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## THE CAREER PATHWAYS MODEL:

### Connecting North Carolina's Workers to Skills, Supporting Growing Industries

BY ALLAN FREYER, *Policy Analyst* and SABINE SCHOENBACH, *Policy Analyst*

#### Executive Summary

- **Unemployment rose** from 5 percent in December 2007 to 10.4 percent in November 2011, poverty climbed from 14.3 percent to 17.5 percent over the same period, and incomes dropped to levels lower than the 1970s. At the same time, North Carolina suffered rampant job losses in relatively high-wage manufacturing industries, along with a boom in low-wage occupations paying as little as \$10 an hour.
- **Industries looking to locate, remain, or expand in North Carolina** are interested primarily in the strength and skill level of the state's labor market. Unfortunately, North Carolina faces a disconnect between industry demands for skilled labor and the ability of the state's labor market to supply these workers. Too many workers have insufficient educational attainment and industry-appropriate occupational skills. This hurts these workers' abilities to find decent-paying jobs over the course of their careers and creates a skills and wage gap.
- **Given the rapid boom in low-wage occupations**, the state is faced with a future in which too many workers become locked into low-skill career tracks with little opportunity for upward mobility within and between occupations.
- **Investing in career pathways**, however, can help North Carolina avoid this low-wage future by changing the trajectory of the state's job growth from low-skill occupations to higher-skill occupations. Defined as a series of connected education and training programs and student support services that enable an individual to secure a job or advance in a high-demand industry or occupation, these efforts create opportunities for workers to build their skills and secure upwardly mobile career opportunities.
- **This report presents case studies** of three career pathways programs in North Carolina—Latino Pathways, Wx/EaST, and Pathways Out of Poverty. These three programs help close the wage and skills gap for North Carolina's workers by creating structured training opportunities for workers in targeted industries, allowing them to build their skills and move up career ladders within those industries.

## Overview

*In the years since the Great Recession, economic trends in North Carolina have not been kind to the state's workforce. Unemployment rose from 5 percent in December 2007 to 10.4 percent in November 2011, poverty rose from 14.3 percent to 17.5 percent over the same period,<sup>1</sup> and perhaps even more critically, incomes dropped to levels not seen since the 1970s.<sup>2</sup> At the same time, North Carolina suffered rampant job losses in relatively high-wage manufacturing industries, along with a boom in low-wage occupations paying as little as \$10 an hour.<sup>3</sup>*

*Addressing these troubling trends is a critical challenge facing the state's legislative leaders and economic and workforce development policy officials. At its core, this economic problem has three main aspects: putting dislocated workers back to work, ensuring that employment opportunities exist for young workers entering the workforce, and promoting the upward mobility of workers within new or existing careers. In all three cases, policymakers should concentrate not only on creating new jobs for these workers but also on ensuring they have access to better jobs—jobs with benefits, opportunities for upward mobility, and wages capable of supporting their families.*

*In the new global economy, creating more and better jobs for North Carolina requires significant attention to the state's labor market and the types of work being created by existing and future industry in the state. As both the NC Department of Commerce and the Workforce Development Commission argue, industries looking to locate, remain, or expand in North Carolina are interested primarily in the strength and skill level of the state's labor market.<sup>4</sup> According to the scholarly literature on this subject, higher-skilled workers improve the productivity and profitability of firms, and as a result, states that can improve the overall skill levels of their workforces are in better positions to attract and retain growing and higher-wage industries, and thus create more and better jobs for their workers. With higher and more industry-relevant skills, workers have a greater likelihood of finding work and, perhaps more importantly, can improve their upward mobility within and between occupations, leveraging higher skills for higher-paying work.<sup>5</sup>*

*Along with labor-market challenges driven by too few jobs, North Carolina also experiences a structural challenge – workers need more training to match anticipated industry needs. Without more training, these workers will find it difficult to find decent-paying jobs in the short run, and the state's ability to attract higher-paying industries may be impacted over the long run. Perhaps more fundamentally, this disconnect locks workers into low-skill career tracks with little opportunity for upward mobility within and between occupations. As a result, policymakers need to address both the short-run and long-run dimensions of this disconnect between industry demand for skilled labor and the labor market's ability to supply it.*

**Career pathways** – “a series of connected education and training programs and student support services that enable individuals to secure a job or advance in a demand industry or occupation”<sup>6</sup> – can be one effective response to this disconnect. Career pathways focus on easing and facilitating student transition from high school and low-skill occupations into community college or vocational training programs, and then to consecutively higher-skill and higher-wage employment. In doing so, career pathways create structured avenues for workers to increase their skills through credentialed training programs that in turn allow these workers to move into higher-paying, more skill-intensive employment opportunities within their industry or occupation.<sup>7</sup> In North Carolina, the legislature actively pursued career pathway programs as part of welfare reform in the late 1990s in an effort to help move program recipients into employment and self-sustaining careers. After some initial interest, the legislature stopped funding these programs in the early 2000s, but local workforce boards, nonprofit workforce intermediaries, and community-based

