

The oldest initiatives, of ten years and above, are likely to be concentrated in certain sectors: educational services, facilities management, IT, office & business services, repair services, personal care services,
transportation & warehousing, construction (driven mainly by the commercial sub-sector), and to a lesser degree, the manufacturing sector.

**Geographical coverage of organizations**

![Fig 5: Area covered by organizations' sector initiatives]

Organizations that partner on sector initiatives mainly work at the regional level (75%). 13% of respondents reported that their geographic coverage is state-wide\(^\text{12}\), and a further 9% of organizations report that their coverage is nation-wide\(^\text{13}\).

**How representative are sector initiatives of rural versus urban populations?**

<table>
<thead>
<tr>
<th>Table 2: Proportion of initiatives' participants by type of area resided in</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban/Suburban</td>
<td>70%</td>
</tr>
<tr>
<td>Rural</td>
<td>30%</td>
</tr>
</tbody>
</table>

The overwhelming majority of participants in sector initiatives are from urban or suburban areas. However, 30% of participants are from rural areas, which compares to an overall rural population of 16% (according to USDA\(^\text{14}\) figures in 2008).

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\(^\text{12}\) It may be that the organizations that provide state-wide and nation-wide services organize them through regional sector initiatives, but the survey did not request this information.

\(^\text{13}\) ibid

How widespread are sector initiatives across the country?

As shown in figure 6, sector initiatives are commonly found all over the country, though particular concentrations can be found in the Great Lakes, and the states bordering the Pacific. Sector initiatives are also less concentrated in the Farm Belt, Mountain region, and parts of the South. The South had the lowest percentage of initiatives of the four Census defined regions of the country.

What roles do organizations commonly play within sector partnerships?

Table 3: Role played by different organizations in sector partnerships\(^5\)

<table>
<thead>
<tr>
<th></th>
<th>Funder</th>
<th>Coordinator/Intermediate</th>
<th>Provider of Services to Employers</th>
<th>Employer</th>
<th>Provider of Employment Services</th>
<th>Social Services Provider</th>
<th>Training Provider</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIBs</td>
<td>67%</td>
<td>87%</td>
<td>52%</td>
<td>2%</td>
<td>46%</td>
<td>11%</td>
<td>22%</td>
<td>11%</td>
</tr>
<tr>
<td>CBOs</td>
<td>10%</td>
<td>59%</td>
<td>59%</td>
<td>5%</td>
<td>46%</td>
<td>39%</td>
<td>75%</td>
<td>5%</td>
</tr>
<tr>
<td>Community Colleges</td>
<td>10%</td>
<td>42%</td>
<td>52%</td>
<td>3%</td>
<td>29%</td>
<td>3%</td>
<td>94%</td>
<td>3%</td>
</tr>
<tr>
<td>EDA/CDCs</td>
<td>27%</td>
<td>93%</td>
<td>53%</td>
<td>7%</td>
<td>13%</td>
<td>0%</td>
<td>47%</td>
<td>7%</td>
</tr>
<tr>
<td>One-stops</td>
<td>30%</td>
<td>70%</td>
<td>70%</td>
<td>0%</td>
<td>70%</td>
<td>25%</td>
<td>65%</td>
<td>0%</td>
</tr>
<tr>
<td>Union/labor management</td>
<td>20%</td>
<td>90%</td>
<td>70%</td>
<td>0%</td>
<td>30%</td>
<td>30%</td>
<td>80%</td>
<td>0%</td>
</tr>
</tbody>
</table>

\(^{5}\) This table only lists prominent types of organization in the survey
Although the most pivotal role that organizations can play within a sector initiative is that of intermediary, there are a number of other roles that they can play including providing training and funding. The table above shows that organizations typically play a wide range of roles in initiatives, although they typically focus more effort in 2 to 3 different areas.

**Coordinator/Intermediary role**

Sector initiatives typically have a “hub and spoke” system for service delivery, in which an intermediary organization manages/coordinates a variety of service delivery partners to provide services that respond to the needs of an industry’s employers as well as job seekers and/or workers.

When involved in sector partnerships, union/labor-management partnerships, EDA/CDCs, and WIBs are more likely than other organizations to play the intermediary/coordinator role. Employer associations, policy/advocacy organizations, One-stops, and CBOs are also more likely than not to take on this intermediary/coordinator role in initiatives they are involved with. In contrast, the different types of education providers are far less likely to play this intermediary role.

**Roles commonly played by organizations**

Table 3 displays data regarding the types of organizations that provided a high proportion of survey responses, and a comparison of how commonly they play various roles.

- **WIBs** more commonly play the role of intermediary in sector partnerships compared to other roles. Their next most common roles are as funder (where they focus more than any other organization), service provider to employers, and employment services provider to jobseekers.

- **One-Stop**, are commonly intermediaries, provide services to employers (more than most other organizations) and jobseekers, and frequently play the role of training provider, and social service provider.

- **CBOs** most commonly play the role of training provider, followed by service provider to employers, intermediaries, and then employment service providers. Notably, they more commonly play the role of social services provider than other organizations.

- **Community colleges**, as expected, most commonly play the role of training provider followed next by providing services to employers. They less frequently fill the roles of intermediary or employment services provider within partnerships.

- **EDA/CDCs** most commonly play the intermediary role, and do so significantly more commonly than they play any other role. However, they also frequently provide services to employers and training.

- **Labor-Management partnerships** are most likely to be intermediaries. Other common roles they play are as training providers and providers of services to employers.

**Extending our dataset to reveal more about roles played by organizations in sector partnerships**

The information above reveals which roles are played, in sector partnerships, by the organizations that responded to our survey. These respondents were also asked which other additional partners are involved in their partnerships. The effect of this information is to effectively increase our sample size, and allow us to find out more about the composition of sector partnerships.

There were some intriguing findings that added to our knowledge base. Most notably, on average 14% of the organizations that responded to the survey said they worked alongside employers or employer associations. This data underscores the private sector role in partnerships. Also, on average 4% and 3% of respondents also noted the role of K-12 institutions and social service providers respectively, in sector partnerships. These latter organization types are clearly also becoming significant in sector partnerships.

**What level of impact is generated by a typical organization’s sector initiatives?**

Organizations were asked how many incumbent workers and jobseekers they provided with at least one workforce development service in the year preceding the survey. Organizations provided services to a
median of **360 incumbent workers** and **400 jobseekers** per year, across all of their sector specific initiatives. This demonstrates that sector initiatives typically have a major impact on the communities in which they operate.
Characteristics of the Field of Sector Initiatives

The previous section focused at the organizational level, and provided information on all sector initiatives with which organizations are involved. This section is more specific and focuses on organizations’ single most successful sector initiative, defined as the one that served the largest number of participants in the previous year, to identify key characteristics of those most successful initiatives.

