

**Testimony of Jose Ortiz, Jr.**

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*As delivered to the Joint Economic Committee*

**Hearing on “Connecting More People to Work”**

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Good afternoon and thank you Chairman Lee, Chairwoman Maloney and members of the Joint Economic Committee for holding this hearing and for the invitation to speak before you today. I’ll be speaking to the need to more effectively address labor force participation gaps amongst marginalized populations, especially those without college degrees, due to barriers to workforce development, training and employment.

My name is Jose Ortiz, Jr. and I am the Executive Director of the New York City Employment and Training Coalition. NYCETC supports the workforce development community to ensure that every New Yorker has access to the skills, training and education needed to thrive in the local economy, and that every business is able to maintain a highly skilled workforce. Our 160 member organizations provide job training and employment services annually to more than 500,000 underserved New Yorkers. Everyday, the workforce development system demonstrates that, given the appropriate tools to address specific individual and systemic challenges, people are resilient and capable of learning at any stage of their lives.

The country is experiencing unprecedented economic growth, and while we know that talent exists everywhere -- in towns and cities large and small -- a significant percentage of people across the nation lack relevant work experience and professional skill that would make them viable candidates for employment across industries. Research shows us that while 53 percent of all jobs in today’s labor market are middle skill, only 43 percent of U.S. workers are trained at this level, which means that industries cannot grow to their full potential and American workers face highly limited pathways into careers with good wages.<sup>1</sup>

In addition to the moral imperative, there is an economic imperative to increasing investments in workforce development. Sixty-two percent of small and mid-sized business leaders reported that it is difficult to find skilled workers.<sup>2</sup> Seventy-nine percent of these business leaders also expressed their support for new, public investments in workforce policies.<sup>3</sup> Additionally, 64% of business leaders say increased government funding for support services to help people finish skills training programs will help their business.<sup>4</sup>

To maximize national economic growth, meet employers’ talent needs, and eliminate the widening wage gap, we must do better at helping Americans gain the competencies and credentials required for in-demand careers. Roughly 75 million people who are unemployed, underemployed, or not working but not counted in unemployment figures:<sup>5</sup>

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<sup>1</sup> [Skills for Good Jobs Agenda](#) (National Skills Coalition)

<sup>2</sup> [Business leaders need investments in work-based learning to train the 21st century workforce](#) (Business Leaders United for Workforce Partnerships)

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> [“The Employment Situation—January 2019.” U.S. Bureau of Labor Statistics.](#)

- 6.5 million unemployed (including 1.3 million long-term unemployed <sup>6</sup>
- 1.6 million not working but not counted in unemployment figures <sup>7</sup>
- ~ 68 million earning less than \$15 per hour <sup>8</sup>

Included in these numbers are:

- Adults without a postsecondary credential
- Adults living in poverty
- Individuals with some college but no credential
- Young people ages 16-24 not in school or working

Effective workforce programs contain the following critical components that, when combined and structured to be reactive to each individual's needs, provide people with the deep intervention and intensive services required to ensure successful entry and growth in a career:

- Employers inform workforce development providers and educational institutions on the skills needed for jobs
  - Build in-demand skills rooted in labor market data
  - Employer and community partnerships (ex. curriculum development, internship opportunities, funding)
  - Access to internship or on-the-job learning
  - Industry-recognized credentials: industry certifications, occupational licenses, and apprenticeship certificates
- Intensive and immersive programs engage participants and provide them with skills development in areas required for each profession
  - Trainings are specialized, integrating technical, behavioral and mindset skills
  - Professional development, communication skills, time management, resume prep and support with online job tools, interview skills, teamwork and leadership training, and strategies to address imposter syndrome
- Instruction is provided in a variety of ways including in conventional classroom experiences, online, and video including new tools like mobile
- Regular assessments to identify and address problems so that students can display a mastery of skills
- Wraparound services: transportation, childcare, mental health supports, and other services
- Retention and advancement services

The efficacy of these programs is backed up by the on-the-ground experience of our members working hand in hand with local employers to tailor programs to their needs and those of individuals, our discussions with employers large and small, and long standing research. These programs also have unquestionable results. Recent data suggests that taxpayers reap as much as \$4 for every \$1 spent on workforce programs.<sup>9</sup>

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<sup>6</sup> The "long-term unemployed" are individuals who have been unemployed for 27 or more weeks.

<sup>7</sup> The U.S. Bureau of Labor Statistics does not count these people as unemployed because they had not searched for work in the four weeks preceding the survey. However, they are individuals who are not in the labor force, who wanted and were available for work, and who had looked for a job sometime in the prior 12 months.

