

Career Pathways for New Mexico



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

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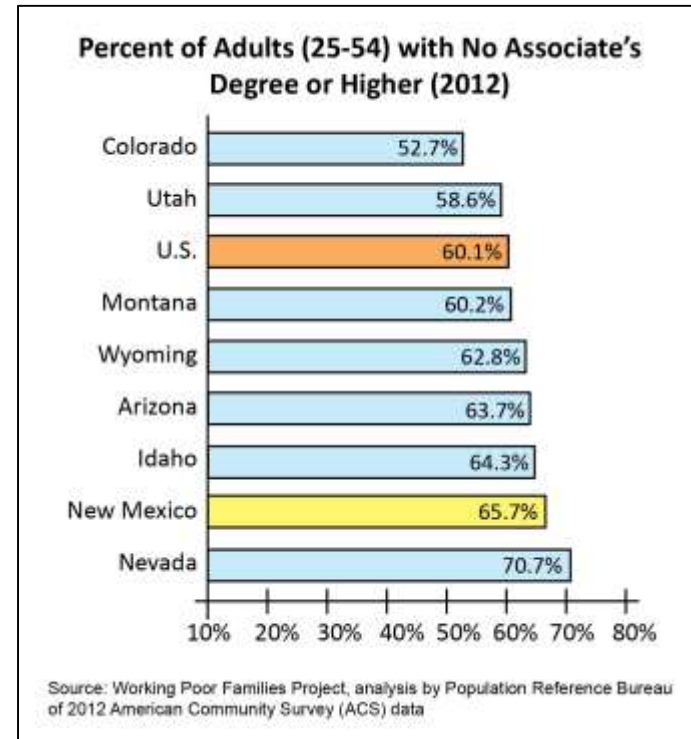
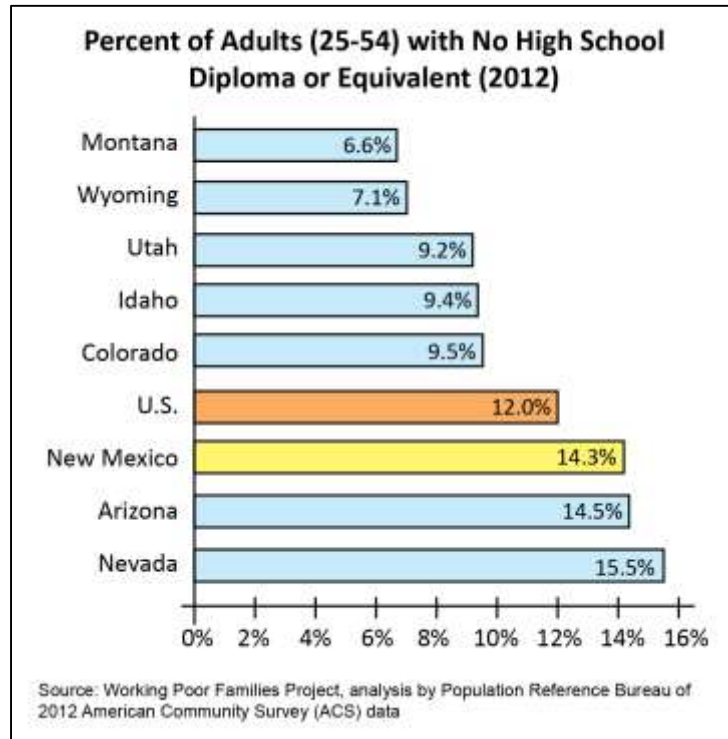


Why Career Pathways, Why Now?

- 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

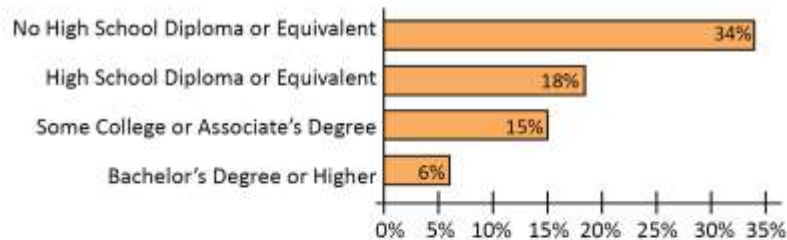
Low Educational Attainment of Adults in NM



