

Ben S Bernanke: Fostering workforce development

Speech by Mr Ben S Bernanke, Chairman of the Board of Governors of the Federal Reserve System, at the Federal Reserve Bank of Richmond and Community College Workforce Alliance forum on workforce development, Richmond, Virginia, 9 June 2010.

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Thank you, President Lacker. I'm pleased to be here today to learn firsthand about the variety of workforce development initiatives in Virginia. I appreciate the efforts of everyone who is taking part today, and would like to especially thank the Community College Workforce Alliance and the Federal Reserve Bank of Richmond for organizing today's forum. I also want to acknowledge the presence of Lieutenant Governor Bolling.

Organizations such as the Workforce Alliance and public-private partnerships supported by the governor's office are helping people in Virginia improve their own lives and economic circumstances. As our nation continues to recover from the recession, these and similar workforce development programs in communities across the country are demonstrating that they are vital to the well-being of Main Street economies all over America.

Today's forum has brought together representatives of a range of organizations with the shared goal of fostering economic growth and job creation – including the Governor's Economic Development and Jobs Creation Commission, the Virginia Workforce Investment Council, the International Economic Development Council, and the Heldrich Center for Workforce Development.

This forum supports the ongoing efforts of all of these organizations to develop and share strategies to help provide employment opportunities for Americans. I understand that your sessions today have focused on efforts to retool Virginia's workforce through community college and state government initiatives. You have also shared insights about the condition of the national economy and employment trends.

Although our country continues to endure high unemployment, we see some signs of modest improvement in the labor market. Nationally, private payroll employment rose an average of 140,000 per month over the three months ended in May, and firms have been lengthening the workweeks of their employees. Virginia has been sharing in the recent improvement, with approximately 32,500 private-sector jobs having been created during the first four months of this year. Nonetheless, in all likelihood, a significant amount of time will be required to restore the nearly 8½ million jobs that were lost nationwide over 2008 and 2009.

Partnerships like the Workforce Alliance, and programs at other community colleges, are crucial to ensuring that Americans are able to advance their careers or find work after losing a job in what has been a very challenging economic time. As the labor market recovers, innovative workforce development programs can play important roles in anticipating future job market demands and by helping workers improve their skills to meet the requirements of businesses as they adopt more advanced technologies. Community colleges have the flexibility to provide their students a range of non-degree training opportunities – including counseling, certificate programs, and refresher courses – as well as more formal degree programs. And they make it easier for individuals who are already in the workforce or who have family demands to take advantage of training on a part-time basis.¹

Although forecasting future job opportunities can be difficult, we do know that in some areas, such as health services, the number of jobs continued to increase throughout the recession.

¹ See Natalia A. Kolesnikova, (2010), "Community Colleges and Upward Mobility (363 KB PDF)", Review, Federal Reserve Bank of St. Louis, Vol. 92, (January/February), pp.27–53.54.

And the Bureau of Labor Statistics anticipates that the demand for workers in health-related occupations will continue to outpace demand in many other industries.² According to the bureau, many of the prospective opportunities in health, as well as others expected to be added in transportation and administrative areas, do not require a full four-year degree. Community colleges have responded to these specific training needs by offering condensed courses in medical billing and training to become a pharmacy technician. Such programs can especially benefit adults looking for a new career. The Community College Workforce Alliance also works closely with unemployment centers throughout the region to provide just-in-time training programs in sectors as diverse as education, the green industry, and skilled trades.

Workforce development organizations also support entrepreneurship and the creation of small businesses. The Alliance's "Growing America Through Entrepreneurship" program, which helps displaced workers start their own companies, is one example. Your efforts to open these opportunities to your students, and similar efforts across the country, contribute tremendously to maintaining a strong and capable workforce.

After this session closes, I look forward to speaking with students who have participated in community college training programs, and succeeded as a result. Their insights will be very helpful as we collectively think about workforce development issues.

We will have no easy resolution to the challenges we face in restoring jobs and strengthening the economy. Effort will be required on many fronts. I appreciate the thoughtful discussion you engaged in today and the collaborative work you will undertake to implement the solutions you have identified. I hope you all found this forum a valuable source of information, shared your expertise with others, and made connections that will assist you and your organizations in meeting the needs of those you serve.

Thank you for your efforts, and for the opportunity to be with you today.

² U.S. Department of Labor, Bureau of Labor Statistics, (2010), "Overview of the 2008–2018 Projections", in Occupational Outlook Handbook, 2010–2011 Edition: (Washington: BLS).