

A Skilled Workforce: Competing in a Global Economy Through the Utilization of a Career Readiness Certificate

A White Paper

December 13, 2004

Background

Funding, raw materials, infrastructure and land are no longer leading factors as to where global corporations will grow and locate. Companies are now looking at today's workforce. For Missouri to grow in this global economy, it is essential to develop a comprehensive package of incentives to attract out-of-state companies as well as reduce in-state attrition. With the workforce being a primary concern of business, Missouri's economic development portfolio must contain an effective and measurable system to communicate and evaluate the skills of its great workers.

Abstract

In reviewing Governor Elect Blunt's plan to improve the quality of life in Missouri, "A New Direction", it is agreed that Missouri must implement strategies focused on results. Businesses judge the education and workforce development systems from a pragmatic perspective — "Will the individuals educated in this community be ready and able to work and have the skills my jobs require?" A lack of job skills is an obstacle in either obtaining or maintaining family-supporting jobs. Additionally, there are a large number of individuals employed and unemployed who do not have the higher levels of math and reading skills that would enable them to apply or even train for family-supporting jobs. To compete in a global economy, Missouri must be able to identify and correct skill gaps in its workforce. By focusing on "learning-levels", Missouri can be aggressive in attracting and retaining family-supporting jobs. This focus will also enable Missouri to compete with states such as Indiana, Louisiana, Kentucky and Virginia who currently identify learning-skills in their workforce.

Introduction

To compete globally and nationally, Missouri needs a "workforce oriented" economic development agenda. Its centerpiece would be a **Career Readiness Certificate** that addresses a systematic approach to measure, monitor and improve workforce learning-skills in Missouri. By demonstrating a documented inventory of the state's workforce learning-skill levels, out-of-state companies will be more willing to move to Missouri. Also with this documented inventory approach, we can also reduce in-state business attrition and encourage new Missouri-based business ventures to develop companies here. In addition, we can be more competitive with our

neighboring states by growing Missouri's economy. To further stress the need to identify and correct learning-skill gaps in the State's workforce, please note Federal Reserve Chairman, Alan Greenspan's comments regarding the "skill premium" commanded by higher educated better trained workers.

During a House Financial Services Committee hearing in July 2004, Federal Reserve Chairman Alan Greenspan said the growing inequality in U.S. incomes largely reflects differences in workers' education and job skills. He said the pay gap shows the "skill premium" commanded by higher educated, better-trained workers. Without changes, he predicts the workforce will be increasingly divided between those able to earn and those struggling to get by. "This represents a major problem of matching skills of workers to the technological base of the economy, which I believe is an education issue and requires that we address it as quickly and broadly as we can," Greenspan said at the hearing.
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CAREER READINESS CERTIFICATION Utilizing WorkKeys by ACT, INC.

A Career Readiness Certificate initiative utilizing WorkKeys by ACT, Inc. would enable Missouri to measure, monitor and improve the learning-skills of its workforce. The initiative would consist of the following:

- 1) **AN ASSESSMENT COMPONENT:** Assessments could be given by companies to job applicants or current employees to see if learning-skills equal the skill levels of specific jobs. It could be given to the unemployed/underemployed to evaluate their ability to train for family-supporting jobs. It could also be given at the school level¹, thereby accessing the learning-skills of graduates.

¹Note: An issue of importance to both business and post secondary education is the preparedness of high school seniors as they approach their next step in education and/or entering the workforce. Business's and education's main concern is that high school degrees do not equate the same learning-levels from district to district. The Career Readiness Certificate can correct that inequity. This portable certificate will provide a common language for the learning-levels of our high school graduates. When they enter the workforce their learning-skills then can be applied to specific jobs as described in Attachment "B". In addition, this certificate may also help reduce the need for remedial work at the post secondary level.