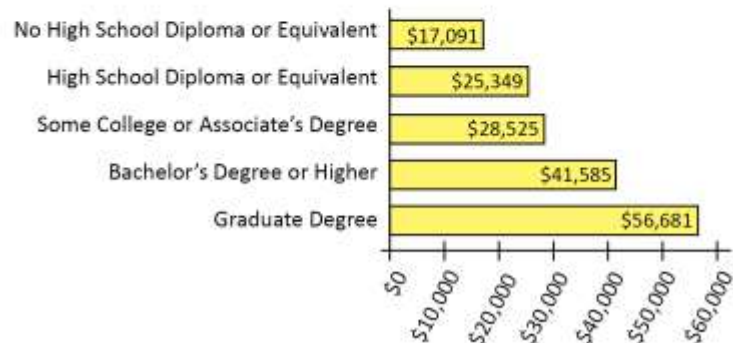
Nationally, New Mexico ranks 45th (no H.S. diploma indicator) and 41st (no associate's degree indicator). In this 25 to 54 age group, which makes up 2/3rd of adult education participants in NM:
~ 530,000 of those 800,000 adults (66%) are without a college degree
~ 110,000 (14%) have no high school diploma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

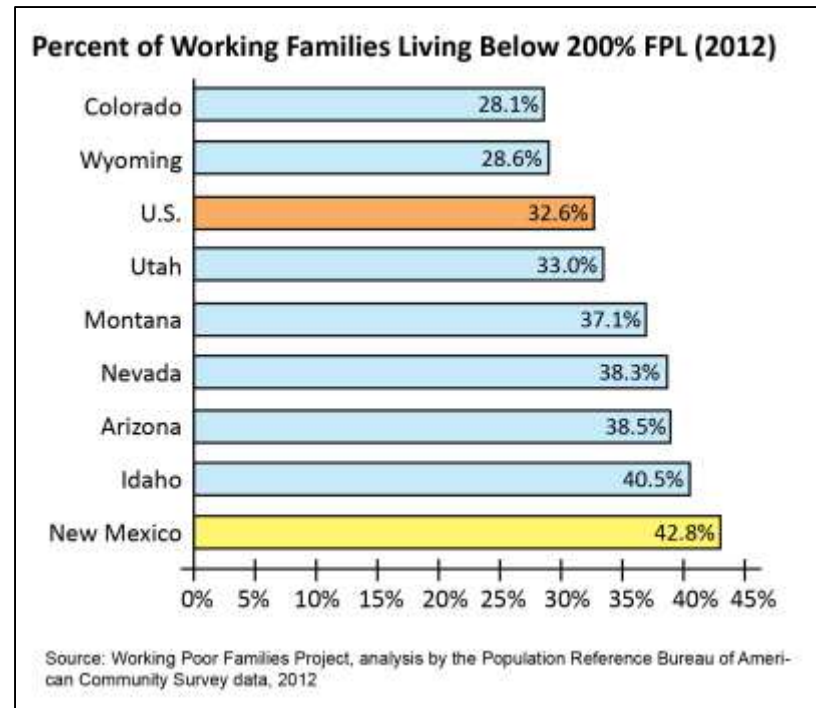
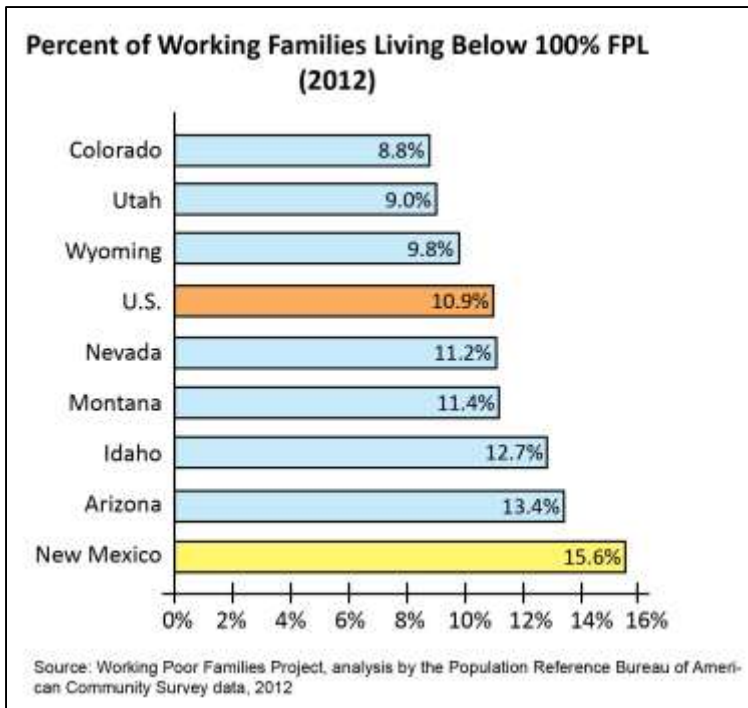
Of the low-income families in NM (below 200% FPL):