Which industries are targeted by organizations’ most successful initiatives?

![Fig 7: Industry sector targeted by most successful initiative](image)

The industry sector distribution of organizations’ most successful sector initiative, broadly mirrors that for organizations as a whole, and is also similar to the results from the 2007 Sector Snapshot. Most sector initiatives continue to be targeted at healthcare and manufacturing, and sector initiatives are distributed among a wide range of industries. However, the proportion of construction initiatives has increased significantly since 2007 and there has also been notable expansion of initiatives in the energy/utilities sector.

The overall construction figures are driven mainly by the proportion of initiatives focusing on the commercial sub-sector, which outstripped the residential and heavy/civil sub-sectors combined. Within the manufacturing sector, almost half of the initiatives are involved in the primary or fabricated metals sector, with the remainder mainly falling in the ‘other’ category. Healthcare sector initiatives are primarily targeted at the long-term and acute areas.

Sector initiatives in other industry sectors represent a small share of overall initiatives. Initiatives in the IT, facilities management, and office & business services, are the next most prominent sectors.
Typically, how old is an organization’s most successful sector initiative?

There is a relatively even distribution by age of initiatives. Nearly two-thirds are at least three years old, and almost 40% are over six years old. At the same time there is a relatively high percentage (30%) of newly formed sector initiatives (i.e., those that are two years old or less), and over 60% of the most successful sector initiatives are five years old or less. Notably, 15% of organizations piloted sector work in the last two years, which is only half the share of the most successful initiatives of the same age. This suggests that a new sector initiative can overtake more established initiatives within an organization to become the most successful, in a fairly short period of time.

On what scale do successful initiatives typically operate?

Sector initiatives provided at least one workforce development service to a median of 76 incumbent workers, and 71 jobseekers per year. This is smaller than the impact at the organizational level because so many organizations operate multiple initiatives simultaneously. Ninety-three percent of the respondents’ sector initiatives offer direct services to workers or jobseekers.
Figure 9 illustrates how inclusive sector initiatives are of key target populations—it shows the share that each population group represents of an initiatives’ total participants. Three different levels of representation are included – less than 25%, 25-50%, and over half of total initiative participants. In the analysis below a significant population refers to more than 25% of an initiative’s total participants.

Sector initiatives serve a high percentage of participants who have low incomes and/or are racial minorities. Over three-quarters of initiatives include low income and racial minorities as a significant proportion of their participants. Displaced/dislocated workers are also commonly served, and represent a significant set of participants for over 47% of organizations.

Less than 40% of initiatives noted that females make up at least half of their participants, even though they are a significant percentage of participants for 70% of sector initiatives.

The next most commonly served target populations are those with relatively low levels of education, and non-native English speakers. A third of sector initiatives have at least a quarter of their participants from the population with below 12 years of formal education, and 29% of sector initiatives have a significant representation of non-native English speakers.

Refugees/immigrants, ex-offenders, and those less than 18 years old, represent a smaller proportion of overall sector initiative participants. In each case, they form a significant share of participants in less than 19% of sector initiatives. 22% of initiatives said they had no refugee/immigrant participants, 33% said they had no ex-offender participants, and 42% said they had no participants who were younger than 18 years.

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16 It excludes the proportion of sector initiatives with no representation from each group
Few sector initiatives (less than 5%) provide services to a significant share of **homeless adults** and 44% said they had no homeless adults among their participants.

**Table 4: Key population groups as a % of all sector initiative participants**

<table>
<thead>
<tr>
<th>Population group</th>
<th>% of sector initiative participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low income</td>
<td>50%</td>
</tr>
<tr>
<td>Minority (racial)</td>
<td>46%</td>
</tr>
<tr>
<td>Female</td>
<td>44%</td>
</tr>
<tr>
<td>Displaced/dislocated workers</td>
<td>27%</td>
</tr>
<tr>
<td>Non-native English speakers</td>
<td>22%</td>
</tr>
<tr>
<td>&lt;12 yrs education/no GED</td>
<td>21%</td>
</tr>
<tr>
<td>Refugees/immigrants</td>
<td>18%</td>
</tr>
<tr>
<td>Ex-offenders</td>
<td>14%</td>
</tr>
<tr>
<td>18 years or younger</td>
<td>12%</td>
</tr>
<tr>
<td>Homeless adults</td>
<td>8%</td>
</tr>
</tbody>
</table>

Table 4 shows the (average) percentage of individuals from the different key population groups as a proportion of all sector initiative participants. This confirms that sector initiatives are inclusive of disadvantaged populations. They are particularly inclusive of low income and racial minority populations which represent nearly half of all their participants. Displaced/dislocated workers, ESL speakers, those with less than 12 years education, and refugees/new immigrants also represent a significant share of all initiative participants. In comparison, initiatives support the young and homeless less often.

**Do certain types of organizations serve a higher proportion of key target populations?**

A cross-tabulation was conducted to show which organizations are more likely to include a significant proportion of the key target population groups in their initiatives\(^\text{17}\). Key findings are:

- CBOs, union/labor management partnerships, and to a lesser degree policy/advocacy organizations are statistically more likely to include a significant proportion of racial *minorities* in their initiatives.
- Those with *less than 12 years education* are more likely to be served by CBOs and policy/advocacy organizations, and to a slightly lesser extent Vo-techs, and ABE providers.
- CBOs, policy/advocacy organizations, One-Stops, and ABE providers are more likely than other organizations to serve the needs of **low income individuals**.
- **Under 18s** are particularly well served by EDA/CDCs and WIBs, and to a lesser extent by One-Stops.
- WIBs and One-Stops, are more likely than other organizations to serve **displaced workers**.
- **Homeless people**, though a small proportion of initiative participants, are more likely to be served by a wider range of organizations than other groups. These include CBOs, WIBs, One-Stops, policy/advocacy organizations, ABE providers Youth initiatives.
- Those who are **non-native English speakers**, are particularly well served by CBOs, foundations, and ABE providers.
- **Refugees** are more likely to receive services from CBOs or ABE initiatives.
- **Ex-offenders** are also more likely to be served by CBOs, and to a lesser extent by Vo-techs.

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\(^{17}\) The cross tabulation consisted of organization type in responses where at least 25% of an initiative’s participants are from a specific population group.
What type of services do sector initiatives provide?

