

# Career Pathways for New Mexico

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## Strengthening New Mexico's Workforce and Economy by Developing Career Pathways

Presentation to Members of the Economic and Rural Development Committee  
Taos, New Mexico  
September 2, 2014



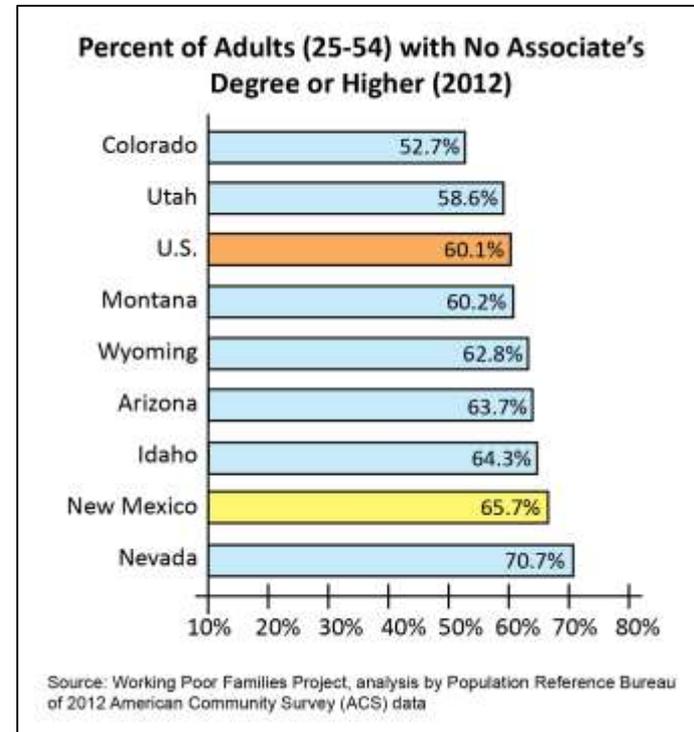
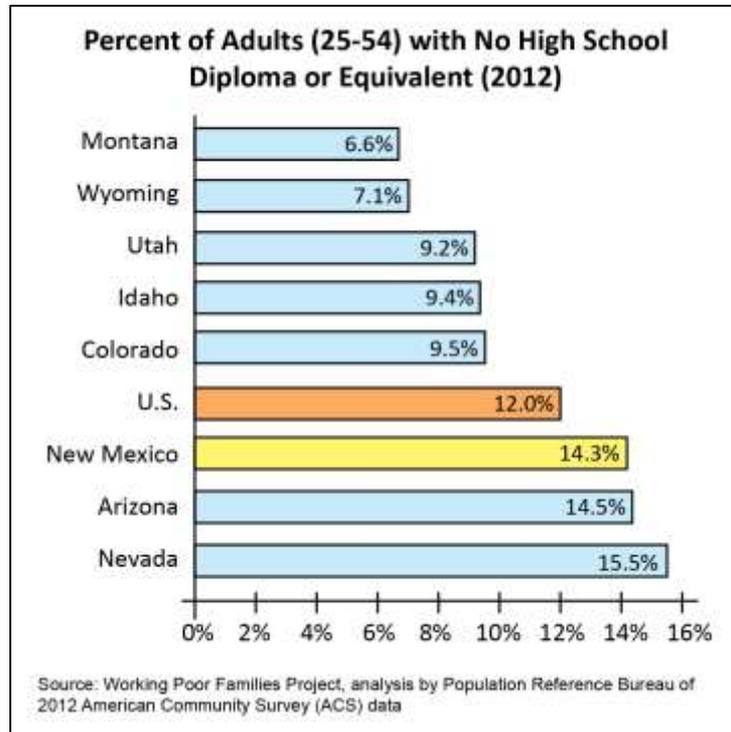
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# Why Career Pathways, Why Now?

- Our workforce is not well educated, with too few middle-skill workers
- New Mexico has one of the highest poverty rates in the nation
- New Mexico's economy still fares very poorly
- The state has difficulty attracting new businesses and high-wage jobs
- The current adult education system is underfunded and disjointed
  
- Career pathways are tailored to the state's workforce development needs
- Career pathways help more adult learners succeed in post-secondary education
- Participants are more likely to gain industry-recognized credentials
- Programs have high completion rates and yield positive ROIs
- Businesses gain a more qualified workforce
- The economic security of countless families is improved

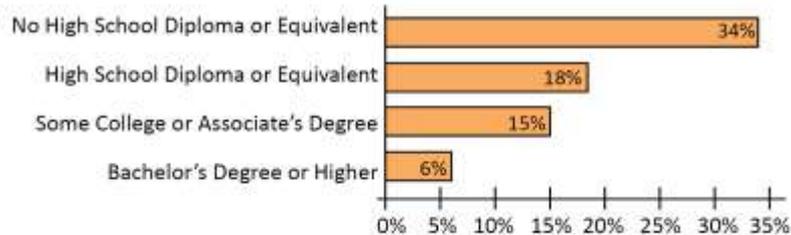
# Low Educational Attainment of Adults in NM



