



## **Launch of the National Fund for Workforce Solutions**

### **Statement by Emily Stover DeRocco Assistant Secretary for Employment and Training, U.S. Department of Labor**

Washington, DC, September 6, 2007

Thank you, Steve [Gunderson]. It is a pleasure to join you and this distinguished group of national foundation representatives here today to launch an exciting new partnership.

I think all of us understand that we face global competition in today's economy. One of the results of that competition is that many of the lower skill jobs available to Americans a generation ago no longer exist in this country. In their place, new jobs have been created that put a premium on greater education and more specialized skills.

These changes obviously have far-reaching effects on the economy. One of the most visible is that employers in nearly every sector report difficulty in finding individuals with the skills required in their industry.

This mismatch in skills has a direct bearing on the Labor Department, because every year we invest over \$10 billion in taxpayer funds to support a workforce investment system that is intended to help Americans prepare for and find available jobs.

In the economy of an earlier generation, it was enough for that system to simply match job orders with unemployed workers and offer short-term job readiness classes. Today though, both employers and workers need more.

So over the past six years, the Employment & Training Administration has worked to transform the public workforce system and to build partnerships across our system. We

started with our nation's employers, so we could develop an understanding of exactly what jobs and what types of skills were in demand.

It wasn't enough to simply understand what skills are required though. We had to expand our partnerships with the education continuum to be able to develop those skills. So we engaged our education system, from K-12 to community colleges to four-year colleges and universities. Our goal is to ensure workers can access industry recognized or certified education and training through our postsecondary education system and receive tuition assistance through the workforce investment system.

Over this time, the importance of skilled labor continued to grow to a point where companies were making strategic decisions based on where they could find an educated and prepared workforce. This expanded our partnership opportunities yet again.

We began to integrate our efforts with economic development through an initiative called Workforce Innovation in Regional Economic Development or WIRED. Through WIRED, regions of the country could not only react to the needs of individual companies or workers, but actually affect their economy by educating and training their citizens for the jobs of tomorrow, creating an asset to attract and create new jobs and opportunities.

It was through the WIRED Initiative that our partnership opportunities with the philanthropic community began to grow as well.

As the economy changed and workforce development became more critical to our economic success, foundations began to take notice and become more engaged in the growing partnerships around the country.

One example is in our WIRED regional economy in mid-Michigan. There, the Charles Stewart Mott Foundation has been making critical investments, supporting education, infrastructure, and economic development to help transform an area hard hit by globalization.

We realized that we had missed focusing on a critical partner along the way, so with the help of the Mott and Ford foundations, we set up several opportunities for our WIRED regions

and the public workforce system to understand the potential and value of foundations, while simultaneously introducing both national and regional foundations to our partnerships.

Through these efforts, it became clear that foundations could play vital roles, including being the catalyst and financial backing for innovative ideas; providing expertise and advice on local and regional issues; offering technical experts through the wealth of networks and relationships they had developed; and, finally, simply providing the leadership that so many regions need to form their own partnerships or collaboratives.

The National Fund for Workforce Solutions is going to model exactly these opportunities in regions around the country. The collaboratives NFWS will support mirror the WIRED regions' strategic partnerships in many ways. And, these collaboratives recognize, as we do, that the business of educating and preparing our workers for employment and advancement opportunities is a shared responsibility requiring an investment by all partners. The Employment & Training Administration's contribution to this effort is through a \$500,000 investment in the evaluation of the Fund's effectiveness, as well as providing connections to our existing workforce system.

We recognize that the design of workforce development has changed and that many public, private, and nonprofit organizations have a role to play as partners in the development of an educated and skilled workforce.

I am proud of the partnership between the federal government and these world-class foundations, and I look forward to the success of this National Fund for Workforce Solutions.

Thank you.