Services to jobseekers and incumbent workers

The chart highlights which services are offered to a significant number of participants (at least 25%). Of those listed, it is notable that all services are used heavily by initiative participants, particularly:

- **Jobseeker training** which includes soft skills, job readiness, vocational ESL or basic industry skills;
- **Incumbent worker training** incorporates technical or trade skills, typically customized for the employer, and
- **Career counseling and management** which involves pre and post placement consultations, aptitude testing, and referrals to vocational and higher education.

Other services are also commonly offered, in order of frequency these are:

- **Placement** which involves job search assistance, resume tracking, and retention tracking;
- **Case management & support services** which incorporates pre and post placement support, and assistance with transportation, childcare and other non-skill related support that makes it possible to pursue job opportunities and training; and,
- **Adult education** which includes basic literacy, ESL, and obtaining a GED.

**Are different organizations more likely to offer certain services than others?**

- **Jobseeker training** is more likely to be provided by Vo-techs, CBOs, and community colleges.
- **Incumbent worker training** is more likely to be provided by community colleges.
- **Career counseling and management services** are more likely to be offered by CBOs, youth initiatives, and Vo-techs.
- **Placement services** are significantly more likely to be offered by CBOs, and Vo-techs.
- Similarly, **case management & support services**, are more likely to be provided by CBOs, and youth initiatives, with WIBs also more likely to offer these services.
- **Adult Education** is more likely to be provided by ABE initiatives, followed by CBOs, but are also commonly provided by One-Stops and youth initiatives.

**Which services are most likely to be offered to different population groups?**

The results of a cross-tabulation revealed that the following groups: minorities, females\(^{18}\), the less educated, low income, displaced workers, and ex-offenders, are more likely to be provided with more than one service. Specifically:

- **Career counseling** is more likely to be provided to a wide range of key populations: minorities, females\(^{19}\), the less educated, low income, displaced workers, and ex-offenders.
- **Case management & support services** are also more likely to be provided to the same population groups, with the exception of those with less education; it is also more likely to be provided to refugees.
- **Adult education** is more likely to be offered to minorities, females, non-native English speakers, less educated, low income, and refugees.
- **Jobseekers training** is significantly more likely to be provided to displaced workers, followed by minorities, ex-offenders, and low income individuals.
- **Training incumbent workers**, is more likely to be offered to only one group – females.
- **Placement services** are more likely to be offered to displaced workers, the ex-offenders, and are marginally more likely to be offered to minorities.

**Services to business clients**

![Fig 11: Typical # businesses supplied services](image)

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\(^{18}\) The cross-tabulation maps to responses where females represent more than half of participants. This compares to the other populations which uses a benchmark of 25%.

\(^{19}\) ibid
Typically, how many businesses does a sector initiative service?

The sector initiatives included in this survey provide services to a median of 20 businesses. Though the majority of sector initiatives serve less than 25 business clients, it is also worth noting that more than one-fifth provide services directly to at least 50 different business organizations. This distribution is similar to the distribution reported in the 2007 Sector Snapshot.

What types of services are most commonly used by business clients?

![Fig 12: Services most commonly provided to businesses](image)

All of the business services (described in more detail in the bulleted list below) are heavily used. 84% or more initiatives provided these services, at least occasionally, to its business clients. These services often directly benefit workers/job seekers, particularly in the form of training and candidate referral.

- **Referral of candidates resulting in hire.**
- **Customized Training for Workforce** e.g. technical/trade skills, skills upgrading, “soft skills” or basic job skills, supervisor training.
- **Human Resources Services** e.g. recruiting, screening, retention services, training needs assessment, career path analysis, access to public training funds.
- **Business or Industry Development Services** e.g. roundtables, industry/market analysis, competitiveness-enhancing services, licensing, technical assistance, and market development.

Customized workforce training and referral of candidates are the two most commonly used services, as they were in the 2007 Snapshot. The next most frequently provided services are **HR services, followed by Development Services**. HR services are targeted at both employers and workers, because they combine a focus on improving the recruitment itself at the company, with a focus on ensuring that individuals are being successfully retained, for instance by instituting career pathways into the company.
How do businesses support the operation of sector initiatives?

Businesses continue to take a very active role in the implementation of sector initiatives. The vast majority of sector initiatives reported that employers support them in the following ways: governance, initiative design, generating publicity, and providing funding or resources. Compared to the 2007 Sector Snapshot, businesses are now far more actively engaged in the ongoing governance structure of sector initiatives, while initiative design also remains one of the most common ways that they are involved. Since the last survey, businesses have also become more active in publicizing initiatives’ activities and impacts.

**Connection with trade associations**

Indirectly related to business support, 42% of sector initiatives noted that they have a connection with a local, regional, or national trade association that actively contributed to its success.

**Connection with union/worker organizations**

Just under half of sector initiatives reported that they benefited from a connection with a local, regional or national union, or other worker organization.
**Sector initiative activities**

*Jobseekers or workers*

Overwhelmingly, sector initiatives have shown promising recent growth, with the difficult economic environment as the backdrop. Seventy-three percent of organizations said that their number one initiative expanded in the last two years (in terms of jobseekers or workers served) compared to only 12% whose initiatives have contracted. This result is particularly noteworthy, since 2008 & 2009 were two of the worst years on record for the economy. It is likely that initiatives expanded to meet the greater needs of jobseekers and workers in the recession. The later section on funding will delve into how they managed to fund these expansions.

**Demand from business clients**

![Pie chart showing the percentage of sector initiatives that expanded, stayed the same, and contracted in the last 2 years.](image)

![Pie chart showing the percentage of businesses that saw an increase, decrease, or no change in demand for business services during the recession.](image)

*Fig 14: Have sector initiatives expanded in the last 2 years?*

*Fig 15: Recession's effect on demand for business services*
Evidence regarding the effect of the recession on demand for sector initiatives’ business services is more mixed, with approximately a third of respondents reporting that demand had decreased, a third reporting that demand had increased, and the remaining third reporting that it stayed the same. Overall, this indicates that business demand has stayed stable during these tough times.
Funding Issues

What is the typical size of an organization’s most successful sector initiative?

The median budget size of sector initiatives is approximately $300,000. Just over 70% of initiatives operate with budgets less than $500,000, 41% have budgets below $200,000, and almost one-fifth of initiatives have budgets of $1 million or more.

Do sector initiative budgets change according to age?