- 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



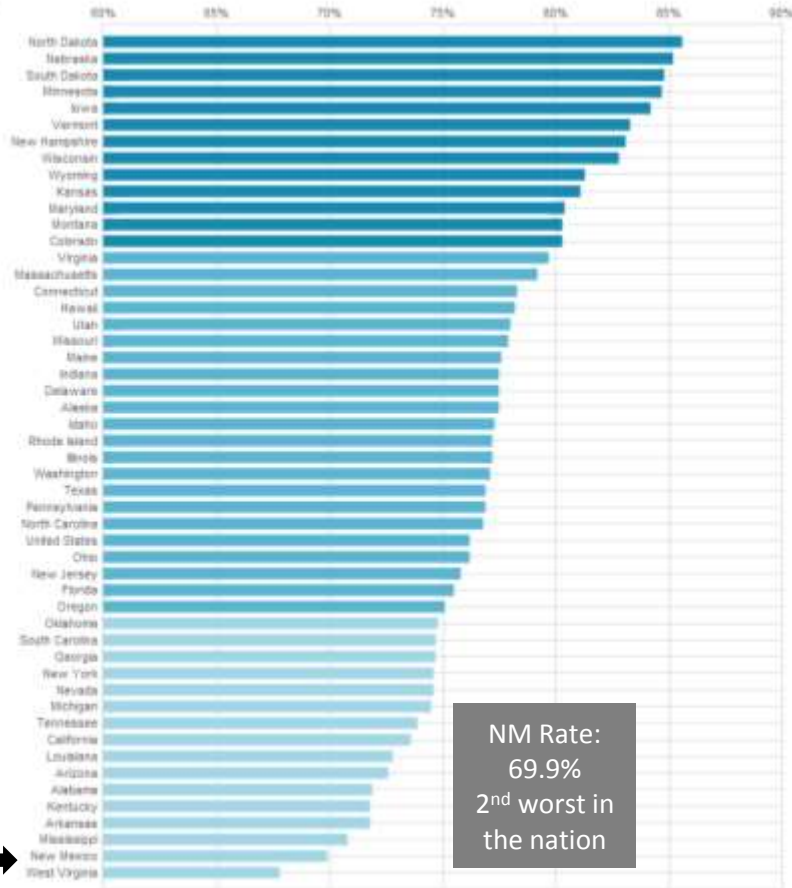
New Mexico ranks 49th in the nation in both of these categories—only Mississippi fares worse.

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.

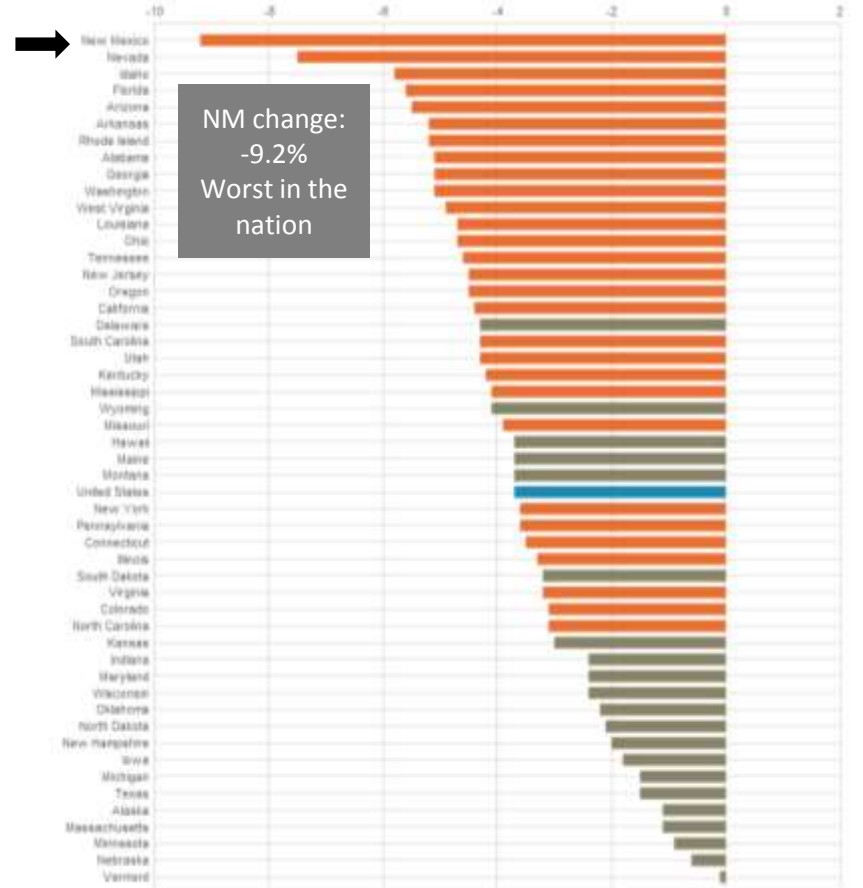
~83,000 (19%) live in working families that are poor.

