



The National Network for Women's Employment

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The Honorable Edward Kennedy
Chairman
Committee on Health, Education,
Labor, and Pensions

The Honorable Michael Enzi
Ranking Member
Committee on Health, Education,
Labor and Pensions

The Honorable Patty Murray
Chairwoman
Subcommittee on Employment and
Workplace Safety

The Honorable Johnny Isakson
Ranking Member
Subcommittee on Employment and
Workplace Safety

November 24, 2008

Dear Chairman Kennedy, Chairwoman Murray, and Ranking Members Enzi and Isakson:

On behalf of Women Work! The National Network for Women's Employment, thank you for the opportunity to offer recommendations as you work to complete the reauthorization of the Workforce Investment Act in the 111th Congress.

Women Work! is the nation's largest network of employment and training programs that help women enter, re-enter, and advance in the workforce. Over the past 30 years, Women Work! programs have helped more than 10 million unemployed and underemployed women to gain the skills they need to succeed in employment. Many of our members work with local WIA programs and customers, and we welcome the opportunity to provide feedback.

Despite progress made in the last few decades, women in the United States remain segregated in some of the lowest paying jobs in our country. According to the U.S. Census Bureau, nearly 15 million women in the U.S. earn less than \$25,000 a year despite working in full-time, year-round jobs. Largely as a result, one out of every fourteen working women and one out of every five working single mothers—and their families—live in poverty.

A successful workforce development system should be designed to represent both supply- and demand-side interests. On the supply side of the equation, we believe that moving low-income women, men, and their families toward self-sufficiency should be a priority. By ensuring that low-income women and men are offered opportunities to train for high-wage, high-skill careers, the system can also meet the demand of employers for the skilled workers they need to succeed in a global economy. In reviewing existing WIA provisions, we have pinpointed several reforms that

would ultimately serve the best interests of employers and jobseekers. To that end, we offer the following recommendations for reauthorization.

Thank you again for the opportunity to provide input and for your commitment to ensuring a competitive workforce. If you have any questions about this letter, or would like to set up a meeting to discuss the proposals outlined below in greater detail, please contact Women Work!'s Director of Programs and Policy, Tiffany Boiman, at (202) 467-6346 or tboiman@womenwork.org.

Sincerely,

A handwritten signature in black ink, reading "JoAnne Lyons Wooten". The signature is written in a cursive, flowing style.

JoAnne Lyons Wooten
Interim President and CEO

Women Work! Recommendations

(1) Improve data collection and accountability to ensure that the neediest workers are not being excluded.

When WIA replaced the Job Training Partnership Act (JTPA) in 1998, it mandated a dramatic shift in the way that job training services are delivered in the United States. Under WIA, federal workforce funds are no longer exclusively targeted toward serving low-income adults. Instead, the workforce investment system is supposed to provide universal access to employment and training services. At the same time, federal funding for job training and employment services has declined. As a result, the system is expected to “be all things to all people,” without the necessary resources to do so. In many cases, the women and men who most need skills training in order to achieve self-sufficiency and contribute positively to our economy have lost access to these services.

Single parents—the majority of whom are women and earn less than \$20,000 a year¹—have especially lost out under WIA. Under JTPA in 1998, 43.7 percent of adults receiving training were single parents. In the first year that WIA data was collected, this share fell by almost 10 percentage points, to 34.5 percent. In 2003, only 24.6 percent of adults receiving training under WIA were single parents.²

Women Work! recommends the following changes to WIA to ensure a focus on moving low-income women, men, and their families toward self-sufficiency:

- **Collect data on all WIA participants and require that WIA performance measurement be adjusted for economic and demographic characteristics and for known barriers to employment of the participants served.**

WIA, unlike JTPA, does not require that performance measures for a local area be adjusted for economic and demographic characteristics and for known barriers to employment of the participants served.

