

Sector Initiatives: Fostering Economic Security for Mississippi's Working Families

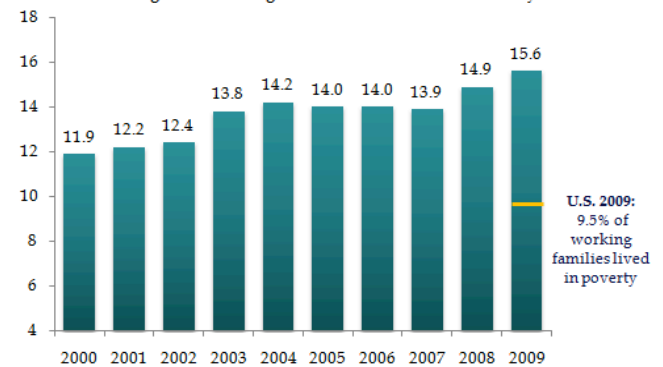
Whether in hospitals, schools, shipyards, grocery stores, call centers or child care centers, over **1 million** adults across Mississippi work hard every day to provide for their families and drive the state's economy. However, recessions and natural disasters have lessened the economic security of many workers and their families. Many of these hardworking adults have lost jobs, lost benefits or had hours cut in the recent recession.

In the face of these challenges, Mississippians have been resilient and continue to work hard to move past the economic insecurity encountered in recent years. For these adults and the thousands of Mississippi workers who have full-time jobs but are still not making the income they need, a low-wage job without benefits is often not enough. Mississippi needs better pathways to jobs that will enable families to be financially secure.

Over 27% of Mississippi workers are in low wage jobs- ranking above the national average for portion of workers that fall into this category. However, the implications of low wage jobs go far beyond a state's rank. Inadequate wages have real repercussions for a family's ability to afford the fundamentals- like housing, utilities, food, healthcare, child care and transportation.

Steps can be taken to build opportunities for Mississippi's adults, so they advance to higher wages. This brief lifts up one workforce framework in particular –Sector Initiatives- that can strengthen the training and supports available to move up a career path.

MISSISSIPPI WORKING FAMILIES IN POVERTY INCREASING
Percent of working families living on income below Federal Poverty Level



Source: Working Poor Families Project, State Data and Indicators.

THE 2000s & MISSISSIPPI'S WORKING FAMILIES

DEFINING LOW-WAGE EMPLOYMENT:

The national low wage figure was based upon the average poverty threshold for a family of four in 2010 (\$22,314). If a person works full-time for one year (i.e., 40 hours per week for 52 weeks per year) and earns \$22,314 per year, that person would be making \$10.73 per hour. Mississippi's hourly rate for low-wage jobs is adjusted from the national wage to account for the state's cost of living. In this piece, low-wage jobs are defined as those paying less than \$9.54 per hour.

DEFINING WORKING FAMILY: A family is defined as working if all family members age 15 and over either have a combined work effort of 39 weeks or more in the prior 12 months OR all family members age 15 and over have a combined work effort of 26 to 39 weeks in the prior twelve months and one currently unemployed parent looked for work in the prior 4 weeks.

The 2000s challenged many of Mississippi's working adults and their families. Those challenges are reflected in the rise in working families that live in poverty over the decade.

According to the Working Poor Families Project, more than 1 in every 7 working families -15.6%- did not earn enough income to reach beyond the federal poverty level for a family of 4 (\$22,053). The portion of families living in extreme economic hardship is up significantly from 2000 and well above the national level.

Working families with a minority parent are particularly at-risk of living in extreme financial vulnerability. One in four working families with a parent of color lives on income below the poverty line.

When a working parent cannot access a job with sufficient wages, it also affects their children. Child poverty rates also diverge substantially by race with 49% of African American children in poverty and 16% of white children. Regardless of race, child poverty rates in Mississippi exceed national norms.

Educational attainment also links strongly with the economic well-being of families and the likelihood parents can access employment with sufficient wages. Working families in which no adult has post-secondary experience or in which one adult does not have high school equivalency are particularly vulnerable to poverty.

The large portion of working families falling short of economic security is tied, in part, to the fact that 27% of our state's workforce are in low-wage jobs that pay \$9.54 or less- well below the amount needed to keep a family of four out of poverty. While poverty is a frequently used benchmark, Mississippi's families and workers need wages substantially beyond the poverty level to be able to provide a safe and secure environment without outside assistance. Strategies to increase the economic security of families should aim to move families toward wages that allow them to be self-sufficient in the long-term, not just move out of poverty.

Raising educational attainment and jobs skills is critical to transitioning out of low-wage work. To move more adults out of low-wage jobs, policy makers and education leaders need to intentionally design college programs and workforce training to include the needs of low-skilled adults.