Employment Rates for Adults (25-54) Nationwide

Employment Rate
in FY 2014



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

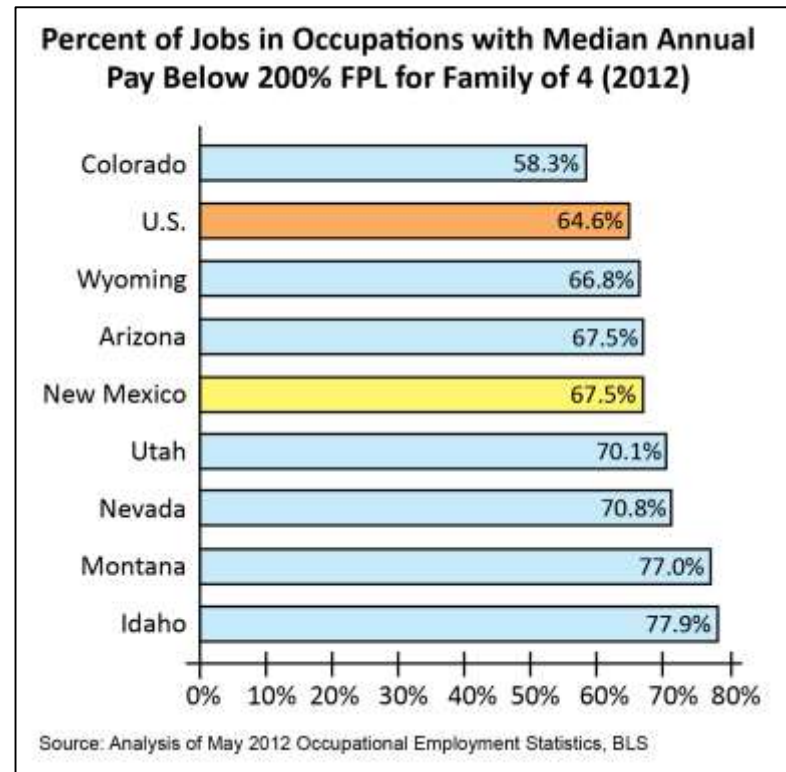
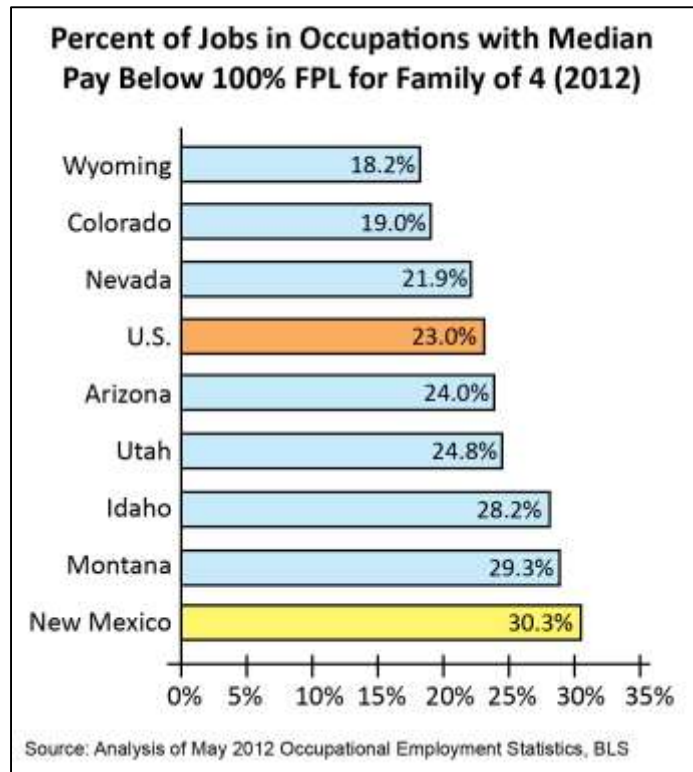