## **The Policy Challenge**

*organizations picked up the mantle from the state and began experimenting with various models of career pathways targeted toward different populations and industries.*

*This report examines some of these models in an effort to highlight the importance and potential effectiveness of career pathways for addressing the demand and supply challenges facing the North Carolina labor market.*

For most of the 20th century, North Carolina's economy created broad-based prosperity relative to most other states in the Southeast, centered largely on traditional legacy manufacturing industries—textiles, tobacco, and furniture—for lower-skilled workers and research and development services for higher-skilled workers. These legacy manufacturing jobs provided a secure career path for many North Carolinians, paying family-supporting wages for low and moderate-skill work requiring little in the way of education. Unfortunately, while the state's high-skill industries have expanded significantly over the past 30 years, to the benefit of more-educated workers, North Carolina's traditional manufacturing base has eroded over the same period, due to steadily increasing long-term competition and restructuring in the global economy. Nearly half of the state's counties experienced a net loss of manufacturing jobs in the 1980s, and while conditions improved briefly in the mid-1990s (fueled largely by overexpansion of the textile industry), they began to worsen significantly by the turn of the century, as the state continued to shed traditional manufacturing employment. Many of the remaining traditional manufacturing establishments hung on by a thread, protected in part by the overall growth in the state's economy during the 1990s.<sup>8</sup>

When the economy entered recession in 2001 and again in 2007, however, the weaknesses in the tobacco, furniture, and textile industries could no longer be masked. Coupled with falling trade barriers scheduled into existing and new international trade agreements, the 2001 recession intensified the decline of these traditional manufacturing sectors, resulting in a breathtaking loss of 350,000 manufacturing jobs from 2000 to 2003—an almost 45 percent decline.<sup>9</sup> In place of jobs in these legacy industries, the state experienced significant growth in lower-wage industries with less job security—industries like retail services, wholesale

distribution, and low-skill health-care services. When North Carolina entered the Great Recession in 2007, many of these industries proved particularly vulnerable; the state has lost more than 300,000 jobs in the four years since the recession began.<sup>10</sup>

Despite a recovery in high-skill industries like research and development, financial services, and information services, the economic downturn has had predictably negative consequences for lower-wealth, manufacturing-dependent communities and unskilled and semi-skilled workers across North Carolina. As one state policy document reported, the ability of these dislocated workers “to find new jobs at anything close to their old wages has proved to be an elusive quest for far too many.”<sup>11</sup> Indeed, the Employment Security Commission projected that statewide, dislocated workers' replacement wages typically clocked in at

less than three-quarters the amount of pre-layoff wages—for those fortunate enough to find a job. Almost half of rural dislocated workers in the state have been less fortunate and have been completely unable to find employment at all within one year of their lay offs. Only three in five managed to find work two years after their layoffs.<sup>12</sup>

Alongside the difficulties facing dislocated workers, the state has a similar challenge providing work opportunities for young workers just entering the workforce without the low-skill manufacturing jobs available to previous generations. In 2010, the unemployment rate for youth—those between the ages of 16 and 19—was 27 percent, while those aged 20 to 24 had an only marginally lower unemployment rate of 18 percent.<sup>13</sup> Every year of unemployment at the beginning of a worker's career reduces his or her long-term upward career mobility and long-term earnings potential over his lifetime.<sup>14</sup>

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## OUTLINING THE CHALLENGE

As a result of these conditions, many new and dislocated workers are in danger of becoming permanently locked into lower-wage occupations with little opportunity for advancement and higher earnings. For both of these groups, the fundamental challenge facing state economic-development policymakers is the disconnect between industry demands for appropriately skilled workers and the ability of the labor market to supply those workers.<sup>15</sup> In turn, this “skills gap” produces a “wage gap,” in which lower-skilled workers lack opportunities with which to improve their skills and secure upward income mobility across and within their occupations and industries.

On the labor demand side, the days of decent-wage careers that do not require a high school degree are long gone from North Carolina. Firms increasingly place a high premium on the skills gained through post-secondary education, including associate’s degrees, technical or vocational certification, and for many professional occupations, college degrees. This “skill premium” has been recognized by academic researchers<sup>16</sup> and business groups like the U.S. Chamber of Commerce, which has argued that “no issue is as important to a community’s continued prosperity as education.... As the primary consumer of the nation’s education system, the business community needs capable, enterprising employees in order to compete in a global economy.”<sup>17</sup> Since the mid-1970s, all of the net job growth in the

American economy has occurred in occupations requiring some post-secondary education, a trend that appears likely to continue into the future.<sup>18</sup> By some estimates, more than 60 percent of all employment opportunities will require more than a high school diploma by 2018.<sup>19</sup> At least 42 percent of the new jobs being created in North Carolina will require at least some post-secondary education, many in Science, Technology, Engineering and Math (STEM) disciplines.<sup>20</sup> Without the skills necessary for employment and advancement, workers will find it increasingly difficult to find new jobs and to become upwardly mobile within their occupations.

