Scaling Sector Programs:
The evidence, opportunities, obstacles, and options

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Sectoral Training Programs

For decades, employment programs designed for low-income individuals have not shown impacts on wages and long-term earnings. Sectoral training programs are breaking this pattern.

Sectoral training programs offer

- Training skills that are useful for a specific industry with local demands and opportunities for advancement

- Strong relationships with employers (dual-customer orientation)

- Wraparound support services to encourage program enrollment and completion

If training does not meet the needs of employers, it is not going to help participants.

Evolution of Sector Programs

Older 'training as a social service' models didn't work

Sector strategies emerged in the late 1980s

2007: First rigorous evidence showed promising effects for the strategy (SEIS study/PPV)

2010s Findings led to sector-based focus in federal programs (WIOA encourages sectoral strategies)

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Key Components

Screening

Occupational skills training

Work readiness training

Wrap around supports

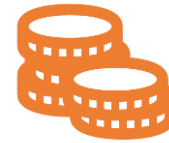Job placement and support

Post-placement support

We know sector programs *can work*

Usually increase training completion and credential attainment

Often increase employment in targeted sector

Sometimes increase short- and long-term earnings

- Programs that did not: wrong sector/occupation/wage level, training too short, fewer connections to employers, program provider not seasoned, or workforce was one program among many

Table 3

Earnings Impacts in Latest Follow-Up Period, by Evaluation and Site

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11
ATIM		$5,476									
HPOG[a]			$42								
PACE[a]											
Pathways to Healthcare			$17								
Year Up							$8,251				
Project Quest											$4,616
SEIS											
WRTP		$3,735									
JVS-Boston		$4,237									
Per Scholas		$4,663									
WorkAdvance[b]											
Per Scholas							$4,844				
St. Nicks Alliance							$2,534				
Madison Strategies Group							$353				
Towards Employment							$886				
Year Up				$1,934							

■ Impact is statistically significant at at least the 0.1 level.   ■ Impact is not statistically significant at the 0.1 level.

NOTES: Earnings impacts are not available for all of the sites in the PACE evaluation.

[a]The HPOG and PACE-Year Up evaluations impacts cover the 12th and 13th quarters after study enrollment.

[b]The WorkAdvance evaluation impacts cover a one-year period occurring between six and eight years after study enrollment, depending on when individuals entered the study. This is indicated by the brackets.

What do we know about sector programs?

Need for deep, real, and ongoing connections with employers

Program screening is important but can limit who is eligible for services

Identification of high-quality, attainable sector jobs is critical (aim high: jobs w/in reach w/training)

Support services seem to help with program engagement

Sector-Based Training Programs
Open Questions

- What components drive impacts?

- Finding fidelity measures that predict impact.

- How to see more consistent performance?

- Can they work at large institutions (e.g. comm colleges/large public systems)

- Can they serve the more disadvantaged?

- Will remote training work?

- How to scale?

Scaling the Impact of Sector-Based Employment Strategies

A Proven Training Model

We have irrefutable evidence that sector programs can not only increase earnings but also maintain those increases over time.

- Major studies (SEIS, WorkAdvance, Project QUEST, Year Up) show rigorous results across sectors
- All programs offer wraparound support and are run by locally rooted nonprofits

The next step:
How can these typically smaller program be scaled?

Why Scale Now?

The labor market context is ripe for scaling sector programs.

Labor demand is changing in ways that are favorable to sectoral training programs:

- Employers are focusing less on college degree requirements and hire individuals who are "skilled through alternative routes"
- Re-shoring and federal initiatives like the CHIPS Act
- Chronic skill gaps cited by employers
- Big upward mobility opportunity

Is Smallness A Virtue?

Previously studied programs usually serve a hundreds or a few thousand individuals. It could be argued that their small size is essential to their success.

The strengths of a smaller training program:

- Ability to change quickly with labor market conditions
- A deep knowledge of local context
- Better able to tailor: Individualized support services to help enter and complete programs (ex. travel stipends, referrals for food assistance, tools, uniforms, tutoring)
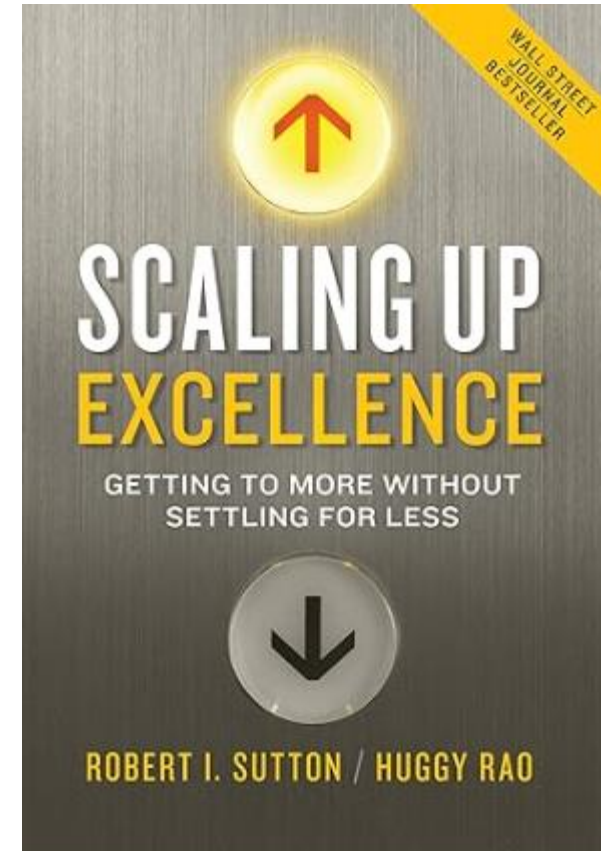
Could larger organizations maintain these strengths?
Would specific occupations targeted by these program saturate demand?