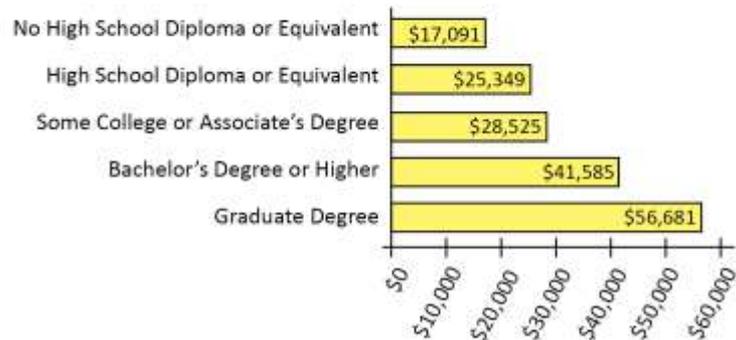
Nationally, New Mexico ranks 45<sup>th</sup> (no H.S. diploma indicator) and 41<sup>st</sup> (no associate's degree indicator). In this 25 to 54 age group, which makes up 2/3<sup>rd</sup> of adult education participants in NM:  
~ 530,000 of those 800,000 adults (66%) are without a college degree  
~ 110,000 (14%) have no high school diploma or equivalent

# Relationship Between Educational Attainment and Financial Stability

**Percent of NM Adults (25 and older) in Poverty by Education Level (2012)**



**Median Earnings of NM Adults (25 and older) by Education Level (2012)**



Source: 2012 Educational Attainment for New Mexico, table S1501, American Community Survey

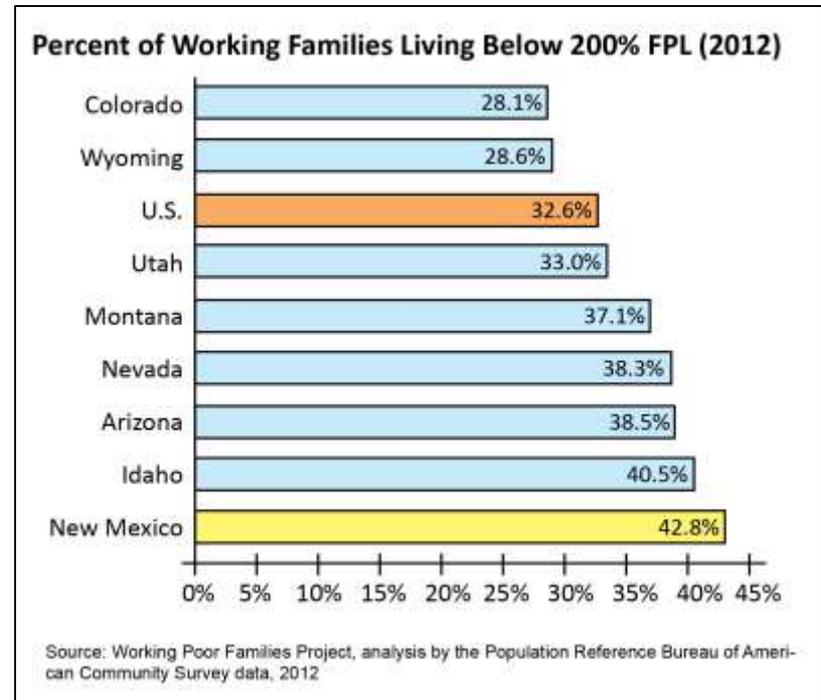
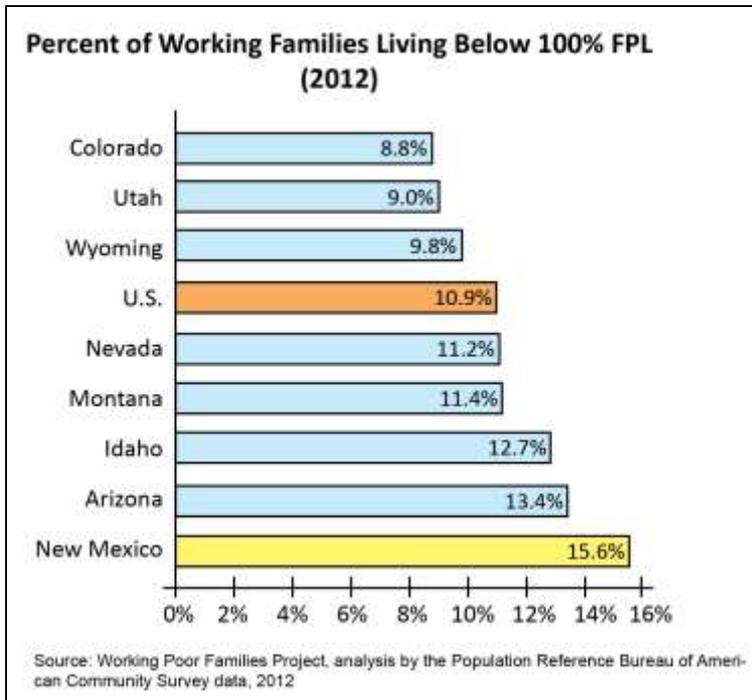
Of the low-income families in NM (below 200% FPL):

- 31% have at least one parent without a high school diploma or equivalent.
- 46% have no parents with any PSE.
- 25% have at least one parent who has difficulty speaking English.

Of the poor families in NM (below 100% FPL):

- 38% have at least one parent without a high school diploma or equivalent.
- 51% have no parents with any PSE.
- 30% have at least one parent who has difficulty speaking English.