Table 5: Sector initiative budgets and ages

<table>
<thead>
<tr>
<th>Age</th>
<th>$0-99k</th>
<th>$100-199k</th>
<th>$200-499k</th>
<th>$500-999K</th>
<th>$1m-2m</th>
<th>$2-5m</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 years</td>
<td>26%</td>
<td>24%</td>
<td>32%</td>
<td>3%</td>
<td>11%</td>
<td>5%</td>
</tr>
<tr>
<td>3-5 years</td>
<td>22%</td>
<td>17%</td>
<td>32%</td>
<td>10%</td>
<td>12%</td>
<td>7%</td>
</tr>
<tr>
<td>6-10 years</td>
<td>23%</td>
<td>13%</td>
<td>33%</td>
<td>13%</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>10 years+</td>
<td>15%</td>
<td>19%</td>
<td>23%</td>
<td>19%</td>
<td>15%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Table 5 above shows that the age of sector initiative has a clear relationship to the size of its budget. Older initiatives are more likely to have a budget above $500,000, and this likelihood increases with age. While almost a fifth of initiatives that have been operating two years or less have a budget over $500,000, this goes up to 30% for initiatives aged 6-10 years, and 42% for initiatives aged ten years and above.
What are the most common sources of funding for sector initiatives by type?

State sources, followed closely by federal sources, are the two largest components of funding for sector initiatives, representing three-fifths of funding for the field. However, the current deficit challenges of a significant number of state budgets may lead to a drop in the share of state funding. Currently, the next most common sources of funding are local sources and philanthropy. Earned income and other sources are a fairly small component of the funding profile for the field as a whole.

**What is the future budget outlook for sector initiatives?**

Notably, 42% of sector initiatives report that their budgets are likely to increase in the next two years, whereas 33% expect a decrease and a quarter expect no change. This indicates that, in general, more sector initiatives expect their recent expansion in activities to continue.

The economic downturn appears to be a strong factor, both for sector initiatives that expect their budget to decrease and for those that expect an increase. Of those whose budgets are likely to decrease, 40% attributed this outcome entirely to the recession, and a further 34% attributed it partially to the downturn. At the same time, around half of the sector initiatives that expect their budgets to increase said it could also be attributed to the downturn. ARRA funding was cited specifically as an example of funding that has been made available due to the crisis.
What is the outlook for funding from different sources?

![Fig 18: Changing importance of funding sources](image)

Initiatives were asked which funding sources are likely to increase or decrease in the next two years as a share of their budget. The funding sources most commonly expected to increase as a percentage are earned income (55%) and federal (52%) sources, though in the federal case this result was tempered by a quarter of respondents expecting a decrease from this source. On balance, significantly more sector initiatives expect their share of local funding sources to also increase.

It would appear that the most likely reductions will occur with state (39% of respondents) and philanthropic (27%) sources, though even here there is cause for optimism, as one-third of respondents in both cases also expected an increase in these areas. In the majority of cases, respondents said that these expected changes will be due to the effects of the economic crisis.
Policy & Systems Change
What is the most useful role states can play in supporting sector initiatives?

Fig 19: How state governments can support initiatives

- **Aligning agency strategies**: 30% Very Helpful, 28% Somewhat helpful
- **Technical assistance (eg LMI)**: 31% Very Helpful, 24% Somewhat helpful
- **Capacity building**: 41% Very Helpful, 26% Somewhat helpful
- **Facilitating local partnerships**: 45% Very Helpful, 34% Somewhat helpful
- **Increased funding**: 48% Very Helpful, 26% Somewhat helpful

A significant number of states have actively adopted sector strategies. The most helpful component of these strategies to sector partnerships is increased funding. This is closely followed by assistance facilitating the creation of local partnerships, and assisting local partnerships to increase their capacity to effectively implement the various elements necessary to a successful initiative.

Are sector initiatives creating systems change?

*Service delivery and how service delivery partners coordinate*

Sector initiatives are creating systems change relating to how services are delivered, the way in which service delivery partners coordinate, and the types of services that are delivered. This is particularly true for the system of training, and how businesses are supported.

*Service delivery - training*

Table 6: Changes in workforce/skill development

<table>
<thead>
<tr>
<th>Method</th>
<th>% stating impact in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the way workers are trained for particular occupations and/or industries (e.g. new, reworked, or realigned curriculum and coursework)</td>
<td>82%</td>
</tr>
<tr>
<td>Change the way the workforce system links individuals, training, and available jobs</td>
<td>77%</td>
</tr>
<tr>
<td>Change support services so that workers can more easily participate in training or employment</td>
<td>61%</td>
</tr>
<tr>
<td>Change the types of services offered to employers</td>
<td>62%</td>
</tr>
</tbody>
</table>
The most common way in which the training system is being changed is by transforming how workers are trained for particular occupations/industries. The next most common way is by changing the way the workforce system links individuals, training, and available jobs.

**Service delivery - employers**

Table 7: Changes in services to better meet employer needs

<table>
<thead>
<tr>
<th>Method</th>
<th>% stating impact in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved responsiveness to employers or increased accessibility by employers to public institutions</td>
<td>66%</td>
</tr>
<tr>
<td>Help improve business efficiency/productivity as part of retaining or growing particular industr(ies) in your community</td>
<td>60%</td>
</tr>
<tr>
<td>Additional firms participating beyond immediate or original reach of the initiative</td>
<td>50%</td>
</tr>
<tr>
<td>Reduction of previously unrecognized barriers to industry competitiveness and career advancement</td>
<td>49%</td>
</tr>
</tbody>
</table>

The most common type of impact in this area is improvement in how well the public system can respond to the needs of employers and how accessible that system is to employers. The next most frequent impact is support for businesses to grow in local communities by assisting with areas such as skill development that improve their productivity.

**Industry practices**

Table 8: Changes in recruitment & advancement practices and workforce/skill development by employers

<table>
<thead>
<tr>
<th>Method</th>
<th>% stating impact in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the way industries hire, promote, or retain workers (e.g. redefining hiring criteria, identifying career ladders)</td>
<td>77%</td>
</tr>
<tr>
<td>Promote job quality and/or advancement of low-wage workers</td>
<td>75%</td>
</tr>
<tr>
<td>Expand access to good jobs for under-represented populations</td>
<td>57%</td>
</tr>
</tbody>
</table>

The most common transformation in this area is in how industries hire, promote, or retain workers (e.g. redefining hiring criteria, identifying career ladders). This is closely followed by promoting job quality and/or advancement of low-wage workers.

