

# Getting Value from Workforce Stimulus Investments

What Works in Youth Workforce Programs  
and How to Grow the Evidence Base

Jane Wiseman

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NOVEMBER 2020



HARVARD Kennedy School

**ASH CENTER**

for Democratic Governance  
and Innovation

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## **About the Author**

Jane Wiseman leads the Institute for Excellence in Government, a nonprofit consulting firm dedicated to improving government performance. She is also an Innovations in Government Fellow at Harvard Kennedy School's Ash Center for Democratic Governance and Innovation. She has served as an appointed government official and as a financial advisor and consultant to government.

Ms. Wiseman's current consulting, research, and writing focus on government innovation, data-driven decision-making, and operational efficiency in government. With the Ash Center and the United Negro College Fund, she is developing a data-informed approach for urban responses to the upskilling and reskilling of unemployed and underemployed individuals. Also with the Ash Center, Ms. Wiseman supports a national network of urban chief data officers to accelerate the use of analytics in local government. She has written on customer-centric government, data-driven decision-making in government, pretrial justice, and 311 for a variety of audiences.

Ms. Wiseman holds a master in public policy from Harvard Kennedy School.

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## **Executive Summary**

The current economic crisis will likely inspire federal investment in training for unemployed and underemployed Americans. When funds are made available for youth workforce development, transparent reporting and publication of results data should be required. User-friendly reports should be created that enable unemployed and underemployed Americans to see which training providers achieve the best results, much as the current College Scorecard helps youth and their families evaluate colleges. This will benefit program recipients, the taxpayer, and society at large. Evidence about what works for youth workforce development is still in an early stage of maturity, so upcoming investments present an opportunity to advance the state of knowledge. With this data and insight, future investments can continue to fund effective programs and ineffective ones can be discontinued.

## Introduction

This paper summarizes insights from a brief review of scholarly research conducted in early 2020 as background for a grant-funded pilot project to advance data-driven approaches to closing workforce gaps for disadvantaged youth. The research scan was initially intended to inform the project as an internal resource. However, as the pandemic economic crisis continues, and as federal efforts to address it progress, it is hoped that sharing these insights might help government to make the best use of workforce dollars and programs. The goal of this paper is to further the use of evidence in upskilling and reskilling workers left unemployed or underemployed by the current pandemic economic crisis.

## The evidence is far from conclusive about what works in youth workforce development

While some evidence of what works exists, there remain many unanswered questions that could be addressed by greater data collection and investment in research alongside the investments in upskilling and reskilling for those in need of work. The existing research leaves many key questions unanswered about what are the most effective and efficient ways to get the best outcomes from the investment of public dollars. A recent summary on the topic of career and technical education by Results for America and research firm MDRC noted that “the research is excellent and deep in some areas and incredibly spotty in others.”<sup>1</sup>

## Transparency is good at the federal level, but inconsistent at the local level where programs are implemented

While performance data on program outcomes, such as employment, earnings, and goal attainment, is available for federal grant funding to states,<sup>2</sup> there is far less transparency regarding results achieved by individual workforce development boards and individual training providers. Whereas the US Department of Education offers an excellent user-friendly resource for comparing the outcomes produced by different colleges—its online College Scorecard<sup>3</sup>—no similar site exists to compare the results achieved by the thousands of providers eligible to receive federal funds through local workforce boards for the purpose of training unemployed and underemployed workers.

## Federal funding has been and will likely continue to be directed toward workforce investments

The spring 2020 CARES Act provided \$100 million for training of dislocated workers and gave local workforce boards more flexibility in how they deploy their resources, and the US Department of Labor recently announced \$40 million for community colleges.<sup>4</sup> Another \$15 billion in workforce funding may be on the way, via the Re-launching America’s Workforce Act, legislation supported by the National League of Cities, National Association

1 “What Works in Career and Technical Education: Evidence Underlying Programs and Policies that Work” (brief, Results for America and MDRC, December 2019), p. 1, <https://www.mdrc.org/publication/what-works-career-and-technical-education>.

2 “Workforce Performance Results,” US Department of Labor, <https://www.dol.gov/agencies/eta/performance/results>.

3 “College Scorecard,” US Department of Education, <https://collegescorecard.ed.gov/>.

