

John C Williams: Welcoming remarks - Investing in America's Workforce Book Launch Event

Welcoming remarks by Mr John C Williams, President and Chief Executive Officer of the Federal Reserve Bank of New York, at the Investing in America's Workforce Book Launch Event, New York City, 9 November 2018.

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As prepared for delivery

Welcome

Good morning. I am very pleased to welcome you all to the Federal Reserve Bank of New York for the launch of *Investing in America's Workforce: Improving Outcomes for Workers and Employers*. I would like to thank our colleagues across the Federal Reserve System, the Heldrich Center for Workforce Development at Rutgers University, the Ray Marshall Center at the University of Texas at Austin, and the W.E. Upjohn Institute for Employment Research for collaborating with us on this initiative.

My colleagues and I are proud to co-sponsor this event today and appreciate everyone who contributed their time and effort to making the *Investing in America's Workforce* publication a reality.

With over 100 contributors, pulling this together was not an easy feat. I recognize the value of sharing knowledge and resources and am pleased that we can help facilitate this effort. I congratulate my colleagues and our partners for this accomplishment and believe this is just the beginning of our work to support the workforce field. There is a tendency to try to re-invent the wheel and overlook past experience, but by taking a step back and learning from one another, we can have a much greater positive impact in our communities.

Roadshow Workforce Experience

Sustainable economic growth and thus broad-based prosperity is dependent on a healthy job market, one in which employers can find the skills they need and workers find jobs that allow them to grow and move up the economic ladder. The challenge is developing a system that encompasses both and is accessible to all those seeking a job. Our workforce development initiative aims to promote dialogue and a greater understanding of promising policies and programs that allow workers, especially those in low and moderate-income communities, to develop in-demand skills and connect them with employers. We can achieve this by connecting with workforce stakeholders through policy forums, roundtable discussion sessions, and examining areas through our research and outreach.

One of the best aspects of my job is the opportunity to visit communities across our Second District. The skills gap and the uneven economic recovery among different communities are consistent themes I hear, not just in the Second District but also in my previous job on the West Coast. I also have heard about a variety of policies and programs that seem to be making an impact and could have broader potential that are worth sharing.

Early in my tenure I visited Brooklyn P-TECH and met with a dedicated and focused group of young students learning IT skills for middle-skill jobs. This partnership between IBM Corporation, the New York City Department of Education, the City University of New York, and the NYC College of Technology, provides an instructive model. It takes kids from high school through an associate's degree with corporate support and real-life experiences.

And it's working. Their first class of 91 students entered the program in September 2011 and

almost all have since earned their high school diplomas and about half have earned an associate's degree in a STEM field. IBM has hired 23 graduates and continues to offer paid summer internships.¹

In a few weeks, I will be visiting Per Scholas, a tuition-free workforce training program in the Bronx and in other parts of the country. It seeks to break the cycle of poverty by providing free technology career education, training, placement, and advancement services to people in underserved communities. Approximately 90% of Per Scholas trainees are people of color, with the large majority representing Black/African American and Hispanic/Latino individuals -- groups with historically low representation in IT and the financial services industry.

This workforce program is unique in that it seeks to re-train adult workers for successful careers as technology professionals and works with employers in crafting unique training programs for their business. In 2017, Per Scholas NY enrolled 502 students and 406 graduated, of which a substantial majority reported being placed with an employer with an average starting wage of more than \$20 an hour.²

Earlier this year, the New York Fed partnered with Per Scholas NY to support our own Diversity & Inclusion efforts focused on career paths in IT, cybersecurity, and data science in the financial services industry. I am proud to say that the New York Fed was recognized by Per Scholas as a Major Partner in its recent 2018 annual update report.

I mention these two examples as they reflect the theme of today's event and the book—workforce development is about investing in work, workers and systems leading to greater employment opportunities for all.

Employer Engagement by Community Colleges in New York State

Another important issue is the role of employer engagement with community colleges. By working directly with local employers, community colleges can more effectively prepare students for available jobs, and at the same time, help employers find and retain workers with the skills they need.