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Beyond the immediate importance of post-secondary education for ensuring better employment prospects for workers, educational attainment is also critical for their long-term financial sustainability,

especially among the most vulnerable populations. For each successive year of post-secondary education achieved, an adult is more likely to secure gainful employment, earn a family-supporting income, and have children who are better prepared to succeed in school. An associate’s degree or vocational certification in a high-demand industry may in fact provide higher wages for many students than a traditional four-year college degree, which may be beyond the means of many workers.<sup>21</sup> As a result, skills and education are an essential dynamic in ensuring the upward mobility of workers into and within occupations.

Unfortunately, as numerous studies by scholars, policy researchers, and government agencies have demonstrated, the supply side of the national labor market—including North Carolina’s—is failing to produce sufficient workers with the general educational attainment and specific occupational skills necessary to meet the demands of industry in the new, globally competitive economy. Only 77 percent of North Carolinians graduate from high school and only 26 percent have a four-year college degree. Employers repeatedly report that too few workers in non-professional occupations have sufficient credentials from community colleges or vocational programs to meet their skill needs.<sup>22</sup>

This skills gap is hampering lower-skilled workers’ ability to find new jobs while simultaneously raising significant barriers for upward mobility to higher-skill and better-paying employment opportunities. In effect, the skills gap contributes to a wage gap, in which low-skill workers become locked into low-wage occupations, with little opportunity to improve their earnings or to upgrade their skills in ways that improve their earnings over time.<sup>23</sup> Unless policymakers intervene, this skills and wage gap may have a substantial impact on the future of North Carolina’s workforce and its entire economy. According to the recent State of the Workforce report issued by the NC Department of Commerce, only six of

## The Policy Response: Career Pathways

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the twenty fastest-growing occupations pay sufficient wages to support workers' families, and all six of those occupations—physicians, nurses, post-secondary and elementary-school teachers, and frontline managers in construction and offices—require a specific and measurable skill set, often tied to a widely accepted educational credential. On the other hand, four of the fastest-growing occupations pay less than \$10 an hour and are largely unskilled—construction laborers, food preparers, home health aides, and retail cashiers. These are occupations with low wages and little opportunity to build skills and improve earnings over time.

Investing in career pathways, however, can help North Carolina avoid this low-wage future by changing the trajectory of the state's job growth from low-skill occupations to higher-skill occupations. In doing so, these efforts create opportunities for workers to build their skills and secure upwardly mobile career opportunities.

Career pathways programs are effective tools for addressing the fundamental disconnect between industry demands for skilled labor and the labor market's ability to provide it, and in doing so, these programs close the troubling skills and wages gaps. As previously defined, career pathways programs are "a series of connected education and training programs and student support services that enable individuals to secure a job or advance in a demand industry or occupation." Using partnerships between high schools, community colleges, and industry, these programs typically focus on facilitating student transition from high school and low-skill occupations into community college or vocational training

programs, and then to higher-skill and higher-wage employment. In the process, they provide students with specific sets of skills customized for targeted industries and—ideally—targeted employers, with opportunities for future training to facilitate upward mobility and progressively higher earnings within that industry or employer.

In the current economic environment, career pathways are especially important for addressing three shortcomings in the labor market and workforce development service delivery system. First, these programs address the critical misalignment in the "pipeline" moving students from primary education to community colleges to employers. As the U.S. Chamber of Commerce has argued, "the reason many employers struggle to find qualified workers is that the pipeline has become weak. Too many students exit before they have gone far enough to gain the skills necessary to meet the needs of employers."<sup>24</sup> High schools often fail to provide students with the basic skills in reading, writing, and oral communication, and community colleges are facing drop-out rates and low job-placement rates in key occupations,<sup>25</sup> suggesting that the current institutional approach to training the workforce is failing at the junctures between high school, community colleges, and the employer. Career pathways address this misalignment by providing students with externally funded and credentialed training paths in specific occupations of interest to them and

employers; often these paths begin in high school or are introduced to workers by their employers, creating a direct connection between the student/worker and the occupation of his choice.

Second, while this pipeline misalignment is problematic for all groups in the American workforce, studies show that minority and low-income populations are more vulnerable to falling through the cracks—drop-out rates are higher, educational attainment is lower, and unemployment for these groups outpaces the national average.<sup>26</sup> Two of the three case studies profiled in this report demonstrate how career pathways are able to target these populations specifically for special support.

Thirdly, too many occupations do not provide opportunities for skill development, increased earnings, and career mobility over the course of a worker's career. Without access to training

provided by external entities, many workers simply have no way to climb above the first unskilled or semi-skilled rung in a career ladder. This can lock a worker into largely unskilled work and low earnings over the course of a career. Career pathways, however, provide this external training mechanism that allows workers to gain skills needed to climb this career ladder. Over the course of a worker's career, he or she may access several different, consecutive training programs to build his or her skills as he makes upward progress in his occupation.