# Still Working, Still in Poverty



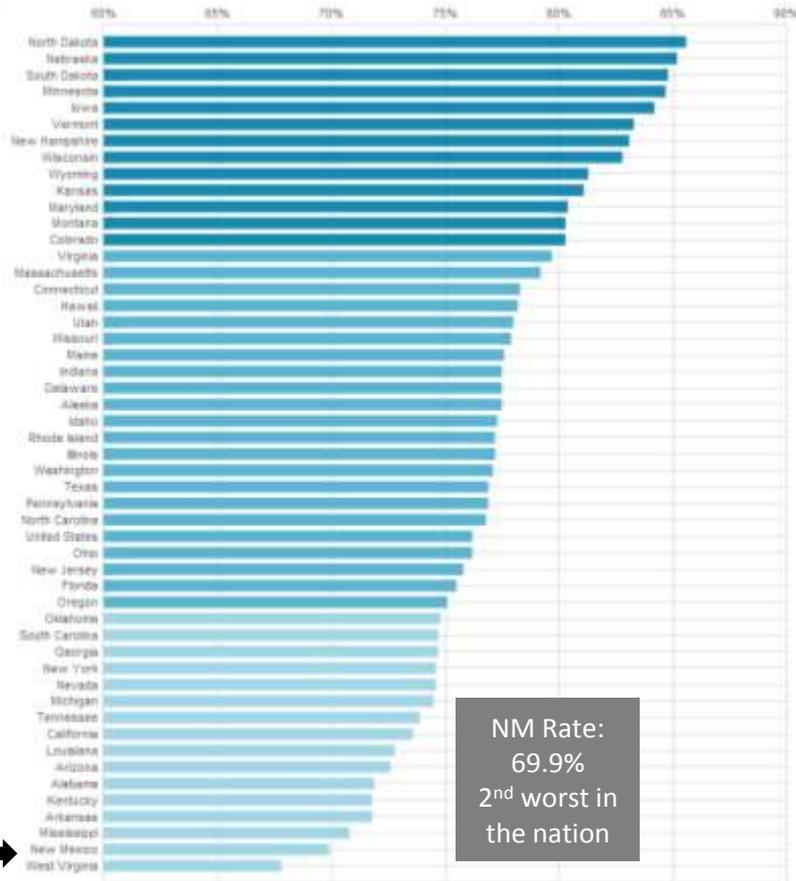
New Mexico ranks 49<sup>th</sup> in the nation in both of these categories—only Mississippi fares worse.

What's bad for working families is bad for their children. Of children under 18 in New Mexico, ~208,000 (48%) live in working families that are low income.

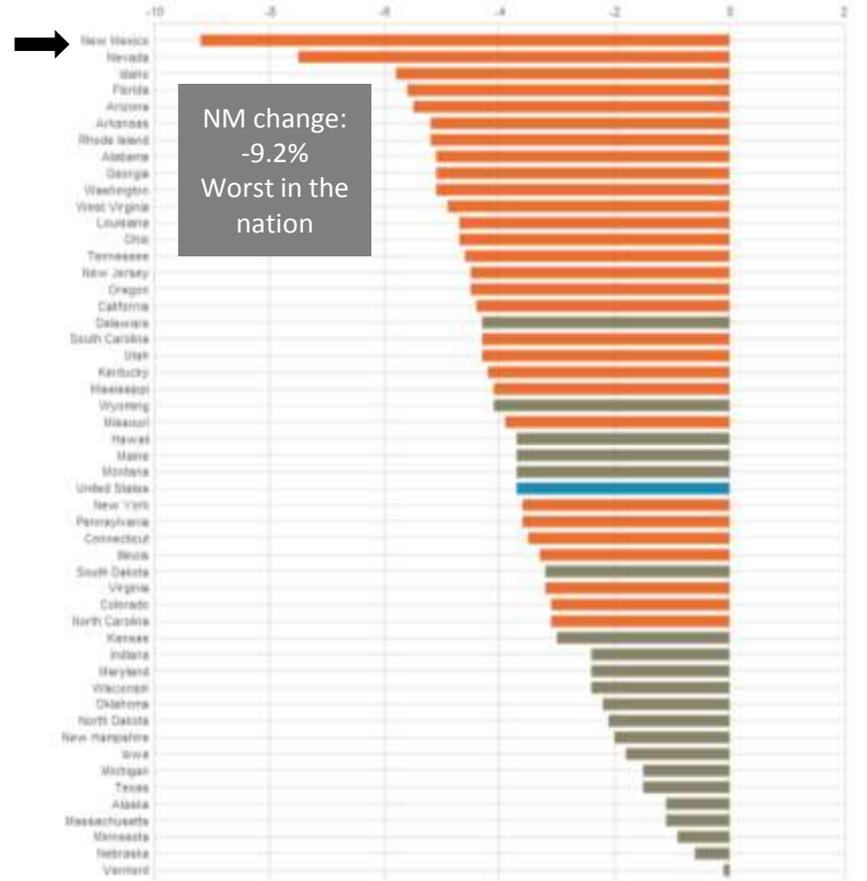
~83,000 (19%) live in working families that are poor.