BACKGROUND ON MISSISSIPPI'S WORKING POOR FAMILIES	MS	U.S.
Percent of working families living that are below poverty	15.6%	9.5%
Percent of working families with a minority parent that are below poverty	25.1	15.0
Percent of workers age 18 and over that are in low wage jobs	27.7	24.1
Percent of working families that are below poverty with at least 1 parent without high school equivalency	29.8	38.1
Percent of working families that are below poverty where no parent has some post-secondary education	57.6	60.9
Percent of adults age 25-54 without a high school degree	15.8	12.7
Percent of working families that are below poverty with at least one parent without health insurance	50	48

THE BASICS OF SECTOR INITIATIVES

For many working adults, the decision to pursue training is a large investment, and it is important that the systems that provide training are designed with their needs in mind and with strong connections to jobs that provide security for their families. One way to elevate more working adults through training to higher wage occupations is with a model called sector initiatives.

Sector initiatives have two basic goals. The first is to help ensure that a regional group of employers in an industry has the skilled workers they need to be competitive and thrive. The second is to improve access to quality, high-wage jobs for low-skilled or unemployed workers. Workers access these jobs by building skills through well designed pathways in workforce training and post-secondary courses.



WHO'S INVOLVED?

A sector-based approach requires collaboration and alignment of efforts from regional leaders that may not have existing relationships. Employers within an industry, community colleges, community based organizations, economic developers and leaders in workforce development and workforce training each have a critical role to play. Together they can align training programs and policies to meet regional skill needs and move workers up a career path in an industry.

Any of these groups may have an existing relationship, but bringing them all to the table to discuss local labor needs and then re-design training takes commitment and flexibility. Well established roles and communication channels are vital to the success of sector initiatives.

PICKING A SECTOR

Sector initiatives use labor market data to identify industry sectors in a region that provide quality jobs and have a significant demand for workers and training. In other states selected sectors cover a broad range of industries like healthcare, advanced manufacturing, aerospace, maritime transportation, construction or forest products. Initiatives typically will focus resources on a few industries that exhibit growth opportunities.

MOVING AHEAD WITH THE INITIATIVE

Once a sector is selected, workforce agencies, educators, employers, and local leaders collaborate to align the workforce needs of employers and the employment needs of workers. Training might be designed for an industry's currently employed workforce or for unemployed or low-skilled adults to fill entry-level openings. Training can lead to skill building of current workers and work-ready adults, so both enter pathways to higher wages.

Importantly, in addition to training design, resources for support services are bridged together to increase the success of adults pursuing jobs in the sector. Adults access a wide range of support services –such as child care, transportation vouchers, tutoring or employment counseling- during training and as they start out on the path to higher wage employment.

In the end, sector initiatives create an understanding of employer needs, a training infrastructure that adapts quickly to train and advance low-skilled workers, and an alignment of supports to increase success.

COMPONENTS CRITICAL FOR INCORPORATING LOW-SKILLED ADULTS

As key groups work to map out employer needs and training design, several key steps can be taken to ensure adults with limited skills benefit from the design of sector initiatives. *For example:*

1. Training pathways and curriculums should be designed to start with basic education and GED preparation, so adults without a high school degree can concurrently gain occupational and basic skills as the move up a training path.
 2. Strong wrap around support services need to be imbedded in training for low-income adults trying to balance work, family and school. Without resources for transportation, career guidance or child care, even the strongest students will struggle to meet the needs of families and the demands of training.
 3. College policies can adjust to award credit for skills a worker has previously gained on the job. Particularly for adults with several years of work experience getting credit for existing skills can accelerate a worker's pursuit of a post-secondary credential or degree.
 4. Not all adults can consistently attend training for multiple semesters or years. Sector initiatives should intentionally design courses to stack over time, so adults can step in and out of training, get short-term certifications and build to a longer-term credential while working.
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MISSISSIPPI CURRENT DEVELOPMENTS THAT CAN HELP BUILD SECTOR INITIATIVES

Sector initiatives are not new to Mississippi. Key leaders from the private, non-profit, philanthropic and public arenas recognize their value for preparing a skilled workforce, strengthening an industry and increasing family economic security.

- Several statewide strategic plans have emphasized sector approaches. The State Workforce Investment Board (SWIB) through the Governor's Office made "promoting regional sector strategies" one of their five priority goals in their 2020 Strategic Plan. Blueprint Mississippi 2011, a statewide planning effort driven by the Mississippi Economic Council, includes a sector-based approach and cluster analysis as critical to promoting economic development in the years ahead.
- The Mississippi Department of Employment Security prioritized sector-based models by creating a State Sector Strategy Team in 2010. Through sponsoring a State Sector Strategy Team, the department has brought together leaders in industry, post-secondary education, public policy, the legislature, workforce development and community services. The team meets regularly and works to build regional capacity to implement sector initiatives across the state.
- Mississippi's Community Colleges are undertaking a number of efforts that can support successful implementation of regional sector initiatives. The Mississippi Community College Board is re-designing career and technical education curriculums, so that chunks of courses in an occupational area stack over time to a longer-term certification that holds value in the job market. Developing stackable curriculums is particularly important for adults trying to build to higher wages and work at the same time. Additionally, the Community College Board has requested additional "Dropout Recovery Funds" this year to support adult basic education and GED courses, a critical first step for low-skilled adults entering sector-specific training. If approved and increased, the funds would be a step in the right direction for moving low-skilled adults to higher wages and building the competitiveness of the state's workforce.