- 2) **AN IDENTIFICATION OF THE LEARNING-SKILLS REQUIRED BY A SPECIFIC JOB:** ACT, Inc. has already developed learning-skill requirements for over 2000 jobs and this list is continually growing. They have identified eight different learning-skills with math, reading and locating information being the most frequently used. For example to be able to train for a machinist, in today's market, an individual must have a math learning-level of 5 and a reading level of 4.

Please see Attachment "A" for the definitions of these different levels.

- 3) AN INCREASE in LEARNING-SKILL LEVELS: If an individual wishes to increase a learning-skill level, they can do so in school, in a career center, in the workplace, or in their home. Assessments have always been available. At issue has been how to upgrade your skills for a better paying job! ACT, Inc. addresses this problem, even to the point of “in-home learning”.
- 4) IMPLEMENT A THREE LEVEL CERTIFICATE COMPONENT: The Career Readiness Certificate would consist of WorkKeys assessments in math, reading and locating information. The level attained in the assessment will be divided into three categories:
 - a) Bronze Level: Individuals at this level posse the learning-skills for approximately 30% of the jobs listed in the WorkKeys Occupational Profile database.
 - b) Silver Level: Individuals at this level would qualify for approximately 65% of all jobs in the database.
 - c) Gold level: Individuals at this level would qualify for approximately 80% of all jobs in the database.

Please see attachment “B” for examples of jobs in these categories

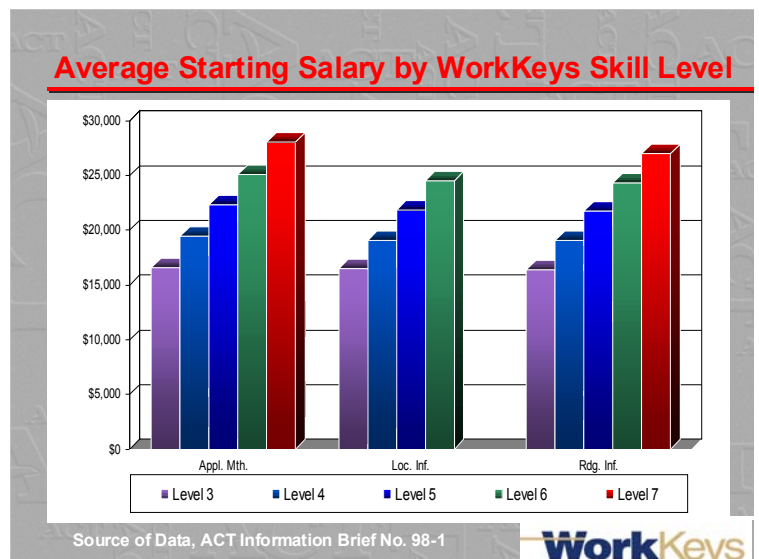
- 5) ISSUE THE CAREER READINESS CERTIFICATE: This becomes a standard portable credential indicating that the bearer possesses the learning-skills to understand and perform new jobs based on the requirements identified in the WorkKeys Occupational database. The individual will benefit in that they can feel confident that they possess the learning-skills required for a variety of jobs. The company benefits by having the advance knowledge that this individual possesses the learning-skills needed to learn and be successful in a new job. [Missouri benefits by being able to measure, monitor and improve the learning-skills of its workforce and provide documentation to a new or expanding company that the workforce has the learning-skills for that company’s jobs.](#)

A Career Readiness Certificate system has been recommended by The Missouri Training and Employment Council in its 2004 Missouri State of the Workforce Report. The report strongly recommends that economic and workforce development professionals develop and implement a “recognized Career/Work-Readiness Certificate,” using the nationally known WorkKeys® system by ACT Inc. Work Keys is used independently in Missouri through Career Centers, high schools, apprentice programs and community colleges to measure, monitor and improve workforce learning-skills

Please see Attachment “C” for a suggested approach to building Missouri’s Career Readiness Certificate program.