In addition, States and local areas are not required to report on all participants—only those who receive intensive and/or training services. In the case of one One-Stop, in 2004 the GAO found that only 5.5 percent of the individuals who walked into the One-Stop were actually registered for WIA and tracked for performance outcomes.³

As a result of both of these factors, “cream skimming” of participants has become a practice widely reported throughout the system. Caseworkers enroll participants who are most likely to achieve desired outcomes (those who likely would have done very well *without* the benefit of the program), rather than those most in need of skill upgrades and other employment services in order to obtain work with self-sufficiency wages.

¹ Women Work! The National Network for Women’s Employment, *Chutes and Ladders: The Search for Solid Ground for Women in the Workforce*, 2005. Data taken from U.S. Census Bureau March 2003 Supplement to the Current Population Survey.

² Center for Law and Social Policy, *Declining Share of Adults Receiving Training Under WIA are Low-Income or Disadvantaged*, December 14, 2005.

³ U.S. GAO, *States and Local Areas Have Developed Strategies to Assess Performance, but Labor Could Do More to Help*, 2004.

To ensure that the workforce development system is serving those who need extra help, as well as those who do not, data should be collected on every participant. In addition, performance measurement should be adjusted for economic and demographic characteristics and known barriers to employment of the participants served.

- **Require local plans to describe how services will be provided to single parents, single pregnant women, displaced homemakers, individuals training for nontraditional employment, and other hard-to-serve populations, including the provision of outreach, intake, assessments, service delivery and the training of One-Stop staff.**

As noted above, special populations such as these have been receiving a declining share of services under WIA. Local areas must be able to provide a range of outreach, intake, assessment, and other services to ensure that women and other individuals with barriers to employment are successful in increasing skills, obtaining employment, and achieving self-sufficiency.

(2) Better address low-income women's barriers to employment.

Many women who require new skills to get and keep good-paying jobs experience unique and often complex barriers to training and employment. Research demonstrates that reducing these barriers is critical to improving employment and retention rates for women in economic transition.⁴ If the workforce investment system is to succeed in increasing the employment, retention, and earnings of all job seekers, the system must be able to address the needs of single parents, single pregnant women, displaced homemakers and other women with barriers to employment.

Women Work! recommends the following changes to WIA to better address women's barriers to employment:

- **Eliminate the “sequence of services” requirement.**

When Congress authorized WIA, it stipulated that different types of services (core, intensive, training) should be provided to clients in a particular *sequence*, with the expectation that clients would be eligible for the next, higher-cost form of service only if they had failed to secure employment after receiving the lower-cost services. Individuals must first receive core services to be eligible for intensive services, and must receive both core and intensive services to be eligible for training services.

Many States and local areas have interpreted WIA's “sequence of services” requirement rigidly, creating additional barriers to employment and training for individuals who struggle to navigate the requirements. One Women Work! member working at a community college in the Midwest described her frustration with the way eligibility requirements were implemented in her community: “The One-Stop makes our participants jump through too many hoops. It is almost as if they don't want to provide funding for participants to attend school. They seem to make it very difficult for the participants to receive services.”⁵

Local WIA systems should be able to offer core, intensive, or training services in a manner that best suits jobseekers' needs. For many low-income women—especially those with

⁴ See for instance The Women's Employment Study, <http://www.fordschool.umich.edu/research/poverty/wes/>.

⁵ Electronic survey of Women Work! member organizations, administered March 14, 2007.

multiple barriers to employment—a comprehensive assessment of aptitude, interest and family income needs is the first step toward employment and training services that lead to economic self-sufficiency.

- **Ensure that all job seekers have access to child care, transportation, and other critical support services.**

Among the barriers to employment most often encountered by low-income women, lack of child care and transportation are two of the most frequent. In a recent national survey of service providers conducted by Women Work!, nearly 80 percent of respondents said that lack of adequate child care often or very often prevented women clients from succeeding in training programs. Sixty-three percent said that lack of transportation to the training site often or very often prevented success.

Although the One-Stop system was intended to address these needs by coordinating the delivery and referral of supportive services, the provision of child care, transportation, and other critical assistance is often inadequate for jobseekers also balancing the demands of parenthood.