4 Employment and Training Administration, US Department of Labor, “U.S. Department of Labor Announces Availability of Up to \$100 Million in National Health Emergency Dislocated Worker Grants In Response to Covid-19 Outbreak,” news release no. 20-493-NAT, March 18, 2020, <https://www.dol.gov/newsroom/releases/eta/eta20200318>; Employment and Training Administration, US Department of Labor, “U.S. Department of Labor Announces Availability of \$40 Million in Strengthening Community Colleges Training Grants,” news release no. 20-1350-NAT, July 8, 2020, <https://www.dol.gov/newsroom/releases/eta/eta20200708>.



of Counties, National Association of Workforce Boards, and United States Conference of Mayors.<sup>5</sup>

This proposed law mimics many of the programmatic goals and funding streams of the American Recovery and Reinvestment Act of 2009 but widens eligibility to more workers, including those who work in the “gig” economy. With millions of Americans filing for unemployment, and with most recent graduates unable to find employment, this bill would provide welcome relief.

## How will we know if new investments are providing value?

What do we know about what works? How can evidence be used to drive funding? If the same programs that were funded in the last recovery are used, how could or should they be updated to reflect current research, best practice, and evidence?

Recovery Act grant funding recipients were required to publicly report on how they used the funds, and the results were then shared on a federal government website. This obligation to provide the public with data about government spending advanced overall transparency and accountability and contributed momentum to the Digital Accountability and Transparency Act of 2014 (the DATA Act), which requires federal government agencies to report on their expenditures, information that is presented in a user-friendly way at [USAspending.gov](https://USAspending.gov).

And yet, the Recovery Act did not advance the state of knowledge about what works in youth workforce development. In a recent article, Michele Jolin and David Medina argue for advancing the state of knowledge through evaluation:

While we are proud of the work we accomplished with our colleagues as part of the Obama Administration’s White House team, advancing the use of data and evidence in decision-making, 20/20 hindsight makes it easy to see that we also missed a lot of opportunities. Our biggest regret is that we didn’t take a bolder, more sweeping approach. For example, *the 2009 stimulus should have included specific funding for testing and evaluating what works at the state and local level. If we had included this, we would have established a precedent for the 2020 COVID-19 recovery effort* (emphasis added).<sup>6</sup>

Properly done, this next wave of investment could improve current standards for public reporting on funding by also reporting on outcomes—via hard data on the graduation rates and employment success of graduates of workforce programs, as well as both quantitative and qualitative feedback data on the satisfaction of program recipients with the training they receive. A College Scorecard-like approach could both direct funding to effective programs and invest in accelerating the state of knowledge with data collection and analysis.

Investments in knowledge building should leverage rigorous research methods such as randomized controlled trials, as well as big data analytics for more real-time insights and the use of behavioral economics to design nudges that improve outcomes. Public-facing dashboards showing results by provider could radically improve accountability and transparency.

A significant benefit of transparency about results is the ability to drill down and examine any achievement equity gaps. New investment in transparency, data, and evidence could help close equity gaps for marginalized populations by tracking results across demographic groups. Metrics developed as part of this effort must mindfully lean toward inclusivity for vulnerable populations, recognizing the complex challenges faced by many workforce program participants.

5 Committee on Education and Labor, US House of Representatives, “In Response to Rising Unemployment, Democrats Introduce Legislation to Invest \$15 Billion in Workforce Training Needed to Relaunch the Economy,” press release, May 1, 2020, <https://edlabor.house.gov/media/press-releases/in-response-to-rising-unemployment-democrats-introduce-legislation-to-invest-15-billion-in-workforce-training-needed-to-relaunch-the-economy>.

6 Michele Jolin and David Medina, “How Philanthropy Can Help Governments Accelerate a Real Recovery,” *Stanford Social Innovation Review* (article posted online August 11, 2020), [https://ssir.org/articles/entry/how\\_philanthropy\\_can\\_help\\_governments\\_accelerate\\_a\\_real\\_recovery](https://ssir.org/articles/entry/how_philanthropy_can_help_governments_accelerate_a_real_recovery).

## The Department of Labor has a strong track record on reporting summary-level data

The Department of Labor (DOL) collects and shares huge volumes of data about the way Americans work, from wages to employment and unemployment rates. DOL was the first to appoint a chief evaluation officer and did so in 2010, long before it was required by the Foundations for Evidence-Based Policymaking Act of 2018 (the Evidence Act). DOL also has a website with resources on research and evaluation that state and regional workforce investment boards can access.<sup>7</sup> Last year, DOL updated the state wage reporting database to make it easier to track the success of workforce program participants who work in one state but were trained in another, or work in one state but live in another.<sup>8</sup> While the wage and work measures collected and published by DOL are burdened by similar challenges as any massive federal data reporting system, with publication times that lag private-sector metrics, overall, DOL is well positioned to be a twenty-first-century leader for transparency and data-informed decision-making.