<sup>8</sup> The total labor force figure used in the calculation is the seasonally adjusted civilian labor force from: "[The Employment Situation—January 2019. Household Data Table A-1. Employment status of the civilian population by sex and age.](#)" U.S. Bureau of Labor Statistics, U.S. Department of Labor.

<sup>9</sup> [Workforce programs yield big ROI](#)

Per Scholas, which provides tuition-free technology training to adults across the country for careers as IT professionals, and the hundreds of people it trains is a clear example of the impact of workforce programs. Per Scholas' track record includes a 400% increase in graduates' post-training income and an 80% placement rate into quality and stable careers in the growing tech field. Deris of Cincinnati is a 38-year old man that exemplifies the tenacity and potential that exists in all of our communities. Having to drop out of college due to family obligations, Deris spent years in "tech adjacent" jobs with limited career growth. As valedictorian of his 14 week IT Support course<sup>10</sup> equipped with CompTIA A+ and Network+ certifications, he found a job as a contractor with TEKSystems, a Per Scholas Signature Partner insurance group, working on an Internet Security team. His new confidence, in-demand skills and network of tech employers has enabled him to provide much more stability and health to his children, and even prompted him to start a business around work with high school students and computer troubleshooting skills called Youth Tech Café.

Additionally, labor market data points to the fact that the needs of industry and their respective businesses are changing more rapidly than ever before. Technological shifts require that workers are trained to meet the needs of not only today, but also tomorrow. These changes are not only affecting those individuals from lower socioeconomic backgrounds with less educational attainment, this is also affecting individuals who have some college experience or a degree like Deris, making it more difficult to gain access to and compete for jobs in today's labor market.

In New York, there is a direct correlation with higher unemployment rates amongst individuals who identify as Black, Latinx, and female,<sup>11</sup> making programs like Per Scholas - whose students are 87 percent people of color and 30 percent women - and STRIVE critical to closing this talent gap.<sup>12</sup>

DeAsia, a young black woman who found herself on her own at the age of 16 bouncing from state to state looking for work opportunities, is a prime example of the specific barriers to employment that many black women face and the spectacular impacts that a job training program equipped with soft skills training and wraparound support has been proven to have. She had been through personal trauma, was struggling to earn a living, suffered from depression. When she became pregnant with her son Jeramiah she found herself living in a domestic violence shelter, seeking a career to ensure a better life for them both. At STRIVE - a 35 year old organization whose programs facilitate the personal and professional growth needed for people who face the biggest obstacles to employment to find and retain employment in several states across the US - DeAsia got the training she needed to thrive and found the support system she'd been missing. Her participation in the 12 week Career Pathways program, which included attitudinal training, professional skills, work readiness and sector-based occupational skills training in Health & Office Operations led to her earning a Medical Billing and Coding certification and opened doors to a multitude of jobs with opportunity for career advancement at STRIVE's healthcare employer partners. She was first hired at Northwell Health in New York City in an entry-level position with a starting salary of \$13 per hour, and has since advanced to earn a double Master's in Healthcare Administration and Business Management and is an Insurance Authorization Specialist at Northwell with a middle-class salary of over \$52,000 per year.

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<sup>10</sup> [Per Scholas IT Support](#)

<sup>11</sup> [America's Untapped Workforce: Federal Programs to Develop a Critical Talent Pipeline.](#)

<sup>12</sup> [Per Scholas and TEKsystems Launch Training Partnership to Support Diverse Talent Pipeline for Growing U.S. Tech Hubs](#)

However, we know that this is a problem that is not isolated to these populations, and is also affecting non-college educated whites across the nation, and especially individuals with additional challenges to employment such as criminal justice histories or substance abuse issues. To tackle these challenges, organizations like Seedco, a national nonprofit dedicated to advancing economic opportunity for people, businesses, and communities in need, have targeted programs that combine in-demand skill development with behavioral and interpersonal development.

Jared, a 24 year old white man born and raised in rural Arkansas and an early criminal history, sought out Seedco in Memphis, Tennessee seeking to transform his life and travel down a positive pathway through work. Participating in the “Turning Point Young Adult Re-Entry Program” enabled him to think critically about how own choices, explore viable career pathways, and led him to the Kingdom Low-Voltage Apprenticeship Program. Jared is currently earning \$11.50/per hour with Torry Low-Voltage Communications, LLC while training to become a certified Telecommunications Technician. This is significantly higher than the Tennessee minimum wage of \$7.25/hour. Telecommunications is a field that continues to provide extensive career opportunities as the Mid-South region is experiencing significant expansion in the construction industry via hotels, business expansions, and additional projects over the next 10 years. Due to this growth, there will be a need for trained installers of cabling like Jared in the buildings as they are erected. Being employed has also allowed Jared to overcome additional barriers. He was able to pay multiple outstanding fines in Arkansas, complete the Alcohol and Drug Safety Education Program and secure a room in a group housing facility.