Ultimately, career pathway programs provide a critical tool for reversing the deterioration of the state's labor market and ensuring broader-based prosperity for the workforce. Absent some kind of intervention into this broken pipeline, these problems often lead too many workers—and the labor market as a whole—down the path of least resistance to an increasingly low-skill workforce and a labor market dominated by low-skill and consequently low-wage employment opportunities. Long-term low-skill employment erodes the competitiveness of the overall labor market—which can be crippling for industrial recruitment in this skill-obsessed global economic environment—and has devastating impacts on the productivity and income-earning potential of individual workers over their lifetimes.<sup>27</sup> By promoting skill upgrading, rather than a low-road approach to the labor market, career pathways are an essential part of strengthening North Carolina's labor market and improving the state's long-term economic development goals.

This is especially true when career pathways are tied to sectors targeted for retention and attraction in the state's economic development strategy—an approach known as sector targeting. By upgrading workers' skills in targeted industries and occupations, policymakers have the opportunity to shape the workforce of the future to meet the needs of the most economically desirable sectors and then use the state's labor market as a key bargaining chip in attracting these sectors to North Carolina. Using an example from our case studies, a career pathway program targeted toward preparing workers for the health-care sector helps build the segment of the labor force skilled in various health-care occupations—and at various skill levels within this sector—which in turn makes North Carolina attractive for businesses in the health-care industry.<sup>28</sup>

Despite the importance of career pathways for long-term economic development in the state, it cannot be overstated that these programs are primarily focused towards directly benefitting the worker in the short-term by providing him or her a structured path for building his or her other skills for upward mobility in a specific occupation or industry of his choice. Career pathways provide workers with the tools necessary for retraining to adjust to the immediate needs of his employer and the surrounding labor market. In the short run, these programs can help address the chronic unemployment in the state by ensuring that workers have the necessary skills to take advantage of higher-skill employment opportunities that would otherwise be beyond their reach.

## Career Pathways in North Carolina

In the mid-1990s, North Carolina briefly experimented with industry-specific career pathways funded at the state level and integrated with the community college system during early efforts at welfare reform. Due to the economic boom of the late 1990s, however, interest in these programs at the state level waned by the turn of the century, and the General Assembly never funded them in any meaningful capacity in the years following.<sup>29</sup> Despite the lack of state interest, local community colleges, workforce boards, and community-based groups maintained their interest and continued to experiment with these programs at the local and regional level. As a result, leadership in career pathways has shifted from the state level to the local level with the development of dozens of different models implemented by a range of different actors.

In this section, three different models of career pathways are examined: (1) the Wx/EaST weatherization/construction program at Pitt Community College; (2) the Pathways out of Poverty program at Central Piedmont Community College (CPCC); and (3) the Latino

Pathways program administered by MDC, Inc. Each program was funded in different ways, led by different types of actors, and targeted different populations. Some have outcome data, and some do not; as a result, each study provides useful information on different aspects of career pathways. Despite these differences, all of these models focus on addressing the skills gap—the disconnect between industry demands for specific skills and the ability of the labor market to provide these skilled workers— by aligning the occupational training pipeline with community colleges and specific industries.

**Case Study #1:  
Wx/EaST,  
Pitt County**

The Weatherization, Energy, and Solar Training Project, or Wx/EaST, was established in 2010 through an American Recovery and Reinvestment Act (Recovery Act) State Energy Sector Partnership Grant from the U.S. Department of Labor.<sup>30</sup> The Recovery Act appropriated \$32 million in weatherization training grants, of which North Carolina received \$5 million. In turn, the NC Department of Commerce granted \$900,000 to the Wx/EaST program through the Region Q Workforce Board (covering Hertford, Bertie, Martin, Beaufort, and Pitt counties), which then allocates the money to Pitt Community College (PCC) in Pitt County. The program, administered by PCC, is one of four regional teams creating training and certification opportunities in the energy sector and related fields in 38 rural counties across North Carolina.

**PROGRAM DESIGN AND  
PARTNERSHIPS**

Wx/EaST provides a credentialed career pathway in beginning and advanced energy efficiency/weatherization construction, repair, and maintenance for both experienced construction workers and for those new to the industry. Program participants include currently employed construction workers, former construction workers dislocated by recession-era layoffs, recent high school graduates, and those with incomes of less than 200 percent of the poverty level. Originally, incumbent construction workers were not eligible, but the persistence of the downturn motivated their inclusion in 2010. The Workforce Board reimburses PCC for the cost of tuition, allowing students to receive training through Wx/EaST free of charge.

PCC based the program on the national construction certification program offered by the National Center for Construction Education and Research (NCCER) and the weatherization certification offered by the Building Performance Institute, a nationally recognized developer of technical standards for home performance and weatherization retrofit work.