Projected Results

In an effort to attract more family-supporting jobs, it is important to see the correlation between a better-prepared workforce and higher wages. As evidenced in the “Average Starting Salary” chart, those individuals functioning at higher levels of math and reading earn more money.



A *Career Readiness Certificate* program can accomplish the following workforce goals:

Demonstrating Missouri's qualified workforce through a systematic approach to measure, monitor and improve workforce learning-skills and provide a statewide certificate of learning-levels of our high school graduates that can be used by business and post secondary institutions.

Retaining jobs and reducing the unemployment rate by making it easier for job applicants to obtain jobs where their skills match business' needs.

Matching certificate learning-levels with job learning-level requirements so businesses will be able to match people with the learning-skills required for the job and thereby reduce training time.

Helping people to improve their learning-skills and enable them to obtain jobs with family-supporting wages.

Conclusion:

With the workforce being a primary concern of business, Missouri's economic development portfolio must contain an effective and measurable system to communicate the learning-skills of its great workers. As part of his key initiatives, it is proposed that Governor-Elect Blunt implements and promotes a *Career Readiness Certificate* in Missouri. It would provide a systematic approach to measure, monitor and improve workforce skills in the state. The *Career Readiness Certificate* will be a collaborative effort between the state, business, workforce development and local WorkKeys service providers.

For resource information on other states that are using Career Readiness Certificate Programs see Attachment "D".

For additional information on the Career Readiness Certificate Program or WorkKeys, please contact:

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Attachment “A”

Sample Descriptions – WorkKeys Levels by Assessment

WorkKeys Applied Mathematics – Level 5

- Problems require several steps of logic and calculation (e.g., problem may involve completing an order form by totaling the order and then computing tax)
- Decide what information, calculations, or unit conversions to use to solve the problem
- Look up a formula and perform single-step conversions within or between systems of measurement
- Calculate using mixed units (e.g., 3.5 hours and 4 hours 30 minutes)
- Divide negative numbers
- Find the best deal using one- and two-step calculations and then comparing results
- Calculate perimeters and areas of basic shapes (rectangles and circles)
- Calculate percent discounts or markups

WorkKeys Reading for Information – Level 4

Questions measure the examinee's skill in reading workplace documents that are slightly more complex than those at previous levels. They contain more detail and describe procedures that involve a greater number of steps. Some documents describe policies and procedures with a variety of factors that must be considered in order to decide on appropriate behavior. The vocabulary, while elementary, includes words that are more difficult than those at lower levels. For example, the word “immediately” may be used at this level, instead of the phrase “right away” would be used. At this level, the questions and answers are paraphrased from the document.

- Identify important details that are less obvious than those in lower levels.
- Recognize the application of more complex instructions, some of which involve several steps, to described situations.
- Recognize cause-effect relationships.
- Determine the meaning of words that are not defined in the document.

Attachment B

SAMPLE: JOBS WITH FAMILY-SUPPORTING WAGES

	Annual Wage – Range*	Annual Wage – median base salary	Certificate Level**
Chemical Technicians (Chemist I)	\$36,974-\$45,213	\$40,491	Gold
Computer Systems Analysts (Systems/Application Security Analyst)	\$58,341-\$89,254	\$75,694	Gold
Executive Secretaries and Administrative Assistants *** (Administrative Assistant I)	\$26,494-\$32,764	\$29,399	Gold
Electronics Engineering Technicians (Electrical Engineering Technician I)	\$30,597-\$39,279	\$35,018	Gold
Machinists (Machinist I)	\$27,542-\$35,349	\$31,189	Gold
Office Clerks *** (General Clerk I)	\$22,000=\$27,600	\$24,600	Silver
Nurse Aide *** (Certified Nursing Assistant)	\$20,900-\$24,500	\$22,500	Silver
Retail Sales ***	\$20,100-\$27,500	\$24,000	Silver
Dishwasher ***	\$19,000-\$23,000	\$21,600	Bronze
Fiberglass Laminators and Fabricators (Assembler I) ***	\$21,500-\$27,000	\$23,900	Bronze
Refuse Collectors ***	\$15,000-\$23,000	\$19,000	Bronze