■ Above 80%
 ■ 75% to 80%
 ■ Below 75%

■ 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

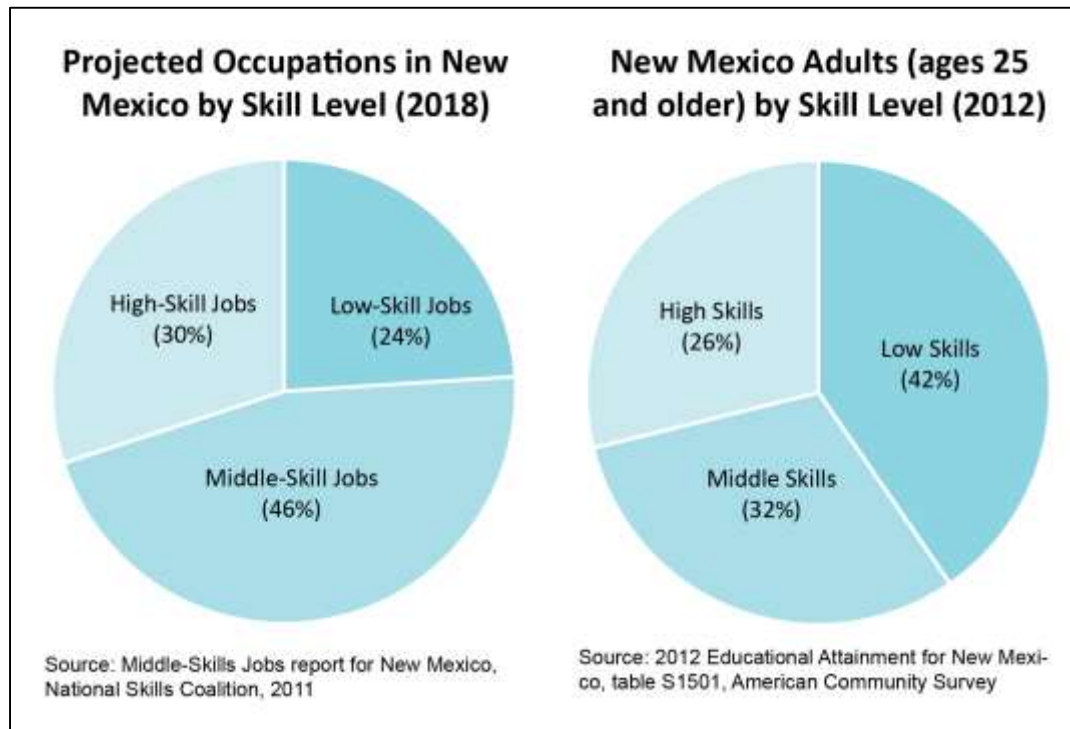
Too Many Low-Wage Jobs



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 43rd nationally.