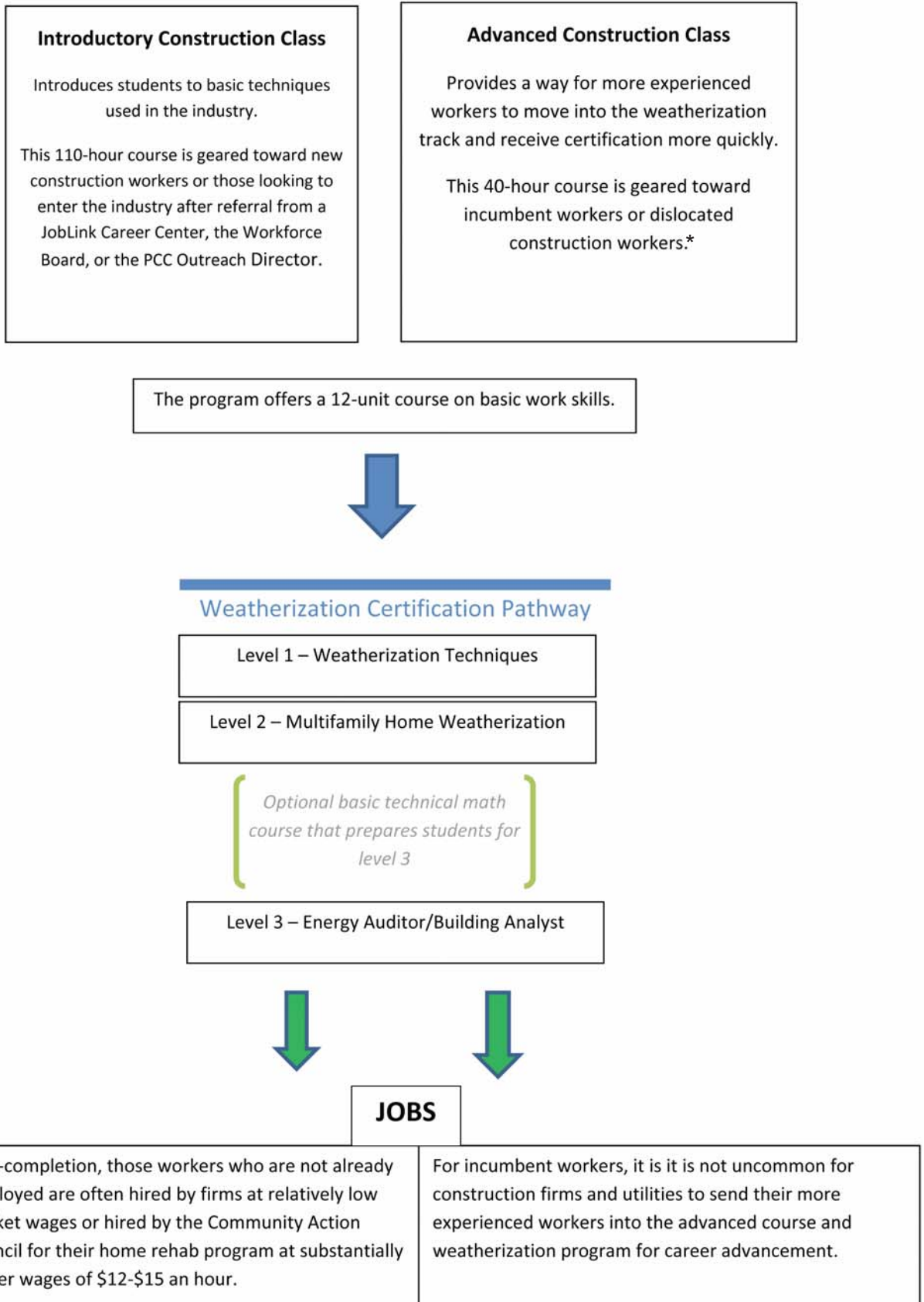
As lead administrator, PCC works with several partners, including the local homebuilders association, Greenville city government, major utilities companies, the Region Q Workforce Board, and the Community Action Council, a nonprofit community action agency. The homebuilders association, for instance, works directly with PCC to ensure that the college enrolls interested and appropriate workers and that participants receive training on the most timely and market-relevant techniques. The association also works with PCC to ensure that courses are offered at the most appropriate times of the year, given seasonal patterns in the industry. For example, spring is usually the busiest time of work and therefore is the worst time to offer classes for construction workers, while winter is less busy and more appropriate for class instruction times. Aside from administering the program, PCC, along with its partner community colleges, acts as the service and training provider. [See Figure 1, pg. 8]

**OUTCOMES AND  
LESSONS LEARNED**

The Workforce Board tracks program completion rates and workers' post-training employment at 60 days, 90 days, and six months. Early outcomes show good completion rates of around 90 percent. While there is no definitive data on employment as of yet, staff notes that hiring seems to be improving, though it is still weak. Staff noted a "buzz" in the community about the program and expects that if the economy picks up, hiring will too.

The availability of construction jobs is driving interest in and progress through the program. Post-completion, those workers who are not already employed are often hired by firms at market-rate, low market wages or hired by the Community Action Council for their home rehab program at substantially higher wages of \$12 to \$15 an hour. For incumbent workers, it

**FIGURE 1: Wx/EaST Curriculum Design**



\* Dislocated workers often enter the program with the financial support of WIA dollars and the recommendation of a former employer.

is not uncommon for construction firms and utilities to send their more experienced workers into the advanced course and weatherization program for career advancement.