# Employment Rates for Adults (25-54) Nationwide

Employment Rate  
in FY 2014



Percentage-Point Change in Employment Rate  
from CY 2007 to FY 2014

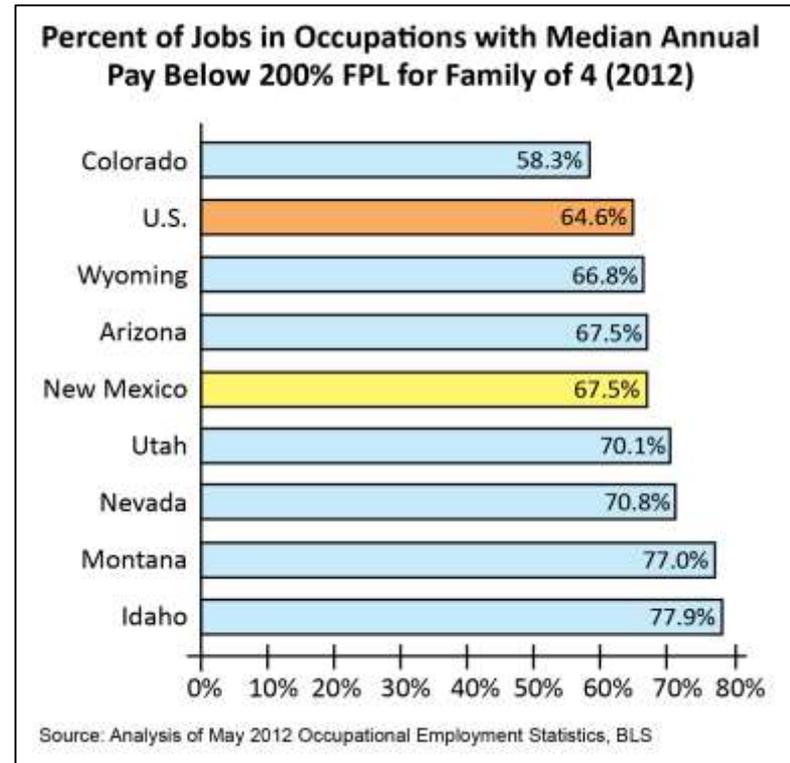
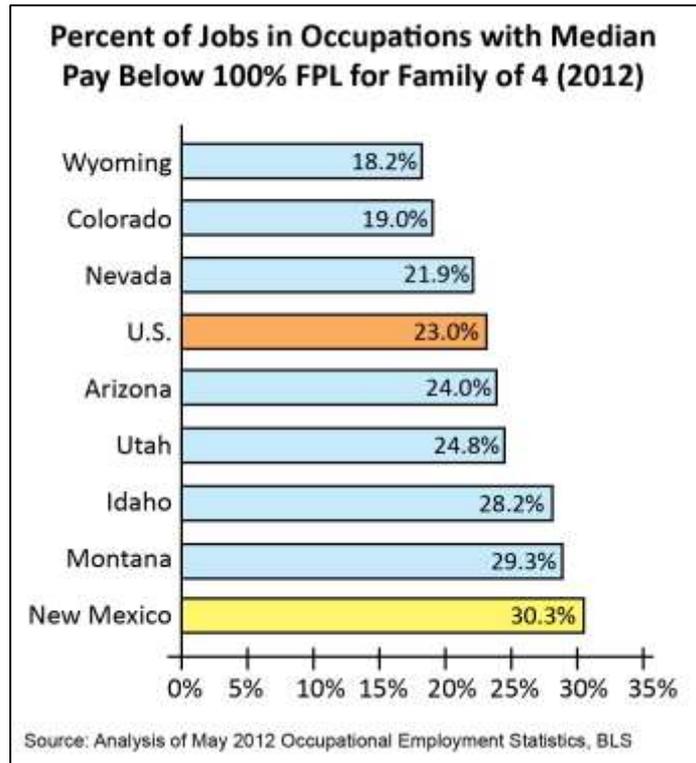


■ Above 80%  
 ■ 75% to 80%  
 ■ Below 75%

■ Statistically significant  
 ■ Not statistically significant  
 ■ U.S. average (statistically significant)

Source: The Pew Charitable Trusts' analysis of data from the *Current Population Survey*, a joint venture between the U.S. Bureau of Labor Statistics and the U.S. Census Bureau