Women Work! recommends the following changes to WIA to ensure that all jobseekers have access to child care, transportation and other support services:

- **Allow local funds to be used to provide supportive services to WIA participants, *without restriction.***

Current law allows local funds to be spent on supportive services *only* if the customer is unable to obtain them through other programs. This provision—combined with the fact that current law requires only that supportive service needs be assessed, but not addressed—deters local Workforce Investment Boards (WIBs) from adequately meeting the needs of custodial parents, mostly women, for child care assistance, transportation assistance, and other support services. In a national survey of local workforce boards, 43 percent reported that less than 10 percent of jobseekers are receiving WIA-funded supportive services.⁶

- **Require local plans to include descriptions of how One-Stop centers will provide appropriate supportive services or provide active referrals to appropriate supportive services.**

In the same national survey of workforce boards, 77 percent agreed that the process for supportive service referral and delivery warranted improvement.⁷ Including supportive service referral and provision as an element of the local plan ensures that One-Stop centers will develop adequate procedures to connect clients with supportive services.

- **Promote increased collaboration with organizations that have expertise in serving women with barriers to employment.**

Throughout the United States, thousands of local programs already possess decades of experience in meeting the needs of single parents, displaced homemakers, and other women with barriers to employment. The workforce investment system can best serve low-income women by utilizing the expertise of these local organizations. Community-based

⁶ Wider Opportunities for Women, *What Local Workforce Boards Say About Services for Women*, 2003.

⁷ Ibid.

organizations such as these often have the local information and expertise that is an integral component of regional economic development.

- **Require that local Workforce Investment Board membership include representatives with expertise in serving women with barriers to employment, including single parents, displaced homemakers, and women training for nontraditional employment.**

Local boards play a substantial role in determining policies for service delivery. Representatives with expertise in serving single parents (including single pregnant women), displaced homemakers, and women training for nontraditional employment should be included on the local WIB to ensure that the unique employment and training needs of these populations are being addressed.

Proposed Language:

Local Workforce Investment Boards: Amend §117(b)(2)(A)(iv) to read:

“(iv) representatives of community-based organizations (including organizations representing individuals with disabilities and veterans, and organizations serving women with barriers to employment, for a local area in which such organizations are present).”

(3) Structure the system to actively provide opportunities for women to train for nontraditional occupations and other high-wage, high-skill jobs.

Equity arguments aside, increasing women’s access to nontraditional jobs—which typically offer wages that are 20 to 30 percent higher than traditionally female-dominated occupations⁸—is a promising strategy for raising women’s incomes and ensuring family economic self-sufficiency. Across the United States, women remain segregated in low-wage service sector occupations with limited benefits and opportunities for advancement—while, according to business coalitions, positions in the skilled trades and technology sectors are left unfilled. WIA should work to bridge this gap.

To date, however, WIA has not made significant efforts to be proactive in informing women about opportunities in nontraditional fields or to provide women with assistance in pursuing these opportunities. According to data submitted in PY 2004, only 2.9 percent of women adult exiters were employed in nontraditional jobs in the quarter after exit.⁹ This is a significant missed opportunity that can and should be corrected in reauthorization.

Women Work! recommends the following changes to WIA for the program to be more proactive in providing opportunities for women to train for non-traditional occupations:

- **Require States to use statewide funds to implement programs that increase the number of individuals training for and placed in nontraditional employment.**

⁸ Wider Opportunities for Women, *Women and Nontraditional Work*, 2003. Calculations based on Bureau of Labor Statistics data.

⁹ Social Policy Research Associates, *2004 WLASRD Data Book*, February 2, 2006.

Current law allows States to use statewide funds for implementing programs to increase the number of individuals training for and placed in non-traditional employment (§134(a)(B)(3)(vi)(II)). However, few States are taking advantage of this opportunity. A 2002 GAO study on the workforce investment system revealed that only one State, Vermont, spent over 10 percent of these funds on implementing training programs for nontraditional employment.¹⁰ States should be required to implement these programs.