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

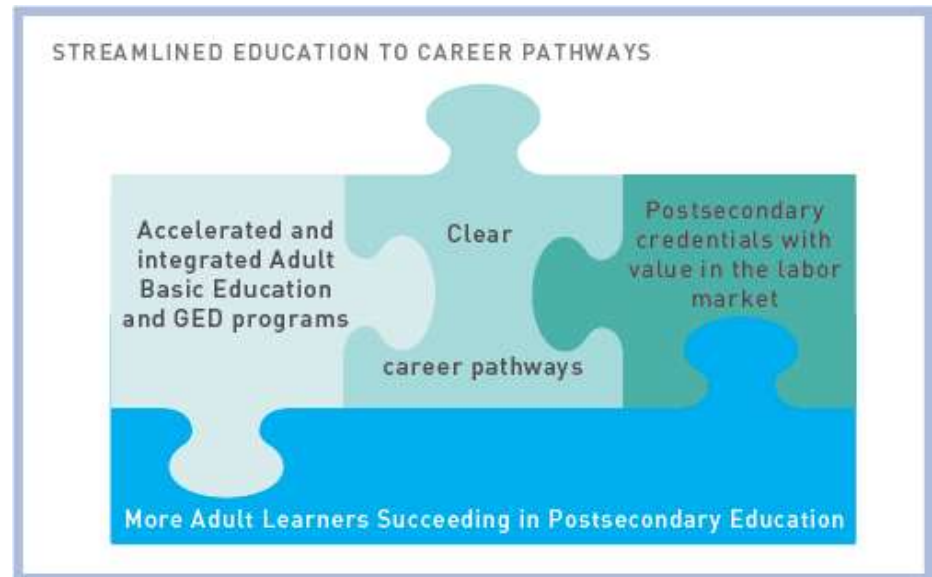
Not Enough Middle-Skill Workers



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

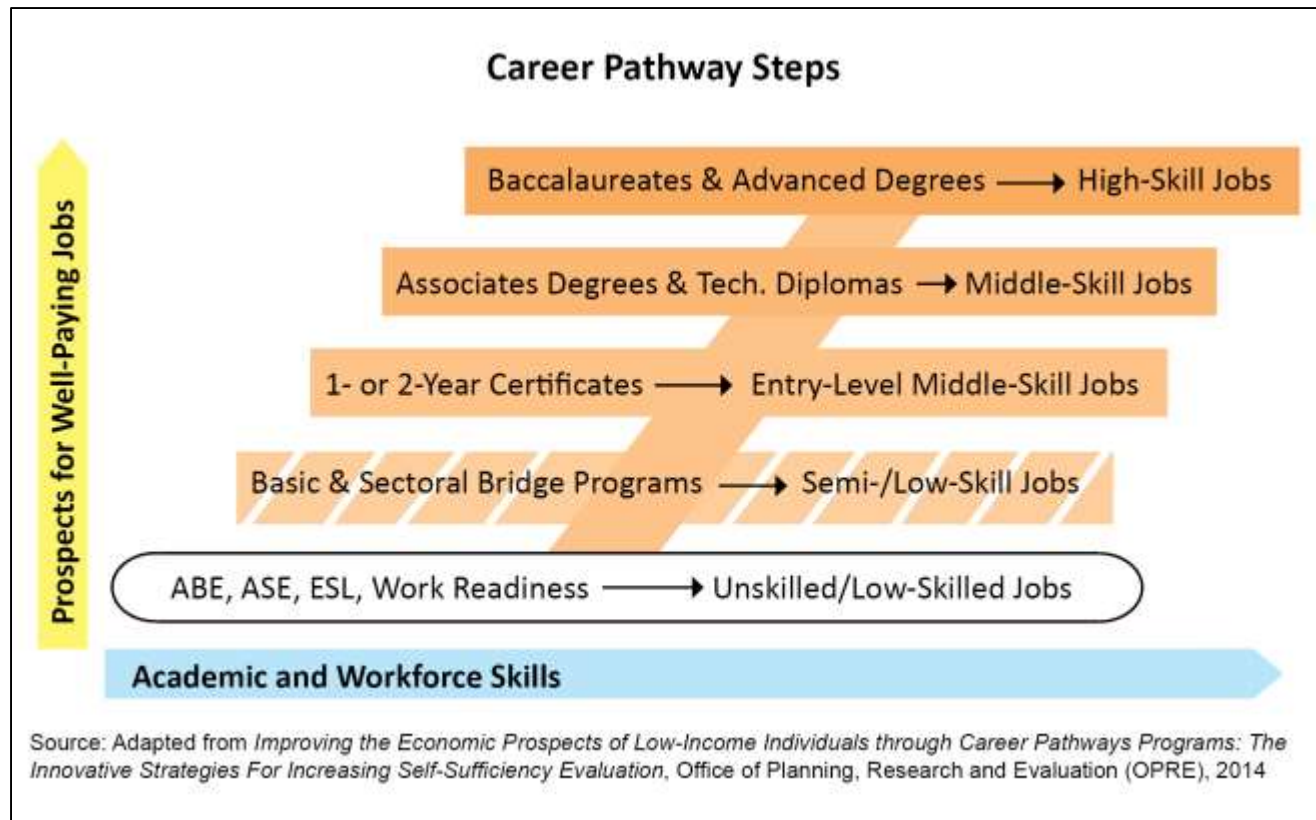
Educational solutions are needed that go beyond the traditional high-school-to-college pipeline since current working adults make up the majority of the near-future workforce.