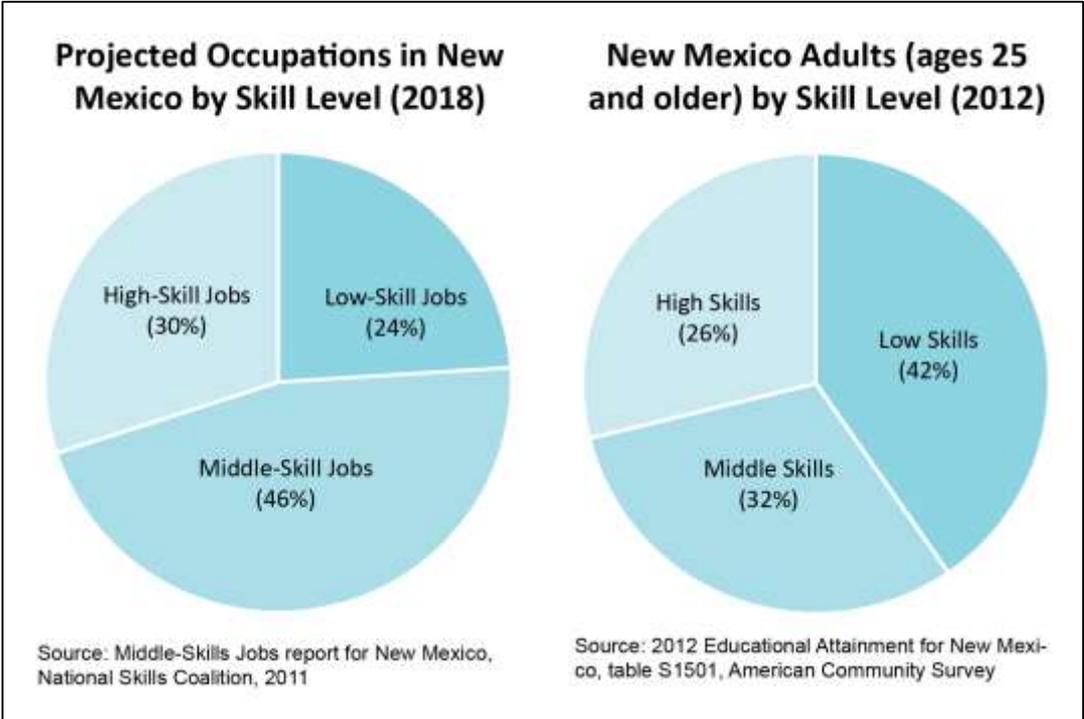
# Too Many Low-Wage Jobs



More than 250,000 of the nearly 840,000 jobs total in NM are in occupations with poverty-level wages for a family of four (\$23,850 or less). This places New Mexico 43<sup>rd</sup> nationally.

We are unlikely to lure higher-wage jobs until we can offer companies a more educated and skilled workforce.

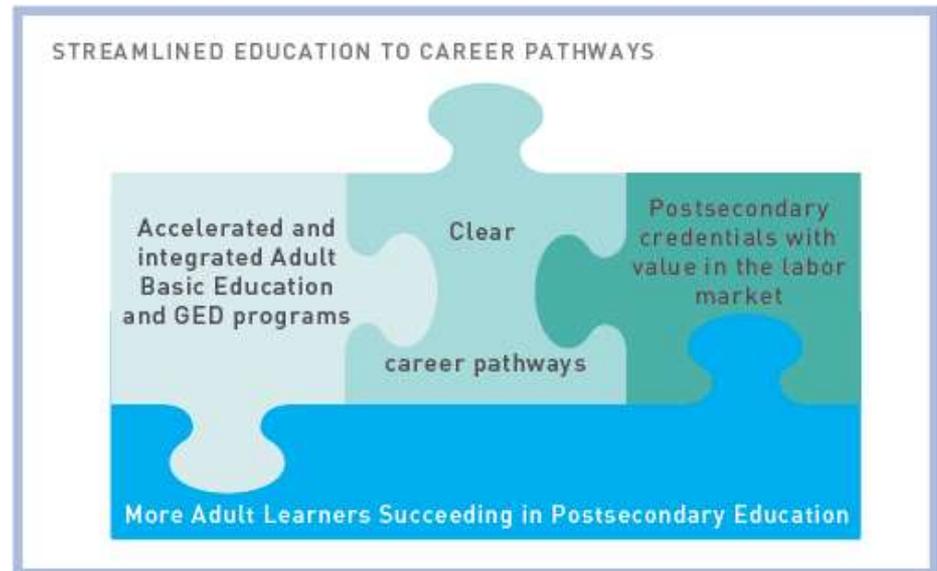
# Not Enough Middle-Skill Workers



Increasing the number of adults with post-secondary credential is crucial, as states with high educational attainment levels are also high-wage states.

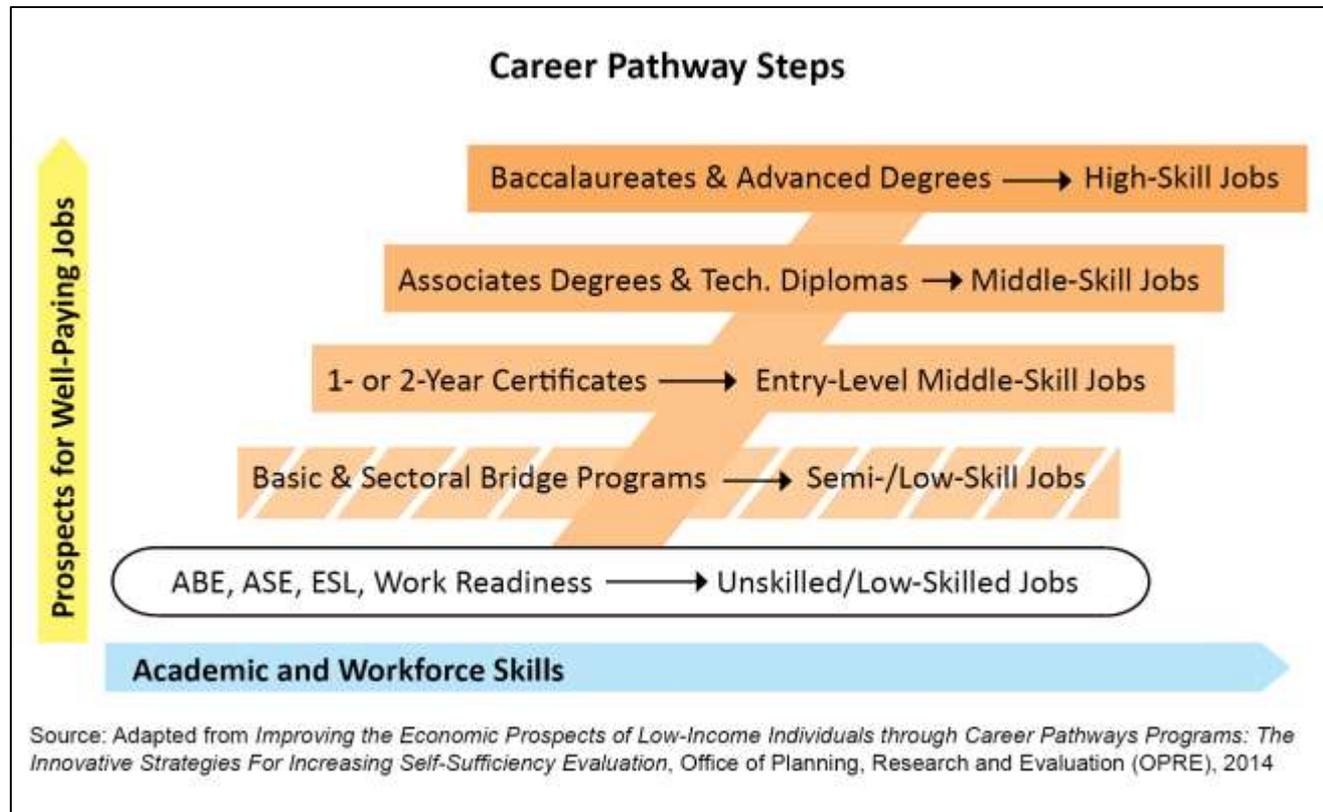
Educational solutions are needed that go beyond the traditional high-school-to-college pipeline since current working adults make up the majority of the near-future workforce.