## Youth of color are disproportionately affected by the COVID-19 crisis and should receive targeted support through workforce development programs

Young people of color are disproportionately affected by both the COVID-19 crisis and the related economic fallout. A recent study by the Bipartisan Policy Center shows that racial disparity in income and employment has been exacerbated by the COVID-19 economic crisis.<sup>9</sup> As noted by Harvard professor of political philosophy Michael Sandel, on the ladder of upward mobility, “the rungs [...] are growing further and further apart.”<sup>10</sup>

Youth who graduate from college find that a degree is not the guarantee of prosperity they had imagined, and youth without college degrees struggle with low-wage, low-skill jobs. Even worse, many of the low-wage, low-skill jobs available in the current environment (grocery, delivery, warehouse, restaurant, etc.) pose increased personal safety risk due to workplace conditions and the uncertain nature of the COVID-19 virus.

A spring 2020 analysis of racial disparity by the *New York Times* found that economic inequality persists throughout education and workforce experiences, creating long-term asset inequity. The analysis found that “Black students borrow more to go to college, don’t finish as often and more frequently default on their student loans. They earn less, and generally have lower credit scores—so they pay higher interest rates. It’s harder for them to save for retirement, and they leave less to the next generation when they die.”<sup>11</sup>

About a quarter of the jobs in the US do not require a bachelor’s degree but rather require some other type of credential, such as completion of a skill- or competency-based education program (24 percent of well-paying jobs require less than a bachelor’s degree but more than a high-school diploma, according to Georgetown University’s Center on Education and the Workforce). The current climate provides ever more need for rethinking the “college for all” movement and for addressing more immediate and skill-based pathways for youth.

7 “Evaluation and Research Hub,” WorkforceGPS, sponsored by the Employment and Training Administration, US Department of Labor, <https://evalhub.workforcegps.org/>.

8 US Departments of Labor and Education, “Background Information to the State Wage Interchange System (SWIS),” spring 2019, [https://www.dol.gov/sites/dolgov/files/ETA/Performance/pdfs/SWIS\\_Background\\_Doc-4-26-2019\\_508\\_compliant\\_PDF.pdf](https://www.dol.gov/sites/dolgov/files/ETA/Performance/pdfs/SWIS_Background_Doc-4-26-2019_508_compliant_PDF.pdf). Additional information is available at “Wage Interchange Systems,” Employment and Training Administration, US Department of Labor, <https://www.dol.gov/agencies/eta/performance/swis>.

9 Nicko Gladstone, Shai Akabas, Nora Cahill, and Charlotte Houghton, “Racial Inequities Have Long Existed in the Economy. A New BPC Survey Shows COVID-19 Made Them Worse,” *The Brief* (blog), Bipartisan Policy Center, June 22, 2020, <https://bipartisanpolicy.org/blog/racial-inequities-have-long-existed-in-the-economy-a-new-bpc-survey-shows-covid-19-made-them-worse/>.

10 Michael J. Sandel, “Are We All in This Together?,” *New York Times*, April 13, 2020, <https://www.nytimes.com/2020/04/13/opinion/sunday/covid-workers-healthcare-fairness.html>.

11 Ron Lieber and Tara Siegel Bernard, “The Stark Racial Inequity of Personal Finances in America,” *New York Times*, last updated June 16, 2020, <https://www.nytimes.com/2020/06/09/your-money/race-income-equality.html>.

As noted by Harvard scholar Robert Schwartz,

The career pathways movement—based on the premise that everyone needs something beyond a high school diploma but not necessarily a 4-year degree, and designed to connect young people to middle-skill jobs in such growing fields as information technology, health care, and advanced manufacturing—offers a promising route to upward mobility for those young people not well served by our current education system.<sup>12</sup>

## Promising approaches in youth workforce development are sector-based and user-centric and involve employer partnerships for work-based learning

In the spring of 2020, I conducted a high-level review of the research literature on the effectiveness of youth workforce development programs. Sources included:

- Arnold Ventures’ Straight Talk on Evidence, a website where the foundation’s Evidence-Based Policy team shares their assessment of the accuracy and methodological rigor of research reports in the social sciences.<sup>13</sup>
- The Pew Charitable Trusts’ Results First Clearinghouse Database, an easily searchable online resource that brings together nine separate national best practice and results clearinghouses and ranks research findings according to strength of results.<sup>14</sup>
- Washington State Institute for Public Policy’s cost-benefit analysis results.<sup>15</sup>

It should be noted that most of the randomized controlled trial (RCT) and cost-benefit analysis results presented here refer to specific programs rather than to broad-based policies or methods. It should also be noted that recent developments are not yet subject to rigorous long-term evaluation.