If no jobs in the industry are available upon completion of the program, workers may jump into training for another career path, particularly manufacturing through the Work Keys Program. The Wx/EaST program gives these workers a leg up on completion of Work Keys, as the Wx/EaST program gives them OSHA 10 certification—the basic worksite safety certification built into the basic construction class. Other paths into which post-Wx/EaST workers have gone include paper products, forklifts, and welding. As a result, Wx/EaST acts as a gateway for unskilled or semi-skilled workers to receive training and gain employment for a number of different industries.

Although PCC conducts outreach to firms, homebuilders, and weatherization consumers to ensure alignment between industry needs and services delivery, PCC staff believes that better and more outreach to workers and firms is essential in order to better fulfill federal Department of Labor guidelines for demand-driven service delivery.

## **ADDRESSING THE WAGE & SKILLS GAP**

The Wx/EaST program addresses the disconnect between industry demands for skilled workers and the labor market's ability to provide these workers in two key ways. First, the program provides a clearly credentialed vehicle for increasing occupational skills and upward mobility within a growing and increasingly important subfield in the construction industry—all while meeting the specific needs of existing construction employers. Secondly, the program gives workers basic construction skills that are transferable outside the weatherization subfield and an OSHA certification that is transferable across a broad range of heavy-industry occupations. These skills strengthen the local labor market and give workers the opportunity for greater upward occupational mobility.

## **Case Study #2: Pathways out of Poverty**

Pathways out of Poverty<sup>31</sup> seeks to expand opportunity for those either in or at risk of persistent poverty by increasing income security, reducing barriers to employment, and increasing job retention and wage progression. As part of this program, Central Piedmont Community College (CPCC) is one of four North Carolina community colleges to receive a two-year grant from the Department of Labor to focus on green job training programs for low-income individuals. Determining that the energy sector is a growth industry in the Charlotte area, CPCC began its Green Systems Technology training in June 2010.