# The Need for More Streamlined Adult Education & Career Programs



Source: Jobs for the Future, Accelerating Opportunity Initiative

# Effective Continuum Into Post-Secondary Education

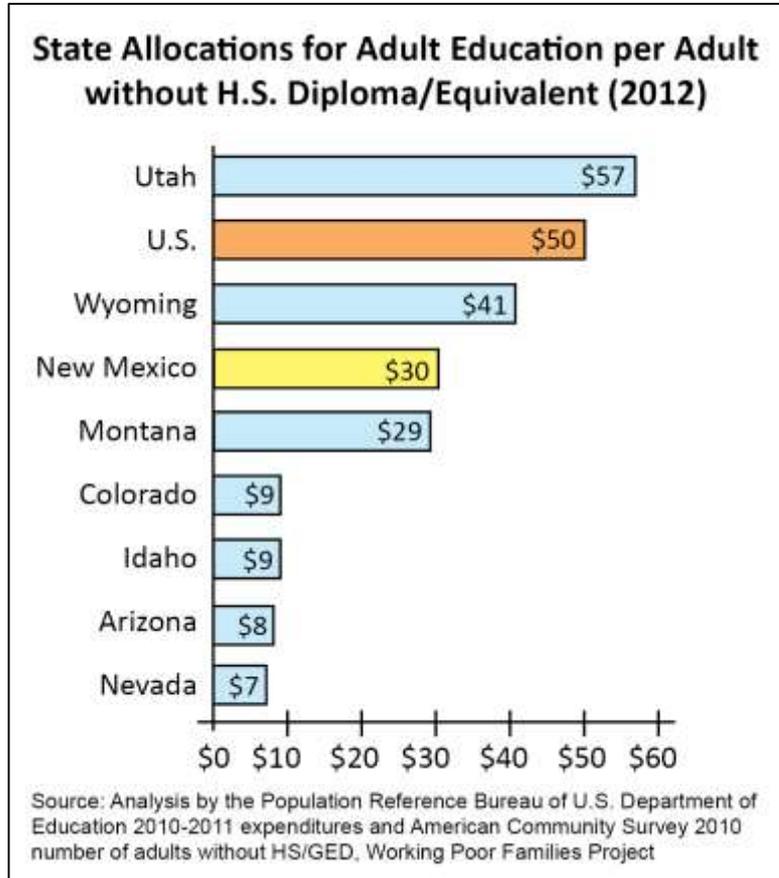


# Current Status of Adult Education in NM

In program year 2012-2013, nearly 19,400 New Mexicans participated in adult education programs:

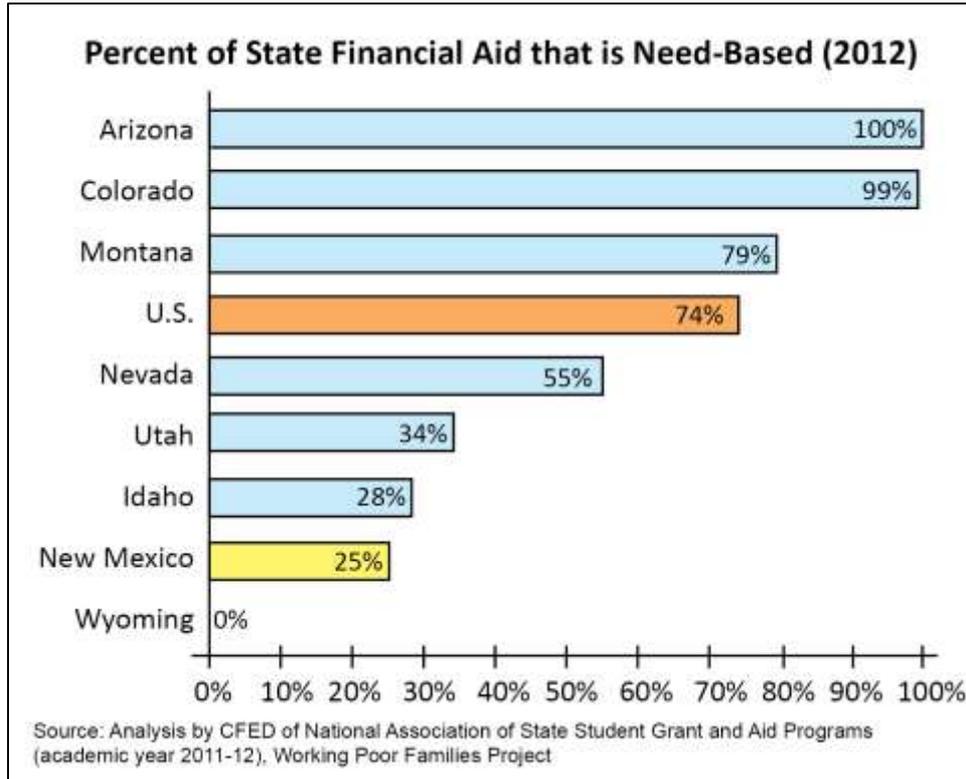
- 75 percent were poor (below 100% FPL);
- 69 percent were either unemployed or not in the labor force;
- 19 percent were single parents;
- 55 percent were females and 42 percent were Hispanic females;
- 72 percent were Hispanic and 10 percent were Native American;
- 62 percent were 25 years of age or older;
- 38 percent entered as ESL students;
- 16 percent needed basic literacy instruction (below 4th grade equivalency);
- 38 percent entered at adult basic levels (~4th to 8th grade equivalency); and
- 9 percent entered at adult secondary levels (~9th to 12th grade equivalency).

# An Insufficient Investment



- \$9.6 million was invested in FY 2013 (\$4.2 million from federal government and \$5.4 million from the state government).
- The number of funded students is still down 20% since program year 2009-2010.
- Less than 4% of adults enrolled in education programs were participating in career pathways programs.

# Need-Based Financial Aid



- About 65% of NM community college students are taking courses part-time (many need to work to pay for living expenses).
- Of those part-time students, nearly 75% are 22 years of age or older.
- None of these students qualify for the NM Lottery Scholarship.

# First Career Pathways Step in NM: I-BEST

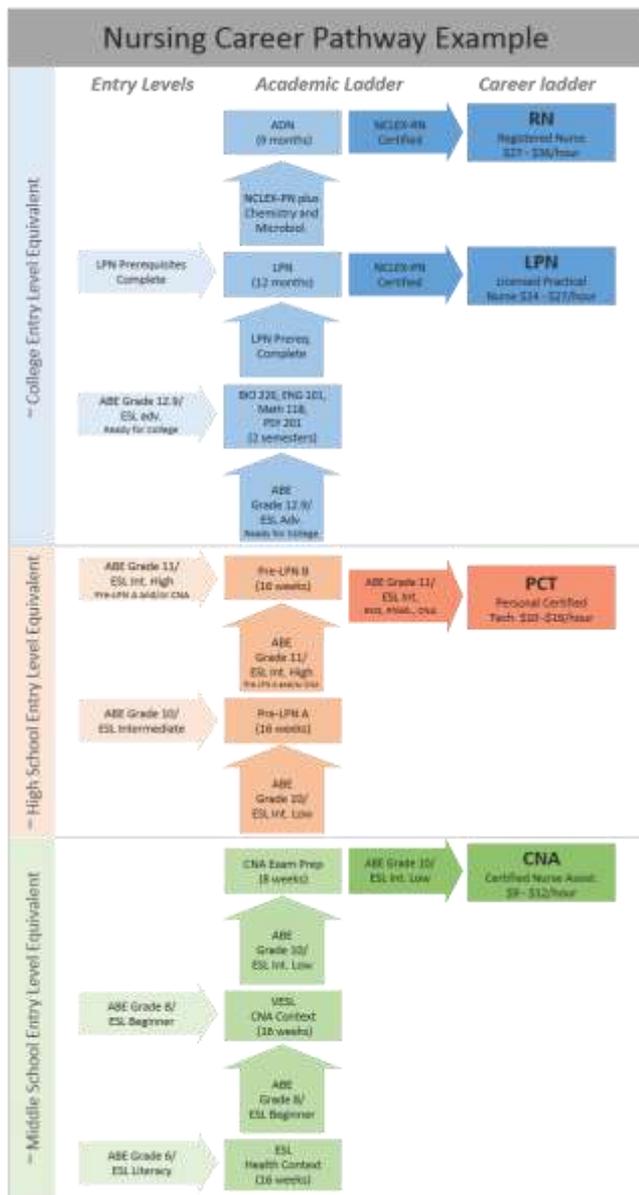
- I-BEST (Integrated Basic Education and Skills Training) started in NM in 2011
- Available at 6 community colleges
- Programs offer streamlined, integrated, and contextualized classes for accelerated learning.
- Classes co-taught 50% of the time by adult education instructor and career/technical instructor
- Fields of study include nursing, electrical trades, wind energy, and early childhood education.
- Preliminary data (on ~840 students thus far) show a 51% program completion rate with earned credentials, with another 32 percent of students still in process. Only 16% stopped out.