While too few of the thousands of workforce programs serving youth have been rigorously tested over time, there are several themes that emerge when looking at the evidence and at promising approaches. As can be seen in the chart that follows, the most common characteristics shared by the programs that have been shown by the evidence to work are that they are tailored to **specific job sectors** with a good supply of well-paying jobs, leverage **employer partnerships** for work-based learning, and offer **individualized support** that often includes advising, career coaching, and mentoring. Harvard Kennedy School Professor Stephen Goldsmith and his coauthor Kate Coleman have observed many of these same results in their examination of the programs for their forthcoming book, due out in the summer of 2021.

12 Robert B. Schwartz, “The Career Pathways Movement: A Promising Strategy for Increasing Opportunity and Mobility,” *Journal of Social Issues* 72, no. 4 (December 2016), <https://doi.org/10.1111/josi.12192>.

13 “Straight Talk on Evidence,” an initiative of Arnold Ventures, <https://www.straighttalkonevidence.org/>.

14 “Results First Initiative,” Pew Charitable Trusts, <https://www.pewtrusts.org/en/projects/results-first-initiative>.

15 “Benefit-Cost Results,” Washington State Institute for Public Policy, <https://www.wsipp.wa.gov/BenefitCost>.

## Common Characteristics of Evidence-Based Programs and Promising Approaches

What Works/ Promising Approaches	Key Result/Program Characteristics
<i>Specific programs that have been rigorously evaluated via randomized controlled trial (RCT)</i>	
<b>San Antonio Project QUEST</b>	<ul style="list-style-type: none"> <li>• 20% increase in earnings (RCT)</li> <li>• Occupational training for sector-based health-care-industry jobs (available, well-paying jobs)</li> <li>• Full-time community college program for low-income youth</li> <li>• Employer partnerships</li> </ul>
<b>Year Up</b>	<ul style="list-style-type: none"> <li>• 40% increase in earnings 3 years after program completion (RCT)</li> <li>• Yearlong program is split between classroom skill-building and internships with corporate partners</li> <li>• Individualized support services and mentoring</li> <li>• Employer partnerships</li> </ul>
<b>Per Scholas</b>	<ul style="list-style-type: none"> <li>• 27% increase in earnings 3 years after program (RCT)</li> <li>• Sector-based (IT sector)</li> <li>• Employer partnerships</li> <li>• Full-time programs for underserved populations</li> </ul>
<b>Accelerated Study in Associate Programs (ASAP)</b>	<ul style="list-style-type: none"> <li>• Doubled 3-year graduation rate, measured at 6 years (RCT)</li> <li>• Community college program for low-income youth</li> <li>• Individualized schedules, advising, career counseling, tutoring</li> <li>• Financial support (tuition/fees, public transit, textbooks)</li> </ul>
<i>Approaches that have been rigorously tested</i>	
<b>Career academies</b>	<ul style="list-style-type: none"> <li>• 11% increase in earnings 8 years after graduation (RCT)</li> <li>• Small communities within high schools</li> <li>• Focused on single career or industry (sector-based)</li> <li>• Integrate workplace and academic learning</li> <li>• Employer partnerships</li> </ul>
<b>Sector-based workforce initiatives</b>	<ul style="list-style-type: none"> <li>• Can have positive impact</li> <li>• Industry-focused education and job training based on the needs of regional employers in a specific industry</li> <li>• Driven by employer needs for skilled labor; implemented by workforce intermediaries</li> <li>• May be based at community colleges</li> </ul>