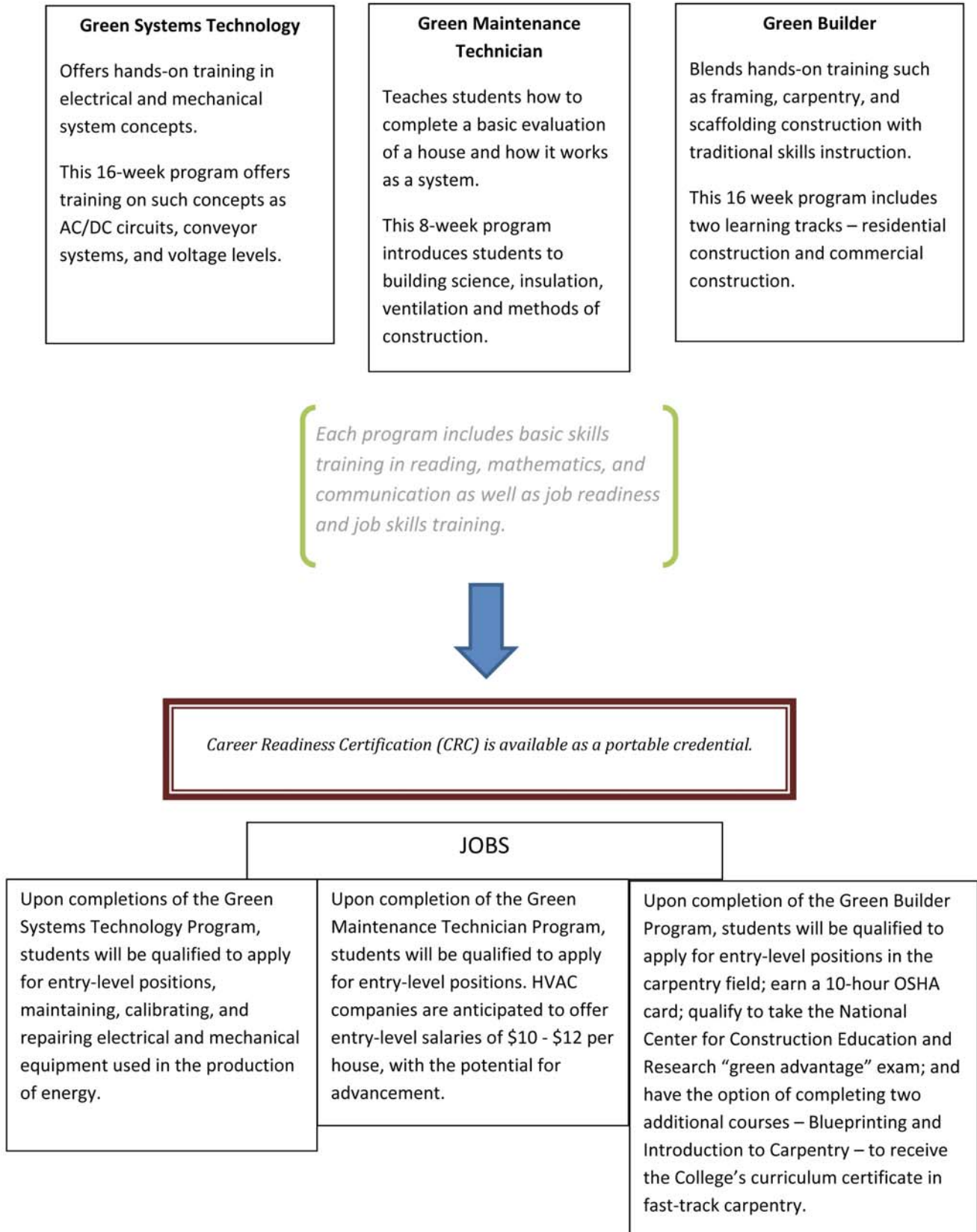
## **PROGRAM DESIGN AND PARTNERSHIPS**

The program targets unemployed individuals who are available to work and is geared toward workers who live in areas of high poverty (those individuals with no incomes or low incomes who live in areas where the poverty rate is 15 percent or greater), have not received a secondary school diploma, are or have been subject to any stage of the juvenile or criminal justice process, and/or are eligible veterans. Tuition costs are covered by the grant, and supportive services such as bus passes, gas cards, and child-care assistance are available to participants.

In addition to CPCC's outreach efforts, partnerships with Goodwill Industries, Job Link Career Centers, and local supportive services organizations are key elements of recruitment. Additionally, Community partners are also part of the program's advisory committee. Interested candidates attend an information session and are then guided through the testing and application process. In order to qualify for the program, students take an assessment test to demonstrate proficiency in mathematics at the 9th grade level and reading at the 10th grade level.

CPCC is the administrator of the program as well as the service and training provider. CPCC offers three training programs: Green Systems Technology, Green Maintenance Technician, and Green Builder. Each program combines hands-on training opportunities with traditional

**FIGURE 2: Curriculum Design for Green Maintenance Technician and the Green Builder Program**



instruction. The programs are full-time, with half of the day devoted to job skills such as electrical and mechanical systems concepts (e.g. AC/DC circuits, conveyor systems, and voltage levels). The second half of the day focuses on basic skills such as reading, mathematics, communication, and job readiness through the college's Pathways to Employment office (see Figure 2, pg. 10).

**OUTCOMES AND LESSONS LEARNED**

To date the program has served more than 100 participants, all of whom received basic education services. The number of participants having completed the individual programs is lower, and no formal data on employment outcomes is available.

In the context of working with vulnerable populations, project staff has recognized the importance of such program elements as graduation events. Program staff noted that the ceremony itself and hearing "success stories" from former graduates are of significant importance to participants. Staff also noted that job placement is a challenge, as community colleges, by their nature, are set up more for training than placement. The program is currently applying for a grant expansion to focus more resources on placement.

**ADDRESSING THE WAGE & SKILLS GAP**

While the Wx/EaST program targets a specific industry, the Pathways out of Poverty program addresses the disconnect between labor market demand and supply by targeting vulnerable populations. Given the necessity of the high school degree as a minimum credential, the program addresses this particular low-skill population and creates a vehicle for improving their skills and earning power.

**Case Study #3:  
Latino Pathways**

Latino Pathways was initiated in 2003 by MDC, Inc., a non-profit organization that conducts research and manages demonstration projects focusing on workforce and economic development in the South.<sup>32</sup> Using a sector-employment strategy, MDC initiated the program in response to both the growth of the Latino immigrant population in North Carolina and the need to support specific industry growth. The program established a combination of services and programming focusing primarily on the health-care industry through partnerships in Charlotte and Greensboro.

**PROGRAM DESIGN AND PARTNERSHIPS**

Prior to the launch of the program, MDC tracked and analyzed data on the growth of the Latino population in North Carolina. Research showed that while population was increasing, educational attainment and median income for Latino North Carolinians remained low. In consultation with Latino and workforce leaders, MDC identified four barriers Latino immigrants faced when attempting to move up the career ladder: language, low education, cultural expectations, and a lack of connection to labor-market services and networks. The project attempted to address these barriers through a combination of services and programming, planned and implemented by local partnerships in Charlotte and Greensboro, the project sites.

Partnership groups comprised of Latino-focused and community agencies, community colleges, Workforce Development Boards, civic leaders, a local Chamber of Commerce and some corporate representatives took the lead in recruitment efforts. For instance, community-based organizations that were gathering places for immigrant workers served as gateways, and community colleges aided recruitment efforts through already-existing English as a Second Language (ESL) courses. After the planning and design phase, each site hired a project coordinator who led outreach activities.

Data on specific sectors that could support growth and could provide opportunities for advancement led the project to focus primarily on the health-care industry and small business training. Project leaders identified a language gap that made it difficult for some immigrant workers to pass certification requirements and perform job functions. Central

## OUTCOMES AND LESSONS LEARNED

Piedmont Community College (CPCC), which had already been working on combining language and vocational skills training, partnered with Latino Pathways to create a pilot project for nurse assistant training. In Greensboro, Guilford Technical Community College (GTCC) utilized Latino Pathways to help move its ESL students into training.<sup>33</sup>

Latino Pathways participants initially attended an orientation meeting, and eligible candidates continued on to the intake process, managed by a project coordinator. The nurse assistant training lasted approximately one semester (12 to 16 weeks) and included an ESL component as well as a ready-for-work component.