# Returns on Investments

- **Current adult education system:** NM HED estimates that the \$5.4 million invested in adult education generated almost \$36 million in:
  - Savings for the state including public assistance
  - Economic growth through higher earnings
  - Increased incomes for participants
- **I-BEST model in Washington state**
  - ROI of 329% for student completers based on wage gains over student's lifetime
  - ROI of 42% in the form of higher tax receipts and lower social costs
  - I-BEST students, when compared with non I-BEST students, were 3 X more likely to earn college credits, 9 X more likely to earn workforce credentials, and employed at 2 X the hours per week.
- **I-BEST model in New Mexico (LFC study)**
  - \$3,800/5 semesters to complete for consecutive method
  - \$2,000/2 semester to complete for I-BEST program

# Effective Career Pathways Framework



Adapted from Chicago's Careers on Solid Program from How to Build Bridge Programs that Fit into a Career Pathway guide

- Well-articulated, short-term, and stackable training steps with multiple entry/exit points that encourage student persistence;
- On/off ramps to ease access to adult education, career programs, and PSE, as well as transition into the workforce;
- Continually adjusted/well-defined pathways with clear paths to post-secondary, industry recognized credentials in key sectors;
- Contextualized learning so low-skill students can improve their language and college skills within the context of their chosen field of study for accelerated learning;
- Comprehensive assessments so participants enter at appropriate steps;
- Accelerated and flexible programs for nontraditional adult student populations with changing personal/work situations;
- Comprehensive support services including academic supports, personal guidance, and supplemental support services including child care assistance and financial assistance; and
- Strengthened partnerships between stakeholders including community colleges, ABE providers, state agencies, workforce development boards, and employers.

# Case Study: Arkansas CP Initiative

- Started in 2003 with support from the governor, state agencies, the AK Association of Two-Year colleges, and other stakeholders
- TANF funds used to recruit TANF-eligible non-traditional students, chronically underemployed workers, and low-income parents
- Codified in 2005: DHE, DWS, and WIB mandated to work jointly on developing Career Pathways Initiative (CPI)
- TANF funds pay for tuition, transportation, books, child care assistance, and operating costs for CPI-specific expenses
- Systems-level framework includes:
  - Central state-level infrastructure for technical assistance, PD, labor data, mapped pathways in high-demand and high-wage sectors, etc. DHE reserves \$1 million a year for incentive funding tied to outcome measures.
  - Local college-level infrastructure for case managers, career/skills assessment, financial aid, child care, and other wrap-around services etc. Colleges work with their WIB and other stakeholders to tailor programs.
- To date, 28,000 adults enrolled in CPI and 24,000 certificates/degrees earned

# Skill2Compete-NM 2010 Convening Recommendations

- Better coordinate and align adult education programs and post-secondary institutions;
- Focus on high-growth occupations and industry needs to create effective career pathways;
- Create accessible career pathways based on best practices for instruction and curriculum;
- Increase funding for adult education and career pathways programs;
- Provide targeted financial and student support services; and
- Develop incentives for institutions and programs to increase middle-skills gains.

# Policy Recommendations for NM

- **Revamp ABE state plan to focus on transition to college and career pathways**
  - Focus on career pathways, PSE, and credential attainment in the current revision of the 2006 state plan.
  - NM HED could take the lead on designing and implementing a career pathways framework.
  - Include 2-year colleges and universities in the design process.
  - Partner with DWS to reduce hurdles in data sharing, integrate their staff on campuses, advise students on career choices, and transition into the workforce.
  - Partner with HSD to recruit TANF-eligible participants and help oversee support services for low-income adults.



# Policy Recommendations for NM

- **Determine adult education funding and workforce development needs**
  - Support a work group to study the feasibility of fully funding the formula for adult education.
  - Fund a workforce gap forecasting study to determine how HED, DWS, and the Economic Development Department can identify strategies to address future workforce development needs.
- **Expand and refine performance measures to focus on educational and economic outcomes**
  - Implement additional well-defined accountability and outcome measures to help incentivize PSE outcomes.



# Policy Recommendations for NM

- **Restore the College Affordability Fund and broaden eligibility**
  - About 65% of community college students in NM are part-time. Of those, 74% are 22 years of age or older.
  - State-funded need-based financial assistance is crucial since these students do not qualify for the NM Lottery Scholarship.
  - Expand eligibility to include certificates and part-time students.
- **Provide integrated student support services including child care assistance**
  - Increase eligibility for child care assistance from 150% to 200% FPL.
  - An estimated 65% of community college students are dependent on child care services to continue their education.



# Policy Recommendations for NM

- **Tap into unspent TANF funds**
  - Temporary Assistance for Needy Families block grant is targeted for low-income parents to help them achieve economic self-sufficiency.
  - Other states have successfully used TANF funds to pay for career pathways program components.
  - New Mexico has recently rolled over millions of unspent TANF funds.
- **Integrate with other programs like Education Works, NM Works, SNAP E&T, and JTIP**
  - Synergize with existing programs and funding streams to help adults gain workforce skills.



# Contact Information

**James Jimenez**

Director of Policy, Research and Advocacy Integration

[jjimenez@nmvoices.org](mailto:jjimenez@nmvoices.org)

**Armelle Casau**

Research and Policy Analyst

[acasau@nmvoices.org](mailto:acasau@nmvoices.org)