What Works/ Promising Approaches	Key Result/Program Characteristics
<b>Career and technical education (CTE) in high schools</b>	<ul style="list-style-type: none"> <li>• Washington State Institute for Public Policy found benefit-to-cost ratio is \$2.74</li> <li>• High-school-based career training (formerly called vocational education)</li> <li>• May include employer partnerships; can be at employer location</li> <li>• Prepares students for work or college</li> <li>• Sector-based programs increasingly common</li> </ul>
<b>Apprenticeships</b>	<ul style="list-style-type: none"> <li>• Increase participant earnings</li> <li>• Employer partnerships</li> <li>• Work- and classroom-based learning</li> </ul>
<b>Summer youth employment</b>	<ul style="list-style-type: none"> <li>• Study showed youth increased community engagement and social skills, job readiness skills, and college aspirations</li> <li>• Short-term jobs for youth, 15–30 hours per week</li> <li>• Employer partnerships</li> <li>• Run by city government or designated workforce partner</li> <li>• Subsidy may reduce/eliminate employer cost</li> </ul>
<b>Early College High School</b>	<ul style="list-style-type: none"> <li>• Increases college completion for low-income students</li> <li>• No-cost college credit while in high school</li> </ul>

Sources: Arnold Ventures' Straight Talk on Evidence, Pew Charitable Trusts' Results First Clearinghouse Database, Washington State Institute for Public Policy, author analysis.

My brief review of the literature reveals that there is much yet to learn about how to successfully bridge the worlds of learning and work, and how to create opportunity for youth who would otherwise be left behind. **More research is needed, but sector-based, user-oriented, and employer-partnership approaches can be scaled rapidly now while promising methods and new innovations are developed and tested. With limited evidence of what works, experimentation and innovation should be fostered, in the spirit of rapidly learning and iterating on what seems most promising.** Important areas that need more attention in the research include the following:

- *Soft skills.* Skills training that fails to address “soft skills” ends up producing workers who are able to execute specific tasks but not able to interact with others and comport themselves well. Including these elements in youth workforce development eases the transition to successful work.
- *Advising.* Advising, mentoring, and coaching can be extremely valuable to youth, both while they are in school and as they transition into their careers. Yet, youth identify career advising as a weakness in their higher-education programs, and high-school guidance counselors are often overwhelmed with high caseloads, making it difficult to help guide students to the right pathways. Guidance counselors at community colleges are also resource constrained. Better understanding of what drives success in advising and how technology can be leveraged to improve outcomes would be valuable in this resource-constrained but important area.

## **Very little outcomes data is available to the end users, the youth in workforce programs**

Youth need better data for making career pathway decisions. Youth often lack data on what career pathways are open to them and what skills, credentials, or education will be needed. There is also very little publicly available data on the outcomes for various skill, credential, and career education programs. Currently, youth can get better personalized information on which restaurants or movies would be well suited for them than what career and skill pathways they should pursue.

As a New America blog post points out, “The labor market returns of a certificate program are, on average, substantially lower than the returns to an associate degree. While some very-short programs carry more value for graduates, many more have virtually no effect on wages.”<sup>16</sup> Youth need accurate and timely data to help them assess their options, and their influencers (teachers, parents, advisors, and other mentors) need the data to be able to guide them in the right pathways. It would be valuable for youth to be able to sort through the high-quality and low-quality programs. Creating something like the College Scorecard for workforce programs would significantly improve transparency and would provide youth with the data they need to make their choice about career pathways.

## **Successful investment in youth workforce development will pay for itself, and with visionary leadership, long-term prospects for disadvantaged youth can be improved**

Research shows that government investment gains the highest return when spent on children and youth. As government responds to the current economic crisis, investing in career pathways for disadvantaged youth is an approach that will reap benefits now and long into the future. Without decisive action, the current economic downturn may exacerbate inequality, leaving poor and minority youth out of the coming financial rebound while those with the existing advantage of education and technology skills find stable employment more quickly.

Building the workforce of the future requires cooperation among policymakers across levels of government, as well as invested partnership by community organizations, educators, and business leaders. When all of these stakeholders work together, our next generation of youth can develop the workplace skills needed to be successful and to grow our economy.

With concerted leadership from government, the next rising tide can lift all boats, with user-centered workforce strategies that enable place-based economic prosperity where workers transition into the jobs that fit their skills. Upskilling and improving the long-term economic prospects of disadvantaged youth requires an integrated approach that spans city and state government and involves employers. Educators and youth influencers are critical to success, as well, as they guide youth toward the most appropriate opportunities for their unique capabilities.

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16 Iris Palmer and Clare McCann, “U.S. Workers Need a Long-Term Solution, Not a Short-Term Fix. Congress Should Invest in Community College Capacity” (blog post), New America, July 13, 2020, <https://www.newamerica.org/education-policy/edcentral/us-workers-need-long-term-solution-not-short-term-fix-congress-should-invest-community-college-capacity/>.

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