**Policy change**

Table 9: Changes in policy influenced by sector initiatives

<table>
<thead>
<tr>
<th>Method</th>
<th>% stating impact in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change public or private systems of resource allocation (e.g. new funding sources created by government agencies or by local employers)</td>
<td>61%</td>
</tr>
<tr>
<td>Other change in public policy that actively supports simultaneous workforce development efforts targeted at low wage workers/jobseekers and the needs of industry</td>
<td>59%</td>
</tr>
<tr>
<td>Change policies that support industry to implement new human resource practices to retain, reward and advance workers</td>
<td>35%</td>
</tr>
</tbody>
</table>
In the area of policy change, initiatives have been most active in terms of promoting the need for increased (and targeted) funding, as well as the need for policy that simultaneously meets the needs of employers and low wage workers/jobseekers.
Types of Data Collected by Sector Initiatives to Measure Impact

*Measuring the impact of initiatives’ partnerships*

Table 10: Metrics relating to impact of partnerships

<table>
<thead>
<tr>
<th>Type of data collected</th>
<th>% of initiatives tracking measures in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effectiveness in meeting industry needs</td>
<td>64%</td>
</tr>
<tr>
<td>Effectiveness in meeting jobseeker or incumbent worker needs</td>
<td>62%</td>
</tr>
<tr>
<td>Effectiveness in planning and implementing activities and achieving measurable outcomes (e.g. gap analysis based on existing data; identification/recruitment of appropriate partners)</td>
<td>56%</td>
</tr>
<tr>
<td>Sustainability (e.g. evidence of: sustainability plan, on-going or new public, private or in-kind resources)</td>
<td>53%</td>
</tr>
<tr>
<td>Effectiveness in forming and managing partnership</td>
<td>40%</td>
</tr>
<tr>
<td>Other</td>
<td>6%</td>
</tr>
</tbody>
</table>

Sector initiatives most commonly measure how effective they are in meeting industry needs and meeting jobseeker/incumbent worker needs. The next most frequently collected set of data in this area relates to the effectiveness of partnerships in planning and implementing activities and achieving measurable outcomes.

*Measuring the progress of initiatives’ participants*

Table 11: Metrics relating to progress of initiative participants

<table>
<thead>
<tr>
<th>Type of data collected</th>
<th>% of initiatives tracking measures in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>How many jobseekers are placed in jobs</td>
<td>77%</td>
</tr>
<tr>
<td>Wage rate at placement for new worker placements</td>
<td>75%</td>
</tr>
<tr>
<td>Wage increases</td>
<td>56%</td>
</tr>
<tr>
<td>Promotions</td>
<td>36%</td>
</tr>
<tr>
<td>None of the above</td>
<td>14%</td>
</tr>
<tr>
<td>Other measured tracked</td>
<td>29%</td>
</tr>
</tbody>
</table>

In order to follow the progress of initiative participants the most commonly tracked data are the number of job placements, the wage rate at placement, and further wage increases. Other types of data, such as promotions, are less commonly tracked.

**Data collected by sector initiatives on systems change**

Data measuring what impact initiatives are having on transforming systems is far less widely collected by individual initiatives. Less than a third collect any form of data in this area, and the figures in this section are therefore relatively far lower than the section above. System change is known to be an area that is more challenging to measure than others; however it is also an area that is receiving increasing focus.
**Changes in skill development**

Table 12: Metrics relating to impact on skill development

<table>
<thead>
<tr>
<th>Type of data collected</th>
<th>% of initiatives tracking measures in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the types of services offered to employers</td>
<td>32%</td>
</tr>
<tr>
<td>Change the way workers are trained for particular occupations and/or industries (e.g. new, reworked, or realigned curriculum and coursework)</td>
<td>27%</td>
</tr>
<tr>
<td>Change the way the workforce system links individuals, training, and available jobs</td>
<td>22%</td>
</tr>
<tr>
<td>Change support services so that workers can more easily participate in training or employment</td>
<td>19%</td>
</tr>
</tbody>
</table>

The most common metric collected in this area is the way in which initiatives change the types of services offered to employers, followed by changes to how workers are trained for particular occupations/industries. In both cases a small, but significant (over a quarter) share of sector initiatives collect data on these forms of system change.

**Industry practices in recruitment and advancement**

Table 13: Metrics relating to impact on recruitment and advancement practices

<table>
<thead>
<tr>
<th>Type of data collected</th>
<th>% of initiatives tracking measures in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change the way industries hire, promote, or retain workers (e.g. redefining hiring criteria, identifying career ladders)</td>
<td>30%</td>
</tr>
<tr>
<td>Expand access to good jobs for under-represented populations</td>
<td>29%</td>
</tr>
<tr>
<td>Promote job quality and/or advancement of low-wage workers</td>
<td>21%</td>
</tr>
</tbody>
</table>

The most common measure relating to changing systems of recruitment and advancement, tracked by initiatives, is how they change industry practices, closely followed by those collecting data on expanding access to good jobs for under-represented populations.

**Business supports**

Table 14: Metrics relating to how services have changed to better meet employer needs

<table>
<thead>
<tr>
<th>Type of data collected</th>
<th>% of initiatives tracking measures in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Help improve business efficiency/productivity as part of retaining or growing particular indust(ries) in your community</td>
<td>17%</td>
</tr>
<tr>
<td>Additional firms participating beyond immediate or original reach of the initiative</td>
<td>17%</td>
</tr>
<tr>
<td>Improved responsiveness to employers or increased accessibility by employers to public institutions</td>
<td>16%</td>
</tr>
<tr>
<td>Reduction of previously unrecognized barriers to industry competitiveness and career advancement</td>
<td>12%</td>
</tr>
</tbody>
</table>
Data on how initiatives assist businesses to improve their efficiency is the most common dataset collected in this area, followed by effectiveness in engaging companies not previously involved with sector initiatives.

**Policy support**

Table 15: Metrics relating to how initiatives are influencing policy change

<table>
<thead>
<tr>
<th>Type of data collected</th>
<th>% of initiatives tracking measures in this area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Change public or private systems of resource allocation (e.g. new funding sources created by government agencies or by local employers)</td>
<td>13%</td>
</tr>
<tr>
<td>Change policies that support industry to implement new human resource practices to retain, reward and advance workers</td>
<td>13%</td>
</tr>
<tr>
<td>Other change in public policy that actively supports simultaneous workforce development efforts targeted at low wage workers/jobseekers and the needs of industry</td>
<td>13%</td>
</tr>
</tbody>
</table>

Setting up and tracking measures to demonstrate how initiatives are influencing policy, is an area in which initiatives place less focus. However, a small minority do track data in this area, relating to funding, company HR practices, or policy efforts that simultaneously support low-wage individuals and the needs of industry.
Conclusion

Overall, the 2010 Sector Snapshot reveals that sector initiatives have become more important as a means of providing workforce development, adult literacy, post-secondary education, and economic development services. They have expanded into new industry sectors, grown in number throughout the country, even more integrally involved employers, broadened the types of organizations involved, and specifically targeted the needs of low income and other disadvantaged individuals. Additionally, they are weathering the economic storm by adapting their range of services to job-seekers, incumbent workers, and businesses, and leveraging public funding associated with the economic recovery.

