



Scaling Sector Programs:

The evidence, opportunities, obstacles, and options

Richard Hendra, Kelsey Schaberg and Brent Orrell
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Sectoral Training Programs

Traditional employment programs with a social services orientation failed to impact wages and 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*)
- Smart screening to identify participants most likely to succeed in the program
- "As needed" wrap-around supports rather than one-size-fits-all services



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

*Employer alignment is the foundation of effective workforce
training*

A Turning Point in Workforce Development

- For decades, traditional workforce programs failed to improve long-term earnings

- Sector-based training programs changed this—delivering **impressive ROI numbers**

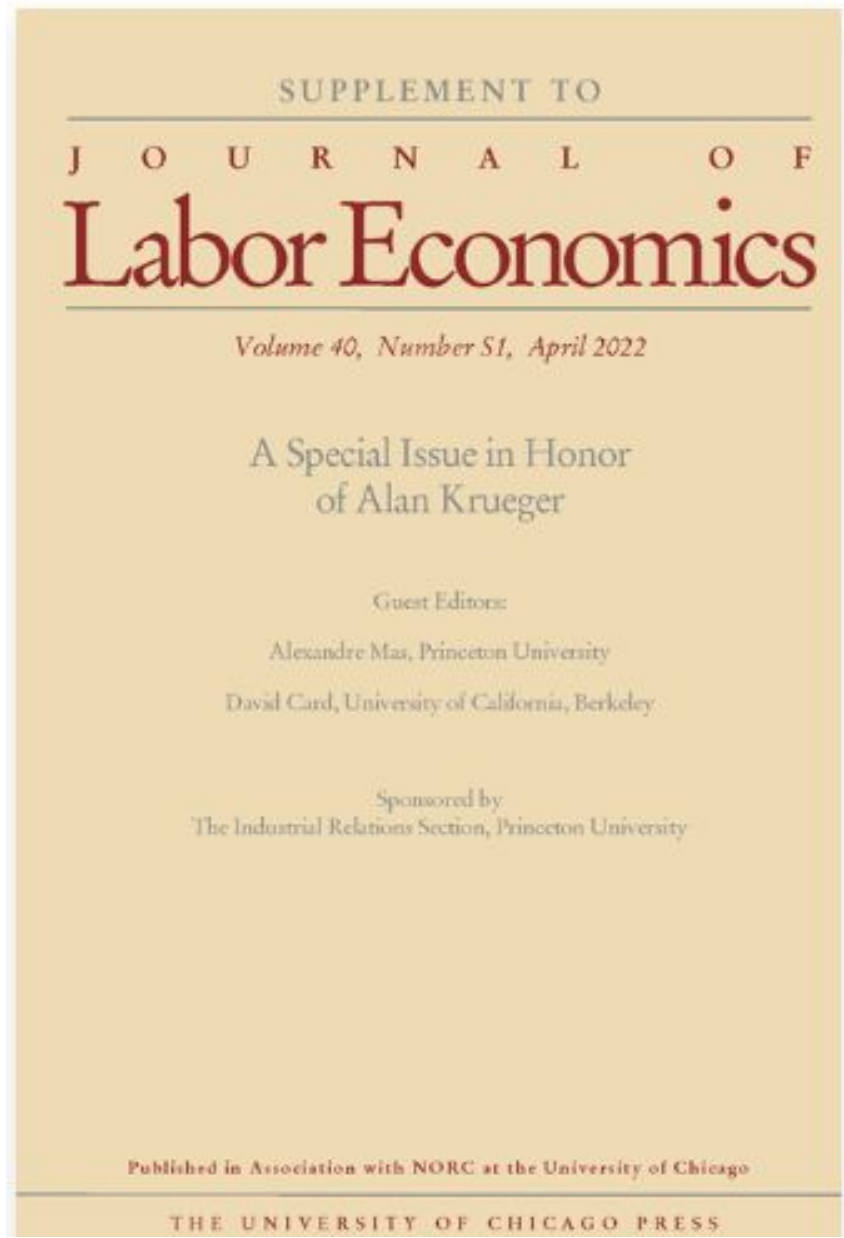
Programs can increase earnings by **30%+**. Impacts can last **10 years or more**.