The Need for More Streamlined Adult Education & Career Programs



Source: Jobs for the Future, Accelerating Opportunity Initiative

Effective Continuum Into Post-Secondary Education

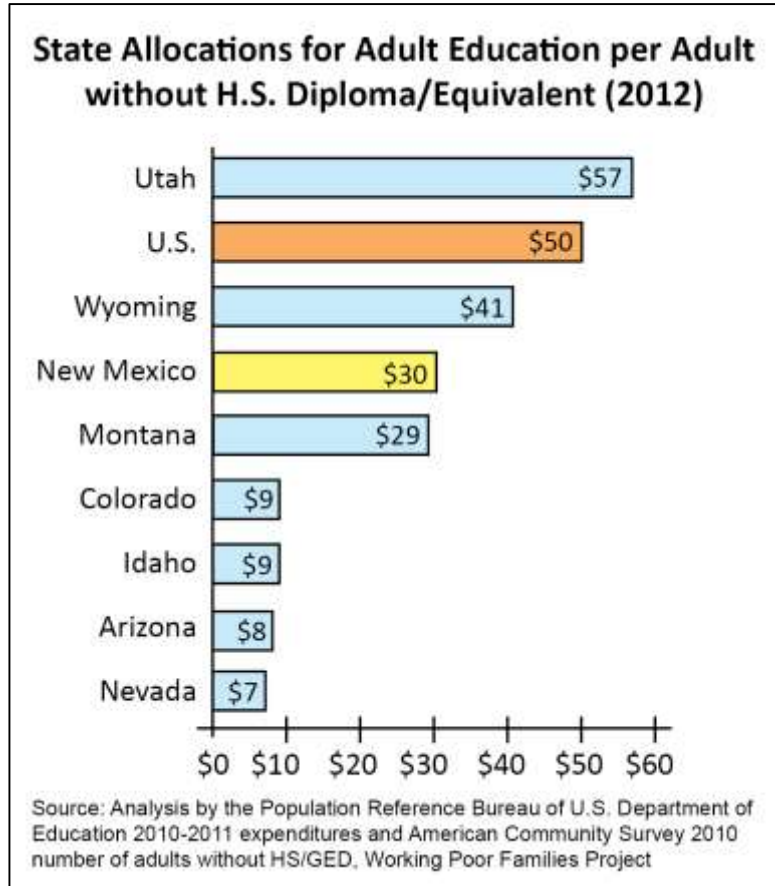


Current Status of Adult Education in NM

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

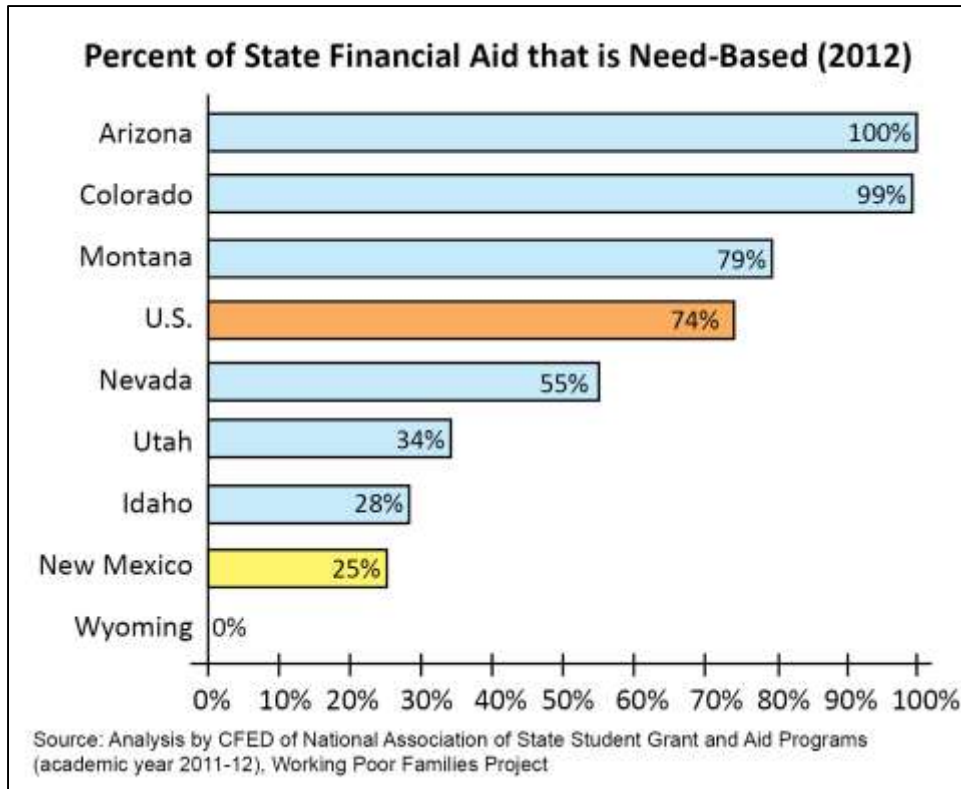
- 75 percent were poor (below 100% FPL);
- 69 percent were either unemployed or not in the labor force;
- 19 percent were single parents;
- 55 percent were females and 42 percent were Hispanic females;