Perhaps most significantly, initiatives are helping to fundamentally change how individuals are trained, and how employers and other stakeholders are helping support their entry into the workforce, and onward advancement. One example of this relates to changing how industries hire, promote and retain workers.

Finally, policy support for sector initiatives is increasing. For example, in 2007, 11 states had developed strategies to do so. By the end of 2009, half the nation’s states had developed state-level sector strategies or are actively investigating how to do so.
## Appendix A: List of Respondents

<table>
<thead>
<tr>
<th>Organization</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>AIDT</td>
<td>AL</td>
</tr>
<tr>
<td>Arkansas State University-Newport</td>
<td>AR</td>
</tr>
<tr>
<td>Arkansas Association of Two-Year Colleges</td>
<td>AR</td>
</tr>
<tr>
<td>The Solutions Group</td>
<td>AR</td>
</tr>
<tr>
<td>SynergyTech</td>
<td>AR</td>
</tr>
<tr>
<td>Black River Technical College/Greene County Industrial Training Center</td>
<td>AR</td>
</tr>
<tr>
<td>Arkansas Economic Development Commission</td>
<td>AR</td>
</tr>
<tr>
<td>JobPath</td>
<td>AZ</td>
</tr>
<tr>
<td>San Diego Workforce Partnership</td>
<td>CA</td>
</tr>
<tr>
<td>BW Research</td>
<td>CA</td>
</tr>
<tr>
<td>San Diego Grantmakers</td>
<td>CA</td>
</tr>
<tr>
<td>City College of San Francisco</td>
<td>CA</td>
</tr>
<tr>
<td>Healthcare Workforce Development Program</td>
<td>CA</td>
</tr>
<tr>
<td>EASTBAY Works</td>
<td>CA</td>
</tr>
<tr>
<td>CA Community Colleges</td>
<td>CA</td>
</tr>
<tr>
<td>JVS</td>
<td>CA</td>
</tr>
<tr>
<td>Farmworker Institute of Education and Leadership Development (FIELD)</td>
<td>CA</td>
</tr>
<tr>
<td>Century Community Training Program</td>
<td>CA</td>
</tr>
<tr>
<td>The Workforce Collaborative</td>
<td>CA</td>
</tr>
<tr>
<td>Fresno County Workforce Investment Board</td>
<td>CA</td>
</tr>
<tr>
<td>Calexico Community Action Council</td>
<td>CA</td>
</tr>
<tr>
<td>Consumer Directed Services Network</td>
<td>CA</td>
</tr>
<tr>
<td>Marin City Community Development Corporation</td>
<td>CA</td>
</tr>
<tr>
<td>San Francisco Human Rights Commission</td>
<td>CA</td>
</tr>
<tr>
<td>San Francisco Office of Economic &amp; Workforce Development CA</td>
<td>CA</td>
</tr>
<tr>
<td>Sacramento Employment and Training Agency</td>
<td>CA</td>
</tr>
<tr>
<td>West Oakland Senior Center</td>
<td>CA</td>
</tr>
<tr>
<td>Taller San Jose</td>
<td>CA</td>
</tr>
<tr>
<td>West Hills Community College</td>
<td>CA</td>
</tr>
<tr>
<td>The Occupational Training Institute, Foothill-De Anza Community College District</td>
<td>CA</td>
</tr>
<tr>
<td>Mile High United Way</td>
<td>CO</td>
</tr>
<tr>
<td>Jefferson County Workforce Center</td>
<td>CO</td>
</tr>
<tr>
<td>Mi Casa Resource Center</td>
<td>CO</td>
</tr>
<tr>
<td>Community College of Denver</td>
<td>CO</td>
</tr>
<tr>
<td>Office of Economic Development, Division of Workforce Development</td>
<td>CO</td>
</tr>
<tr>
<td>CO Department of Labor and Employment</td>
<td>CO</td>
</tr>
<tr>
<td>Arapahoe/Douglas Works</td>
<td>CO</td>
</tr>
<tr>
<td>Carlos Rosario International PCS</td>
<td>DC</td>
</tr>
<tr>
<td>Institute for Local Self-reliance</td>
<td>DC</td>
</tr>
<tr>
<td>Workforce Solutions (Florida)</td>
<td>FL</td>
</tr>
<tr>
<td>Auto Alley</td>
<td>GA</td>
</tr>
</tbody>
</table>
Kirkwood Community College .................................................................................. IA
Central Iowa Reengagement Center ..................................................................... IA

CAEL ....................................................................................................................... IL
CWIC ..................................................................................................................... IL
Jane Addams Resource Corporation .................................................................... IL
Illinois manufacturing Foundation ...................................................................... IL
Waubonsee Community College ......................................................................... IL
Association House of Chicago ............................................................................ IL
Global Staffing Services, Inc. ................................................................................ IL
North Lawndale Employment Network ............................................................... IL
Harper College ..................................................................................................... IL
Greater West Town .............................................................................................. IL
Greater Springfield Chamber of Commerce ....................................................... IL
Chicago Workforce Investment Council ............................................................. IL
Chicago Manufacturing Renaissance Council .................................................. IL
Instituto del Progreso Latino ................................................................................ IL
National Council of La Raza ............................................................................. IL
CCC Workforce Institute ..................................................................................... IL
Chicago Jobs Council ......................................................................................... IL
City of Chicago Department of Community Development .............................. IL
PTDA Foundation ................................................................................................ IL

LISC ....................................................................................................................... IN
Madisonville Community College ....................................................................... KY
Henderson Community College - Workforce Solutions ..................................... KY

Louisiana Technical College Region 8 .................................................................. LA
Louisiana Technical College ................................................................................ LA
LWIA #71 ............................................................................................................... LA