State and local leaders see value in building sector-based approaches and strengthening training design to increase the success of low-skilled adults. As sector initiatives develop across Mississippi, SWIB and Blueprint prioritizations will be valuable for gaining support and building a training infrastructure that moves quickly to meet employer and worker needs.

DEVELOPING CASE: DELTA WORKFORCE FUNDERS COLLABORATIVE

In early 2011, the National Fund for Workforce Solutions established six regional funding collaboratives across the United States to focus specifically on braiding funding from the public, non-profit and philanthropic arenas to invest in regional sector initiatives. Mississippi is home to one of these collaboratives, the Delta Workforce Funding Collaborative (DWFC). The DWFC's vision is that the Mississippi Delta's residents will obtain jobs with earnings that provide economic security, and that the workforce development needs of key industries in the Mississippi Delta will be met well. The collaborative chose two sectors for its effort- health care and manufacturing.

The DWFC selected health care and manufacturing because both had substantial job openings, pathways to self-sufficiency wages and a vocalized need for training. The collaborative used the Mississippi Self-Sufficiency Standard to ensure each field had career pathways that, at a minimum, led to economic security for a family with 2 workers and 1 schoolchild.

The collaborative brings together representatives from the health care and manufacturing industry, Mississippi Department of Employment Security, Foundation for the Mid South, Community College Board, Delta Planning and Development District, community-based organizations and the Mississippi Economic Policy Center (MEPC).

In addition to better meeting the needs of health care and manufacturing employers, the collaborative will establish one entity for each industry—called a workforce intermediary- that will coordinate workforce development, education, and employment-related support services for working adults who enroll in developed training.

Longer term, the DWFC will use their work in the region to inform a policy agenda that facilitates the implementation of sector initiatives across the state. Policy recommendations will also promote improvements in the provision of training, so it continues to meet the needs of low-skilled workers as they move up a pathway of skills in their industry. Promoting system-wide changes ensures that models like those developing through DWFC can be replicated to assist employers and workers across Mississippi in the years ahead.

EVALUATING SECTOR INITIATIVES WITH MISSISSIPPI'S STATE LONGITUDINAL DATA SYSTEM

For all sector initiatives, evaluation provides findings for ongoing program improvement, outreach and fundraising. Evaluation is a critical piece of the DWFC's sector-based approach. A strong emphasis on evaluation will allow the DWFC leadership to analyze and compare employment and earnings outcomes for training developed from the effort.

In 2011 the Mississippi Legislature authorized further development of the State's Longitudinal Data System (SLDS) to provide a resource for looking at the wage and employment outcomes of adults that exit training programs across the state. Once complete, this more robust SLDS can be used evaluate whether workforce training efforts successfully channel low-skilled adults towards further credentials, employment and self-sufficiency earnings.

ONGOING CASE: MISSISSIPPI CORRIDOR CONSORTIUM

In Northeast Mississippi, training providers and industry leaders have come together to meet industry and labor force needs in advance manufacturing. East Mississippi, Itawamba, Northeast and Northwest community colleges have been aligning resources and efforts through the Mississippi Corridor Consortium (MCC) since 2004. The MCC leadership recognizes pooling the strengths of each college can lead to larger advancements in the number of employees with credentials in their workforce. Over time the partnership has increased the skill level of the region's workers, an outcome that is valuable to current and future manufacturers in the area.



A network of communication between workforce agencies, employers and community colleges enables the MCC to develop targeted training and courses that build skills for workers across the region. With industry input and support, MCC also works to strategically ensure that training matches development plans for manufacturing employers throughout the region. MCC has evolved over time to provide training and support that build a pipeline of advanced manufacturing workers in Northeast Mississippi. Some of these evolutions include:

- *A manufacturing career pathway that begins with a 90-hour basic manufacturing skills program for entry-level positions. Workers can also build to courses for more advanced skills in auto, aviation or metals manufacturing.*
- *A 5-week 'C2C' course that focuses on employability skills for low-skilled adults in the workforce. Topics include team building, ethics, appearance and employer visits. Companies in the region contribute funds, so adults that regularly participate receive support through travel vouchers to reduce the cost of transportation. Temporary paid internships can also be set up to give adults work experience as they build skills.*
- *A capstone course in troubleshooting for incumbent workers that are involved with industrial maintenance and operations with companies in the region.*
- *Where possible, MCC awards credit for skills that workers have gained outside the classroom. Credit by examination allows working adults to gain college credit for existing knowledge as they pursue a post-secondary credential or degree.*

The Corridor Consortium's ongoing efforts exhibit many key features of sector initiatives: career pathways that start with basic skills courses, multiple entry and exit points, an emphasis on support services, regular industry input, transferable credits and stackable credentials that lead to a degree. MCC's pursuit of a sector-focused strategy provides an example of how aligning resources can concurrently benefit low-skilled adults, current workers, regional industries and working families across Mississippi.

More detailed information on sector initiatives and career pathways is available in the Mississippi Economic Policy Center's (MEPC) report, *Building Pathways to Credentials and Careers*. If you have questions or would like additional information, please visit MEPC's website at www.mepconline.org. We are grateful for the support and resources of the Working Poor Families Project during the development of this brief.