- Major studies (*WorkAdvance*, *Project QUEST*, *Year Up*) provide irrefutable evidence across industries

- These programs help workers achieve **self-sufficiency and upward mobility**

Like Project Quest and YearUP, WorkAdvance Impacts Have Been Remarkably Durable

Outcome	WorkAdvance Group	Control Group	Difference (Impact)	P-Value
Total earnings (\$)				
Year 7	27,614	25,622	1,992 **	0.034
Year 8	27,649	25,018	2,630 ***	0.010
Year 9	28,031	25,400	2,631 **	0.016
Year 10	30,845	28,756	2,089 *	0.074
Earned \$45,000 or more (%)				
Year 7	23.0	20.1	2.9 *	0.057
Year 8	24.0	20.8	3.2 **	0.041
Year 9	25.9	21.8	4.2 ***	0.009
Year 10	29.7	26.7	3.1 *	0.067



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

Need for deep, real, and ongoing connections with employers

Program screening to find “tipping point” group.

Support services seem to help with program engagement

Stipends can help more people participate

Why Scale Now?

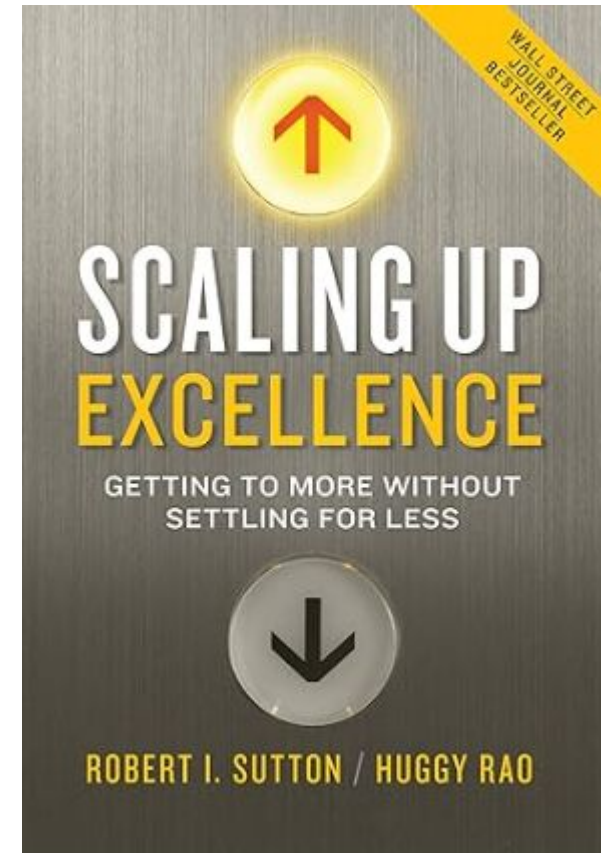
The labor market context is ripe for scaling sector programs.

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/Large investments in US manufacturing/Tariffs
 - Chronic skill gaps cited by employers
 - AI is making rapid upskilling/reskilling critical
 - May be needed to help with the entry level hiring problem (even among recent college grads)
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To scale need to:

1. *Simplify to core requirements*
2. *Have a highly detailed playbook*
3. *Secure stable funding*



The Scaling Challenge

Most successful programs are small, locally-rooted nonprofits serving hundreds:

- 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)

Key questions:

- Can we maintain quality at scale?
 - What are the 'active ingredients' that must be preserved?
 - Can larger institutions (community colleges) deliver with fidelity?
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Requirements for Successful Scaling Are Being Built

- **Identify minimum viable model**—what components/elements drive impact?
(Research is looking at this now: noninferiority designs: subtraction tests)
 - Develop detailed **playbooks** while maintaining local flexibility *(AEI/MDRC working on)*
 - Secure stable, reliable funding that encourages innovation
 - Create fidelity measures that predict program success (AEI/MDRC)
 - Build strong data infrastructure to track outcomes and iterate (Ex: JEDx/loI)
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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
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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 “sector in name only”)
- 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

Paths to Scale



No single vehicle is sufficient—need an ensemble approach:



Direct replication with national standards (MIECHV model)



Regional sector partnerships linking training to industry demand (e.g. Central Ohio Partnerships)



Integration with community colleges (with quality controls)



Pairing with other proven models (apprenticeships, transitional jobs)



Innovative financing (Pell expansion, outcome-based funding)

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
 - Employers
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What Policymakers Should

Do

Expand investment in proven models while maintaining program fidelity

Support regional sector partnerships aligned with local labor demand

Modernize workforce data systems for evidence-based decisions

Bridge workforce and education systems (esp. non-degree pathways)

Address market failures in employer training (reduce poaching concerns)

Leverage AI to improve targeting, delivery, and measurement

The Path Forward

We know what works—sector-based training delivers results

Economic conditions make this the right time to scale

The challenge isn't what works, but how to scale while preserving quality

Smart investment in proven approaches can transform lives and strengthen the economy

Questions?

Richard.Hendra@mdrc.org

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