New Economy Dynamics .................................................................................... MA
North Shore Community College ....................................................................... MA
MassBay Community College ............................................................................ MA
Boston Education, Skills & Training Corp .......................................................... MA
Cape & Islands Self-Reliance ............................................................................. MA
Year Up ............................................................................................................... MA
Bristol Community College ............................................................................... MA
North Central Massachusetts WIB ................................................................... MA
Jewish Vocational Service ................................................................................... MA
South Middlesex Opportunity Council ............................................................ MA
JFYNetWorks ........................................................................................................ MA
La Alianza Hispana .............................................................................................. MA
FutureWorks ....................................................................................................... MA
Operation ABLE of Greater Boston, Inc ............................................................. MA
Regional Employment Board of Hampden County ............................................ MA
North Shore Workforce Investment Board ...................................................... MA
Metro South/West Regional Employment Board, Inc ..................................... MA
YWCA of Central MA ......................................................................................... MA
ECCO-E-Team ..................................................................................................... MA
Massachusetts Manufacturing Extension Partnership ..................................... MA
Montgomery County Workforce Investment Board .................................................. MD
Wurzbacher and Associates .................................................................................. MD
Goodwill Industries of the Chesapeake, Inc. ....................................................... MD
Construction and Energy Technologies Education Consortium ...................... MD
Goodwill Industries International ........................................................................ MD

Maine Centers for Women, Work and Community ............................................. ME

Montcalm Community College ........................................................................... MI
Mott Community College .................................................................................. MI
South Central Michigan Works! ........................................................................ MI
Greater Flint Health Coalition ........................................................................... MI
Goodwill Industries of Greater Grand Rapids ................................................... MI
East Central Health Care Michigan Regional Skills Alliance ......................... MI
West Michigan TEAM ....................................................................................... MI
Jackson Area Manufacturers Association ......................................................... MI
Michigan Works! The Job Force Board ............................................................. MI
Career Alliance, Inc. ......................................................................................... MI
Detroit Regional Chamber ................................................................................. MI

Workforce Solutions ................................................................................ .......... MN
South Central WorkForce Council ..................................................................... MN
Minnesota Dept. of Employment and Economic Development ...................... MN
West Central Initiative ....................................................................................... MN
Workforce Development, Inc. ............................................................................ MN
HIRED ............................................................................................................... MN

Metropolitan Community College ................................................................. MO
St. Louis Community College ........................................................................... MO

Mississippi Construction Education Foundation .............................................. MS
Itawamba Community College .......................................................................... MS
Tri-County Workforce Alliance ........................................................................ MS

Southern NC Allied Health Regional Skills Partnership ................................... NC
Piedmont Triad Partnership ................................................................................ NC

Hudson County WIB ........................................................................................ NJ

New Mexico Dept. of Workforce Solutions ......................................................... NM

Workforce Connections (formerly Southern Nevada Workforce Investment Board) .... NV

Osborne Association ........................................................................................ NY
CSS Workforce New York ................................................................................ NY
CNY Works ........................................................................................................ NY
GCEDC .............................................................................................................. NY
Seedco ............................................................................................................... NY
Sustainable South Bronx ................................................................................... NY
LIFT ................................................................................................................ NY
MACNY - The Manufacturers Association ....................................................... NY
Alice J. Savino .................................................................................................. NY
El Barrio / WSEM ................................................................. OH
The Portsmouth Inner-City Development ................................ OH
The Center for Community Solutions ...................................... OH
University Hospitals ................................................................. OH
Hard Hatted Women ................................................................. OH
Southwest Ohio Region Workforce Investment Board ................ OH
MAGNET .................................................................................. OH
Precision Metalforming Association ........................................ OH
Cuyahoga Community College ................................................ OH
Cuyahoga County Office of HHS/Employment Connection ........ OH
WSOS Community Action Commission, Inc ............................ OH
WIRE-Net ................................................................................ OH

Central Oklahoma Workforce Investment Board, Inc. .................... OK
Council for Workforce and Economic Development ..................... OK
Community Action Project of Tulsa County ............................... OK

Northwest Food Processors Association ..................................... OR
Oregon Workforce partnership ................................................ OR
Lane Workforce Partnership ....................................................... OR

Southern Alleghenies Workforce Investment Board ...................... PA
Philadelphia University ............................................................. PA
North Central PA Planning ....................................................... PA
Regional Center for Workforce Excellence .................................. PA
PathWays PA ........................................................................ PA
Philadelphia Workforce Development Corporation .................. PA
Berks County WIB ................................................................. PA
New Century Careers ............................................................... PA
Pennsylvania Partners ............................................................. PA
Westmoreland-Fayette Building & Construction IP ..................... PA
Lancaster County Workforce Investment Board ......................... PA
Pennsylvania Department of Labor & Industry ......................... PA
District 1199C Training & Upgrading Fund ............................... PA
Welcoming Center for New Pennsylvanians .............................. PA
Philadelphia Area Labor/Management Committee .................... PA
York County School of Technology ......................................... PA

Quality Partners of Rhode Island .............................................. RI

United Way of Greenville County ............................................... SC
USC Salkehatchie Leadership Institute ....................................... SC

Lakota Funds ......................................................................... SD

Smoky Mountains Area Workforce Board ................................. TN
UT Extension .......................................................................... TN
Nashville Career Advancement Center .................................... TN

Capital IDEA .......................................................................... TX
South Texas College ............................................................... TX
Workforce Solutions for North Central Texas ............................ TX
Cedar Valley College ................................................................. TX
Experience Works ..................................................................... VA
University of Virginia ............................................................... VA
Piedmont Virginia Community College ...................................... VA

Bellevue College .................................................................... WA
R J Enterprise ........................................................................ WA
Washington State Workforce Board ......................................... WA
Spokane Community College .................................................. WA
South Central Workforce Council ........................................... WA
Workforce Development Council of Seattle-King County ....... WA
Spokane Area Workforce Development Council .................. WA
Seattle Jobs Initiative ............................................................. WA

WRTP/BIG STEP ................................................................. WI
Department of Workforce Development .................................... WI
YWCA of Greater Milwaukee .................................................. WI
Wisconsin Regional Training Partnership ............................... WI
Urban League of Greater Madison ......................................... WI
Workforce Connections, Inc. ..................................................... WI
Waukesha Workforce Development Center .......................... WI
Center on Wisconsin Strategy ................................................. WI

Department of Workforce Services ......................................... WY
## Appendix B: Industry Definitions (including live NAICS links)