To scale need to:

1. *Simplify to core requirements*

2. *Have a highly detailed playbook*

3. *Secure stable funding*

We Have: A Complicated Model

Sectoral training programs are multifaceted, requiring hyper-specific industry knowledge and a dual-customer approach. Several aspects are difficult to scale.

Screening	Context	Ongoing Contact
Choosing candidates who have enough preparation to finish the training and perform the job well, but also benefit from the training	Understanding the sector's workplace cultures and staying on top of the latest developments in specific fields	Staying in touch with participants after they begin working to ensure they have opportunities for advancement

Impact studies looked at sectoral training programs as a package of services.
Future research should test individual elements and identify fidelity measures for future programs. What is the minimum viable model? (for portability)

We Don't Have: A Clear Playbook

Partly this is because we don't know what is driving variation in performance: components, culture, leadership, setting? Need more success cases to backward engineer from.

Benefitting A Broader Segment of Disadvantaged Workers

In the current model, many individuals who could've benefited from the services drop out or are screened out (some conversion rates <10%)

Potential Solutions:

- Bridge programs: training participants who didn't qualify for the sectoral training in basic skills needed for college level training programs. But need to be realistic about program length.

- Support services tailored to individual participant needs

- Focusing support resources on those less likely to complete the program (an application of AI/Predictive Modeling)

Scaling Vehicles: Pros and Cons

Many Small Nonprofits

- Replication maintains the benefits of a smaller program
- Unclear if providers will maintain high levels of fidelity
- Requires more federal funding to be sustainable (e.g. Pell)

Expanding Nonprofits

- Could accept more candidates and/or expand into new sectors
- Requires more funding, including through employers who benefit from these programs
- Saturation a concern.

Online Training

- Millions of users are already registered, so nonprofits would only provide wraparound services
- Reduces staffing demands & expands geographical reach
- High dropout rates
- Remote relationships may be weaker
- Requires access to technology

Community College

- Infrastructure is already built
- Lack of capacity for wraparound services
- Not always employer responsive
- Little quality data on training programs in community colleges
- Typically charge tuition, so requires additional funding

Scaling Vehicles: Mixing and Matching

- Each individual vehicle is not enough to fully address the scale of opportunity there is for sectoral training programs. An ensemble approach is the likely solution.

- A sectoral training program is not necessarily a stand-alone model. It could be paired with other interventions proven to be effective, like transitional jobs programs, apprenticeship models, welfare-to-work programs, or job-placement services.

A Replication-Scaling Effort

- An important step will be to establish a national standard for government-financed sector training that encourages the use of best practices (to make sure we don't lose the active ingredients)

- We propose a replication program based on the Maternal, Infant, and Early Childhood Home Visiting (MIECHV) scaling model:
  - Using grant requirements to ensure that local programs demonstrate with evidence that they are maintaining the core aspects of the model that made it effective

Funding the Scale-Up

Effective public funding should:

- Be stable and reliable

- Allow for flexibility (to promote innovation and nimbleness as certain subsectors become saturated with the expansion of these programs)

- Encourage fidelity, but give time for programs to fully develop

Possible vehicles

- Pell Grants

- Outcome-based loans

A Promising Opportunity

- Sectoral training programs work, and economic forces and trends make now an ideal time to scale them. They help job seekers and employers and likely lead to regional economic development.

- Better coordination between training providers, employers, and local economic development professionals can spur further growth and reduce the deep inequities.

- Sectoral training is not the only tool we have, but their proven success means that we should invest in them.

Scaling Year Up for Enhanced Impact

Garrett Warfield, YearUP

- **Year Up's Evolution:** Evolved based on rapid cycle testing (ongoing)
- **Home grown fidelity measures**, lots of rapid testing, and performance monitoring
- **Standardization and simplification** (e.g. accelerated models)
- **PTC model at community colleges:** timing alignment issues, hard to track progress, comm colleges couldn't always train in what needed, recruitment challenges, financing challenges)
- **Community Workforce Ecosystems:** Collaboration with educational institutions, employers, and workforce development entities to create non-competitive, mutual support systems.
- **Challenging but making progress:** data analytics key

Questions?

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