During two years of implementation, three cohorts of nurse assistants trained in Greensboro and two cohorts trained in Charlotte, achieving particular success with incorporating language-skills training into the programs. Between 50 and 100 individuals at each site were supported and tracked until they gained employment. Partnerships were established that offered greater access to services and employment opportunities.

The initial phase of the program has concluded, and thanks to the thoughtful analysis by program staff, this case study can focus more intentionally on lessons learned in four key sector strategies: outreach, training, career pathing, and advocacy.

In terms of outreach, as noted above, community-based organizations as well community colleges were important vehicles for community outreach. Outreach to employers resulted in establishing connections useful for job interviews and follow-up after job placement; however, attracting more employers to the partnership team proved difficult. The sheer number of stakeholders with unique agendas also proved challenging to navigate.

With training, Latino Pathways sought not only to build skills in the health-care sector but also to upgrade the English-language capabilities of Latino immigrants. Although health care was chosen carefully as a sector that promised career advancement and that lacked bilingual providers, graduates of the program moved into a career path that was unfamiliar. As a result, project participants found themselves in an industry that lacked the necessary support systems.

In terms of the pathway itself, the program sought to develop a curriculum that built skills along a career path and to work with employers to help workers retain their jobs and move up the industry's career ladder. Latino Pathways focused on the lower rungs of the career ladder, looking at points of entry; not enough resources were available to support full career advancement. By choosing a "stepping stones" model, the program illuminated gaps in the pathway and assisted partners in responding to these gaps.

Finally, the program sought to improve advocacy on behalf of Latino immigrants by partnering with existing organizations in the immigrant community. This work culminated in a broad effort toward establishing equity. On an institutional level, the program highlighted the need for further policy advocacy.

## ADDRESSING THE WAGE & SKILLS GAP

Like the Pathways out of Poverty program, Latino Pathways addressed the labor market disconnect for a specific population—in this case, Latino immigrants. The project was not able to track the individual participants over the long term, but the program's focus on English-language training and its undeniable success in involving the Latino immigrant population in community college education created a critical gateway through which these workers were able to enter the labor market at a higher skill level than otherwise possible. Perhaps even more importantly, this community gained familiarity and comfort with using the community college as a vehicle for training in other occupations and other industries. As with the Wx/EaST program, Latino Pathways created opportunities for cross-occupational and cross-industry skill transferability—a key aspect of a strong and competitive labor market.

## Common Themes

Despite different funding sources, target populations, and type of organizational administrators, these three programs have certain key similarities in how they seek to address the skills gap and disconnect in the state's labor market. First, all three programs involve direct partnerships with targeted industries (in these cases, weatherization, construction, and health care), and each use industry stakeholders to shape the training curriculum to meet industry's specific needs and to identify and recruit specific workers for enrollment in the programs. In turn, these industries have a ready supply of skilled workers to employ (or promote) upon the students' graduation. These pathways strengthen the worker pipeline for both the unemployed and those looking for upward movement within a specific firm.

Secondly, these programs serve as gateways to other occupations through existing certifications and additional training in other community college programs. This allows workers to find the right occupational match in terms of interests and local demand should the first pathway prove undesirable or unworkable. In doing so, these programs create flexible pipelines in the labor market, allowing them to adapt to industry needs and worker interests as they evolve. Taken together, both of these factors give all workers—and especially the most vulnerable—opportunities to gain the training they need to enter the workforce in a skill-dependent occupation, pursue upward mobility in that occupation, and ultimately earn incomes capable of supporting them and their families.

## Conclusion

Given the challenges facing North Carolina's labor market, particularly the disconnect between the demand and supply for skilled workers, the three case studies discussed in this report provide policymakers several key implications for workforce development policy. First, at the systemic level, policymakers can use career pathways to shape the labor market of the future, to train the workers for the types of industries North Carolina specifically wants to build its economy around, such as energy efficiency and health care. Such an approach allows the state's economic development planners to be proactive, rather than reactive, to shape the labor market to meet demands of current and future industry. In turn, this will allow the state to weather sharp downturns like the recent recession and become more competitive in the global economy. Secondly, as they better prepare workers for target high-wage and high-growth occupations, career pathways also give workers the tools necessary for upward career mobility, and as they build their skills and gain better job opportunities, these workers are able to increase their incomes to better provide for their families.

Both work together to strengthen the North Carolina economy—firms get better trained workers, and workers get higher salaries and career mobility, which in turn translates into more customers for the state's businesses. Essentially, career pathways reinforce the state's ability to pursue an economic development agenda focused around the creation of more jobs and higher-paying jobs as part of a long-term effort to increase the per capita income of North Carolina residents.

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- 32 All material in this section are based on communication with program staff and two publications: Giloth, Robert and Colin Austin, *Mistakes to Success: Learning and Adapting When Things go Wrong*, iUniverse: 2010 and Austin, Colin, "Latino Pathways: Testing Sector Strategies with Immigrant Workers," MDC, 2009.
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