<table>
<thead>
<tr>
<th>Industry Sector Used In Snapshots</th>
<th>NAICS Composition (2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Forestry, Fishing And Hunting</td>
<td>11 Agriculture, Forestry, Fishing And Hunting</td>
</tr>
<tr>
<td>Aerospace</td>
<td>NNSP Own Defined</td>
</tr>
<tr>
<td>Biotechnology/Life Sciences</td>
<td>NNSP Own Defined</td>
</tr>
<tr>
<td>Construction - Residential</td>
<td>2361 Residential Building Construction</td>
</tr>
<tr>
<td>Construction - Commercial</td>
<td>2362 Nonresidential Building Construction</td>
</tr>
<tr>
<td>Construction - Heavy And Civil Engineering</td>
<td>237 Heavy And Civil Engineering Construction</td>
</tr>
<tr>
<td>Early Care And Education (ECE)</td>
<td>624410 Child Day Care Services</td>
</tr>
<tr>
<td>Education &amp; Educational Services (Except ECE)</td>
<td>61 Educational Services</td>
</tr>
<tr>
<td>Energy &amp; Utilities</td>
<td>22 Utilities &amp; 562 Waste Management And Remediation Services</td>
</tr>
<tr>
<td>Facilities Management (Eg Janitorial, Maintenance, Security)</td>
<td>5612 Facilities Support Services &amp; Services To Buildings And Dwellings</td>
</tr>
<tr>
<td>Finance And Insurance</td>
<td>52 Finance And Insurance</td>
</tr>
<tr>
<td>Health Care - Long Term</td>
<td>Self selected (from NNSP survey)</td>
</tr>
<tr>
<td>Health Care - Acute</td>
<td>Self selected (from NNSP survey)</td>
</tr>
<tr>
<td>Healthcare - Education Programs</td>
<td>Self selected (from NNSP survey)</td>
</tr>
<tr>
<td>Healthcare Other</td>
<td>Self selected (from NNSP survey)</td>
</tr>
<tr>
<td>Hospitality Services (Accommodation, Food And Drink)</td>
<td>72 Accommodation And Food Services</td>
</tr>
<tr>
<td>Information Technology</td>
<td>5415 Computer Systems Design And Related Services 518 Data Processing, Hosting, And Related Services</td>
</tr>
<tr>
<td>Live Entertainment, Culture And Leisure Industries</td>
<td>71 Arts, Entertainment, And Recreation</td>
</tr>
<tr>
<td>Manufacturing - Food /Beverage / Tobacco</td>
<td>311 Food Manufacturing &amp; 312 Beverage And Tobacco Product Manufacturing</td>
</tr>
<tr>
<td>Manufacturing - Chemicals</td>
<td>325 Chemical Manufacturing</td>
</tr>
<tr>
<td>Manufacturing - Pharmaceutical Or Medicines</td>
<td>3254 Pharmaceutical And Medicine Manufacturing</td>
</tr>
<tr>
<td>Manufacturing - Primary Or Fabricated Metal Products</td>
<td>331 Primary Metal Manufacturing &amp; 332 Fabricated Metal Product Manufacturing</td>
</tr>
<tr>
<td>Manufacturing - Computer And Electronic Products</td>
<td>334 Computer And Electronic Product Manufacturing</td>
</tr>
<tr>
<td>Manufacturing - Transportation Equipment</td>
<td>336 Transportation Equipment Manufacturing</td>
</tr>
<tr>
<td>Manufacturing - Other</td>
<td>--</td>
</tr>
<tr>
<td>Media Industries (Excluding IT)</td>
<td>51 Information (Except 517 &amp; 518)</td>
</tr>
<tr>
<td>Office &amp; Business Services</td>
<td>561 Administrative And Support Services (Excl. 5617)</td>
</tr>
</tbody>
</table>
Appendix C: Summary of Research Supporting the Sector Approach

The success of sector initiatives in improving upward mobility for individuals with low incomes has been demonstrated through a recent random assignment study (the gold standard for evaluation), as well as by longitudinal studies. The Sectoral Employment Impact Study employed a random assignment approach to evaluate three well-designed sector initiatives: one managed by the Wisconsin Regional Training Partnership/Big Step (in Milwaukee, Wisconsin), another by Per Scholas (in the Bronx, New York) and a third by Jewish Vocational Services (in Boston, Massachusetts). Program participants in each initiative faced many challenges, such as below-poverty earnings, high unemployment rates, low levels of educational attainment, a significant rate of welfare receipt, and a considerable rate of criminal conviction. The results showed that individuals involved in sector initiatives received significantly higher average wages when they were hired and over the long-term. They also had significantly more job stability compared to individuals not involved in sector initiatives.

The Aspen Institute’s Sectoral Employment Development Learning Project (SEDLP) and Public/Private Ventures’ Sectoral Employment Initiative (SEI) have conducted longitudinal surveys. Both studies found that individuals who enrolled in sectoral training programs had similar characteristics. They generally had work experience, a high school diploma or GED, low hourly earnings and income, and had experienced multiple periods of unemployment. The results showed that two years after training, working participants earned significantly higher incomes (SEDLP participants’ median annual earnings more than doubled, increasing from $8,580 to $17,732, and SEI participants’ median annual earnings nearly doubled, increasing from $10,486 to $18,875. Participants also worked much more consistently, had higher quality jobs (based on indicators such as paid sick leave, pension plans, and health insurance) and were more optimistic about their future job prospects.

States have demonstrated that their support of sector initiatives also improves competitiveness. In Pennsylvania, which supports a large number of regional sector initiatives known as Industry Partnerships, 84 percent of employers reported that the partnerships helped them significantly increase their productivity.

Pennsylvania’s results are echoed in the evaluation of employer benefits by other states. For instance, a survey of employers participating in sector initiatives funded through Massachusetts’ Building Essential Skills through Training (BEST) initiative identified the following outcomes:

- 63 percent reported a positive return on investment;
- 46 percent reported improved profitability;
- 46 percent reported cost reductions;
- 41 percent reported decreased turnover;
- 18 percent reported a reduction in re-work; and
- 23 percent reported a reduction in customer complaints

1 A total of 1,285 people were recruited across the three organizations and met criteria for eligibility. Half were randomly selected to participate in the program (the treatment group); the remaining half were assigned to the control group. The follow-up sample included 1,014 respondents—a 79 percent response rate. For more information on the evaluation, see http://www.ppv.org/ppv/publication.asp?section_id=26&search_id=&publication_id=294.

11 In the year prior to their enrollment in the random assignment evaluation, participants in the three sector initiatives worked for an average of 6.8 months and their mean earnings during that time was $9,872. Among these participants, 34 percent were employed immediately prior to the start of the program, 53 percent had a high school diploma, 22 percent had a General Educational Development (GED) certificate, 7 percent had less than a high school diploma, and only 18 percent had more than a high school diploma. In addition, 34 percent had been on welfare and 22 percent had been convicted of a crime. The impacts of the study were measured by comparing the progress made by people in the treatment group with that made by those in the control group. Because assignment to these groups was random, the
differences between the treatments and controls can be attributed to participation in the sector-focused training program.
