

# ■ Executive Summary

California faces a historic jobs crisis. As of late 2020, California had lost over 1.5 million jobs due to the COVID pandemic—more than it did during the entire Great Recession. Many of the jobs that have been lost may not come back for years, if ever.

Job training and reskilling will be critical to help impacted workers return to employment and access quality jobs. Yet workers looking to learn new skills face a maze of options and a minefield of decisions.

In order to address the jobs crisis, California must focus resources on training workers and matching them with good jobs. To this end, the state must encourage training partnerships that feature high levels of coordination between training providers and employers, as well as guidance and support for workers seeking training.

## Reskilling and Recovery

The COVID pandemic has had a devastating but highly uneven impact on California’s workforce, with that impact falling most heavily on workers in the leisure and hospitality industries.

Job losses are concentrated among low-wage workers, exacerbating inequality and occupational polarization, and among younger workers, less-educated workers, workers from communities of color, and women.

### NEED FOR RESKILLING

Full recovery in affected sectors of the economy is probably years away; hospitality and leisure may not see a full recovery until 2024. The pandemic has meanwhile accelerated investments in automation, bringing the “future of work” increasingly into the present. Many Californians impacted by the pandemic will need to move into new sectors, and may require training to do so.

Through training, California can help workers return to employment. By doing so, the state will also

address growing inequality. Many workers have lost jobs that paid low wages and provided few benefits. Yet high-quality training can help workers increase their earnings and advance their careers. State government must work with employers and training providers to forge training pathways that give impacted workers access to quality jobs as the economy recovers.

## The Challenges of Reskilling

Training is easier said than done. Although well-designed career education programs can lead to gains in employment and earnings, large-scale efforts to help workers transition to new jobs have generally had mixed or modest results. Training is often characterized by low completion rates, insufficient capacity, and barriers to access.

In order to address the reskilling needs of workers impacted by COVID, California must address structural and institutional barriers to training:

**Funding.** The U.S. spends less on training and workforce development than other industrial economies and, despite recent increases in state funding, the cost of career education remains a barrier to expanding training programs.

**Train and Pray.** Training programs have historically been characterized by a “train and pray” approach, with limited coordination between training providers and employers to move trainees into identified employment opportunities. Training programs have also generally not addressed the opportunity gaps that can prevent workers, especially low-income workers and workers from communities of color, from accessing or completing training, or from translating training into employment.

**Connected but Conflicted.** California’s public institutions of higher education exist in a relationship with regional economies that is “connected but conflicted,” with differing incentive structures and

institutional cultures. Institutions of higher education can struggle to match the current pace of economic and technological change in introducing or modifying job training.

**A Patchwork Quilt.** There are more than 30 state workforce and training programs in California, spanning nine state agencies. This institutional complexity is a barrier to collaboration in delivering training and creates a system that is difficult for both trainees and practitioners to navigate.

## Approaches for Strengthening Training and Workforce Development

State government has made important steps to strengthen California's systems of workforce development and career education. The state needs, however, to continue to work to better align incentives, funding, and programs to provide broad access to reskilling opportunities.

In recent years, colleges, workforce agencies, industry groups, and community organizations have implemented innovative approaches for improving alignment between training providers and employers and facilitating access to training. These include:

**Training Ecosystems and Cross-Sector Partnerships.** The creation of close partnerships that include training providers, employers, and training intermediaries, including community-based organizations, helps to address barriers to successful training. Intermediary organizations can facilitate coordination between employers and training providers, and help trainees navigate training programs and access wraparound support.

**Aligning Reskilling with Regional Economic Development.** Place-based approaches to inclusive regional economic development help to expand the share of good jobs and ensure those jobs

are available to traditionally marginalized and underserved populations.

**Industry-Led and Sector-Based Training.** In order to move away from “train and pray” approaches, colleges and workforce agencies are also working more closely with businesses and industry associations to ensure that training provides the specific skills that employers need.

## Recommendations

In the face of high unemployment and worsening inequality, state government needs to move quickly to build on ongoing work and to foster the expansion or creation of training partnerships that will give workers access to high-quality training and good jobs.

**Recommendation 1:** The Governor should present a statewide Equitable Recovery Worker Training plan to the Legislature. This plan should establish equity-minded targets for training, identify opportunities to increase cross-program coordination, and lay out a comprehensive outreach strategy for raising awareness of training opportunities among impacted communities.

**Recommendation 2:** The Governor and Legislature should increase annual funding for the community college Strong Workforce Program and direct this funding toward providing new or increased support for training intermediaries, including community-based organizations.

**Recommendation 3:** The Legislature should create a “race-to-the-top” grant competition for innovative regional training programs. This grant competition would support cross-sector training partnerships that include community-based organizations or other training intermediaries as co-creators and provide industry-led training opportunities for workers and communities impacted by the pandemic.

**Recommendation 4:** The Governor’s Office should develop a statewide partnership with companies providing job market analytics to collect high-quality data and perform data analysis on in-demand skills, competencies, and occupations, and make this data available to training providers, workforce agencies, and their partners.

**Recommendation 5:** The state should establish a working group composed of senior representatives from relevant agencies that can facilitate coordination and interagency collaboration in providing reskilling opportunities to workers impacted by COVID.