- **Require that States use statewide funds for developing and evaluating the effectiveness of strategies to ensure that employment and training activities carried out under WIA are placing men and women in jobs, education, and training that lead to comparable pay.**

On average, wages for female exiters of WIA programs lag behind wages for male exiters by about \$1,000 per quarter. For example, during PY 2004, male exiters earned on average \$5,842 in the fifth quarter after exit, while female exiters earned on average \$4,766 in the fifth quarter after exit.¹¹

While these discrepancies may not be caused by the workforce investment system itself (indeed, the pre-program gender wage difference is slightly higher than the difference after exit), the system can and should take a proactive approach toward increasing women exiters' earnings. States should do so by working to ensure that employment and training activities are placing men and women in jobs, education, and training that lead to comparable pay.

States should describe these strategies in their State plans and should be required to evaluate and include information on these strategies in their periodic State evaluation reports.

Proposed Language:

State Plan: Amend §112(b) of current law by inserting:

(18) a description of the State strategy for ensuring that activities carried out under this title are placing men and women in jobs, education, and training that lead to comparable pay.

Statewide Employment and Training Funds: Amend §134(a)(B) of current law by inserting:

(vii) developing strategies for ensuring that activities carried out under this section are placing men and women in jobs, education, and training that leads to comparable pay.

Evaluation of State Programs: Amend §136(e)(3) of current law by inserting after “employers”:

“by including information on comparable pay between men and women.”

- **Require that employment statistics information provided at One-Stop centers include information about non-traditional occupations for women.**

¹⁰ U.S. GAO, *Workforce Investment Act: Better Guidance and Revised Funding Formula Would Enhance Dislocated Worker Program*, February, 2002.

¹¹ Social Policy Research Associates, *2004 WLASRD Data Book*, February 2, 2006.

Female job seekers are often unaware that nontraditional jobs for women pay significantly better and offer more opportunities for advancement. The current law requirement that One-Stop centers provide employment statistics as part of core services (§134(d)(2)(E)) should be expanded to require that One-Stop centers provide information about high wage, high skill jobs that are nontraditional for women. This should include information relating to earnings, skill requirements and career ladders for such occupations.

(4) Integrate innovative strategies such as sector initiatives and collaborative partnerships that hold promise for employing workers in family-supporting jobs.

There is a consensus among workforce experts that demand-driven sector initiatives are a promising workforce development strategy and contribute to positive outcomes both for workers and employers. Sector partnerships have been used with great success by many States and localities. Taking a regional approach to economic development, these partnerships have been able to train and place low-income individuals into jobs in high-wage, high-skill industries. The added potential of sector projects is systems change: by partnering with local labor unions and CBOs, employers can create “high-road” jobs that come with benefits and career ladders, leading to worker self-sufficiency.

- **Create a grant program to develop sector partnerships that include gender-responsive elements.**

We suggest that the federal government integrate sector strategies into the workforce investment system. The Strengthening Employment Clusters to Organize Regional Success (SECTORS) Act of 2008, S. 3368, is an example of legislation that could integrate the sector approach into WIA. The Act would provide grants for sector partnerships that have the capacity to connect underemployed individuals with available family-supporting jobs through training and information sharing. Each partnership would use a demand-driven approach customized to the region’s economic development needs.

But as with other workforce development strategies, policymakers should ensure that all Americans benefit equally. To date, sector strategies have focused largely on male-dominated industries (manufacturing, construction, information technology, etc.). Research has shown that women tend to experience barriers to high-paying jobs in these nontraditional industries and may be excluded from the success of sector projects. For this reason, a gender-responsive approach to sector strategies is needed to achieve equity. S. 3368 sets the hiring and retention of women in nontraditional jobs as a strategic goal and requires disaggregation of performance data by race and gender—good first steps. However, a truly inclusive sectoral approach should be gender-responsive from the start by incorporating design elements that will work to attract and retain both women and men.¹²

¹² For more information on women’s under-representation in sector initiatives and solutions for promoting gender equity, see *Creating Gender Parity in Sector Initiatives*, Women Work!, 2008. www.womenwork.org/resources/pdf/sectorwhitepaper.pdf.