* Source: www.salary.com (Info is average for U.S. workers)

** Source: <http://www.act.org/workkeys/analysis/occup.html>
Based on the highest level that would be required by a business

*** Jobs on Missouri's top 30 position openings according MERIC

Attachment C

Suggested Approach to Building Missouri's Career Readiness Certificate Initiative

- ✓ Become a key initiative in the new administration
- ✓ Identify leadership for key initiative
- ✓ Integrate certificate into economic development strategies through partnerships with education, workforce development, labor, and chambers of commerce
- ✓ Continue coordination with Missouri Training and Employment Council
- ✓ Enlist support from grass-root organizations that will assess individuals, provide training, and promote use of the certificates
- ✓ Enlist support from business
- ✓ Maintain records for individuals who have obtained or are seeking certificates
- ✓ Use existing ACT WorkKeys service providers to market the importance of the certificates to individuals and businesses
- ✓ Develop a media campaign

Attachment D

CERTIFICATE PROJECTS IN OTHER STATES

Kentucky

The Kentucky Community and Technical College System (KCTCS) and the Cabinet for Workforce Development (CWD) introduced this statewide certificate. <http://www.kctcs.net/kec/>

President's Report

Board of Regents Meeting

April 27, 2001

Somerset Community College
Somerset, Kentucky

- **The Employability Certificate** - In response to the growing need by Kentucky's business community for a certificate documenting workforce skills, the Kentucky Community and Technical College System and the Kentucky Cabinet for Workforce Development have developed the Kentucky Employability Certificate using ACT's WorkKeys System. The Employability Certificate will be offered at two levels, Gold and Silver. Three WorkKeys assessments (Reading for Information, Applied Math, and Locating Information) will be used for each of the certificate levels. The Gold Employability Certificate at the WorkKeys Level 5 will qualify individuals for 80 percent of the jobs profiled nationally. The Silver Employability Certificate at the WorkKeys Level 4 will qualify individuals for 50 percent of the jobs profiled nationally. The Employability Certificate has been endorsed by the Kentucky Workforce Investment Board and the Workforce Alliance. Ashland Inc. Foundation has contributed \$120,000 to support this initiative.

Indiana

At least 30,000 workers and unemployed Hoosiers will have their skills assessed and 1,800 job categories at Indiana companies will be profiled – with the goal of matching them up – under the Energize Indiana economic-development plan. <http://www.in.gov/gov/energize/>

Virginia

A large network of service centers throughout the state provides services to many businesses.

<http://www.vccs.edu/workforce/news/archives/sept04.htm>

Michigan

A statewide certificate developed by the Michigan Council on Technical Excellence, chaired by Lt. Governor Dick Posthumus, and endorsed by many throughout the business community.

<http://www.michigan.gov/mdcd/1,1607,7-122--24347--,00.html>

Louisiana

Issued by the Governor's Office for the Workforce Commission and endorsed by the business

http://www.laworkforce.net/workready/WR_index.htm

Other Programs Currently in Development:

Washington – The proposed *Workplace Skills Certificate* is designed to provide Washington educators and businesses with a portable credential that documents transferable skills across a broad range of job categories. The program will create a credential based on objective, standardized, certifiable assessment results that clearly indicates work skill levels needed for a majority of jobs and occupations.

Kansas – Another statewide program in development, the *Kansas Career Readiness Certificate* program is designed to officially recognize individuals who are doing what any business-education partnership wants them to do — achieve the high skill levels needed in today’s economy.

Illinois – A proposed *Workforce Readiness Certification* program would use WorkKeys to profile career paths with designated businesses in the central Illinois area. It is designed to provide clear and meaningful information to businesses, individuals, educators, and trainers on the readiness of individuals to successfully enter or re-enter the workforce.