In an effort to better understand the level and types of employer engagement activities taking place in our region, the Federal Reserve Bank of New York recently conducted a survey of all of the community colleges in New York State. Next Wednesday, we will be releasing a report that details our findings.

Our report does show that employer engagement by community colleges in New York State has become the norm. The typical community college engages with more than 100 employers, spanning a broad range of industries, including healthcare, manufacturing, utilities, and tourism, just to name a few. It is also quite common for community colleges to actively assess local labor market needs, often with the help of local employers.

As part of these engagement efforts, employers provide a wide range of education and training support to community colleges, offer various forms of work experience, and help students prepare for the job market. Employer engagement is a promising and important undertaking for community colleges, local employers, students, and workers.

Investing in America's Workforce

These are just a few examples of the work being done across the Federal Reserve System and beyond, which is one of the reasons we have come together under the Investing in America's Workforce umbrella. This initiative started in 2017 as a way to identify new approaches, opportunities, and challenges in the various areas of workforce development. Led by the Federal Reserve System alongside other educational and nonprofit institutions, Investing in America's

Workforce has encompassed 52 regional meetings held across the country last year, [a capstone conference](#) held in Austin, TX last October, and a three-volume book highlighting workforce development efforts as investments for economic and community growth, which the Fed and our partners are releasing today.

In 2017 and 2018, the New York Fed held seven regional meetings in our District, and one in Orlando, FL in partnership with our Atlanta Fed colleagues after the influx of Puerto Ricans to the mainland post-Hurricane Maria. We found that all of these communities shared certain needs, including to: develop training programs that lead more directly to available jobs; make the public workforce system less complicated; and find a consistent way to document and collect data on individuals who participate in training to assess the effectiveness of the programs.

I hope this book will help find solutions, recognizing that there is no one-size-fits-all solution or approach.

So what's in the book? *Investing in America's Workforce: Improving Outcomes for Workers and Employers* is a collection of more than 65 essays from national and regional workforce experts about systemic barriers to employment and how further workforce investments can overcome those barriers. Staff from the New York Fed contributed two chapters in the publication. One piece—on partnership development as a key workforce strategy— includes a look into how three employers in New York and Puerto Rico developed partnerships with post-secondary institutions to make progress in overcoming the skills gap issue. By detailing some of the factors that contributed to employers' partnering with educational institutions, this chapter aims to provide insight to employers seeking to engage with educational partners to address labor market concerns and support the development of skilled industry talent. The second piece examines the high child poverty rate in Puerto Rico and its impact on the long-term economic sustainability of the island and its ability to recover from Hurricane Maria. The island's child poverty rate is almost three times higher than that of mainland, and has remained stagnant even during times of economic growth, suggesting the issue is not just rooted in labor demand. This chapter discusses the dual programmatic and policy strategy of the Boys and Girls Club of Puerto Rico and its sister organization the Youth Development Institute.

Before I conclude my remarks, I would like to provide a quick overview of today's sessions. First, my colleague Patrick Harker, President and CEO of the Federal Reserve Bank of Philadelphia, will discuss key shifts in perspective needed to see workforce development as an investment. Then there will be three panel sessions, each dedicated to the overarching focus of a volume in the publication – investing in workers, investing in work, and investing in systems. The day will then end with a luncheon panel discussion where speakers from various sectors will discuss what needs to happen to realize the goal of seeing workforce development as an investment in inclusive economic growth that benefits workers, employers, and communities.

I am thrilled that we can bring together national and regional leaders representing the private, public, and nonprofit sectors to engage in a dialogue that can inform workforce development programming across the country and learn from one another about the opportunities for investing in America's workforce. We look forward to a productive day and continuing the conversation after the event. Thank you.^{[12](#)}

¹ From Robin Willner, NYS P-TECH Leadership Council

² From Sarah Conte, Per Scholas NY