- 72 percent were Hispanic and 10 percent were Native American;
- 62 percent were 25 years of age or 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

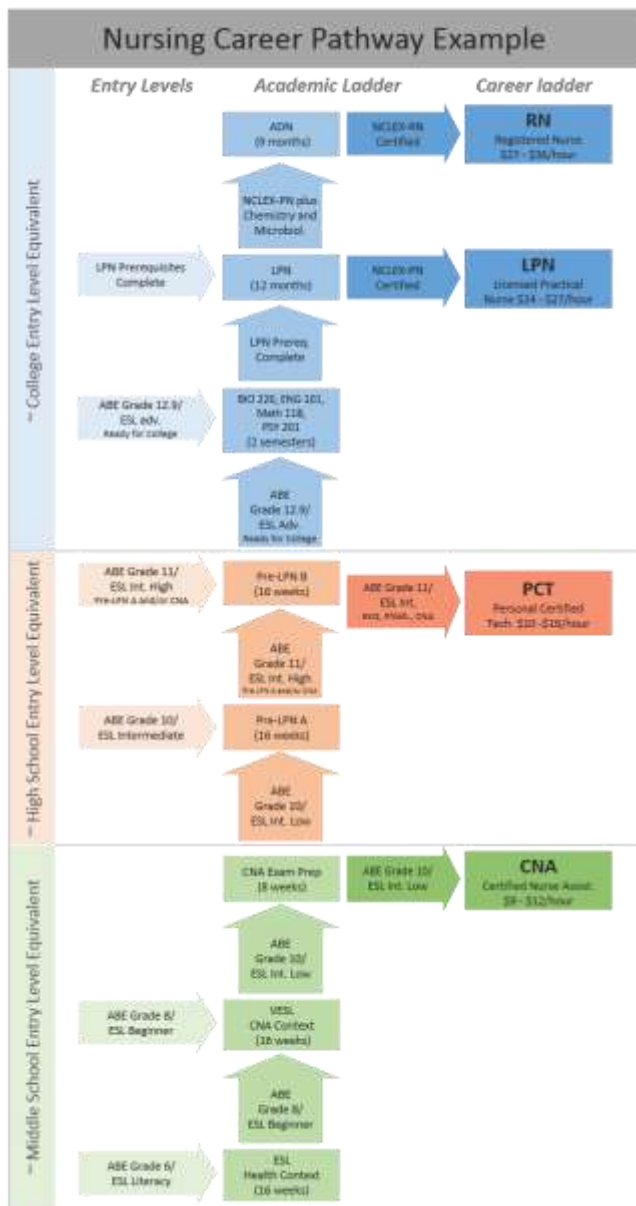
- I-BEST (Integrated Basic Education and Skills Training) started in NM in 2011
- Available at 6 community colleges
- Programs offer streamlined, integrated, and contextualized classes for accelerated learning.
- Classes co-taught 50% of the time by adult education instructor and career/technical instructor
- 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.



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