Employment training programs like Seedco are not only critical to connecting more people to work, but are also pivotal to our nation’s ability to remain competitive in the face of automation and the radical impact it will have on all facets of our economy. Over the next 10 years, more than 10% of all occupations can be fully automated.<sup>13</sup> Automation will affect occupations that include bus drivers and nurse assistants, stock clerks and travel agents, dental lab technicians, sewing machine operators and assembly-line workers.<sup>14</sup> The same study found that 40% of all work activities have the potential to be automated using current demonstrated technologies.<sup>15</sup> The largest occupational categories in the US economy are also the ones with the greatest potential for automation-related displacement - office support; construction; mining; agriculture, forestry, fishing, and hunting; retail trade; accommodation and food services; and manufacturing.<sup>16</sup> This will affect individuals and economies across all states that we represent, in cities and towns that we all call home and love.

Across the U.S.<sup>17</sup>

- Workers with a high school diploma or less are four times more likely to lose their jobs;
- 11.9 million Blacks and Latinx are projected to be displaced; and
- 14.7 million young workers between the ages of 18 and 34, as well as 11.5 millions workers who are 50 years of age or older will lose their jobs

Couple these challenges with the likelihood of another economic downturn in the foreseeable future, significant labor market challenges will continue to persist for both workers and employers.

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<sup>13</sup> [The Future of Work in America \(McKinsey Global Institute\)](#)

<sup>14</sup> Ibid

<sup>15</sup> Ibid

<sup>16</sup> Ibid

<sup>17</sup> Ibid

The good news is that job growth will be net positive over the next 10 years. Specifically, jobs are projected to grow in occupations including solar installers, wind turbine technicians, health professions (health aides, technicians, occupational therapy assistants, physician assistants, nurse practitioners, and wellness), personal care aides, information security analysts, statisticians, speech language pathologists.<sup>18</sup> Jobs that are projected to grow in occupations and/or be transformed include including health professions, STEM, creatives and arts, business and legal professions, management, education and workforce training, and customer service and sales.<sup>19</sup>

And as these jobs are created and/or are transformed, workers must develop new in-demand skills to meet employer needs. Therefore, these complex challenges require complex interventions and investments, and the collective action of all stakeholders across the system, to ensure more workers have career pathways into these new roles and businesses have viable talent. As the stories of Deris, DeAsia, Jared and the organizations that trained and supported them along the way show - we can equip people with the 21st century skills needed to change the impact of automation from “elimination” to “transformation” by focusing investments and policies in the following ways:

- Government agencies can partner with educational institutions, providers, and intermediaries at earliest stages of economic development and re-zoning initiatives to ensure local workers are trained for and have access to employment opportunities;
- Workforce Investment Boards can help direct investments for programs that train people for in-demand roles in the local economy;
- NGOs and Foundations can fund and assist in the designing of innovative solutions for hard to solve problems;
- Companies can internally design programs for retraining incumbent workers; and work with external partners to develop target programs to develop new talent pipelines;
- Educational institutions and job training providers can form partnerships to train incumbent workers and develop new pipelines that provide access for new talent. Describe clear ROI for investors and employers; and
- Industry and Labor Organizations can support workers in identifying training for, and transitioning to, in-demand roles

There are many more examples of individuals that, with their hard work and dedication, have overcome their personal and institutional barriers to employment. However, each of these success stories includes a deep investment capital and other resources in order to ensure that each worker not only finds, but also retains employment for many years to come. In many instances, individuals may still require certain public benefits as they regain their footing. In the long-term, these significant investments will lead to individuals and families that are more likely to be self-sufficient.

This task is enormous. However, the federal government must ensure that workforce development programs like the ones highlighted and the hundreds that are not, are funded. All Americans, especially those in the untapped workforce, need increased access and supportive services to succeed in job training programs and industry-recognized credentials, and corresponding careers. Once successful, we will raise the standards of living for all who reside in our towns and cities across America.

Thank you.

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<sup>18</sup> [Bureau of Labor Statistics, U.S. Department of Labor - Employment Projections \(2018-2028\).](#)

<sup>19</sup> [The Future of Work in America \(McKinsey Global Institute\)](#)