

American Workforce Policy Advisory Board

Meeting Minutes

June 18, 2019

The American Workforce Policy Advisory Board convened its second meeting at 11:27am (EDT) on June 18, 2019, at the Foundation for The Carolinas, 220 North Tryon Street, Charlotte, NC 28202.

In accordance with the provisions of Public Law 92-463, the meeting was open to the public from 11:27am to 1:15 p.m. (EDT) via audio conference technology. An audience of Board member staff and credentialed members of the press were present in the room during the meeting.

Board members present:

1. **Ivanka Trump**, *Advisor to the President*, White House (Co-chair)
2. **Wilbur Ross**, *Secretary*, U.S. Department of Commerce (Co-chair)
3. **Jay Box**, *President*, Kentucky Community and Technical College System
4. **Jim Clark**, *CEO*, Boys & Girls Clubs of America
5. **Tim Cook**, *CEO*, Apple
6. **Tom Donohue**, *CEO*, U.S. Chamber of Commerce
7. **Juanita Duggan**, *President & CEO*, National Federation for Independent Business
8. **Eric Holcomb**, *Governor*, Indiana
9. **Barbara Humpton**, *CEO*, Siemens USA
10. **Al Kelly**, *Chairman and CEO*, VISA
11. **Vi Lyles**, *Mayor*, Charlotte, North Carolina
12. **Bill McDermott**, *CEO*, SAP America
13. **Craig Menear**, *Chairman & CEO*, Home Depot
14. **Scott Pulsipher**, *President*, Western Governors University
15. **Kim Reynolds**, *Governor*, Iowa
16. **Ginni Rometty**, *CEO*, IBM
17. **Johnny C. Taylor, Jr.**, *President & CEO*, Society for Human Resource Management (SHRM)
18. **Jay Timmons**, *CEO*, National Association of Manufacturers
19. **Sheree Utash**, *President*, WSU Tech
20. **Marianne Wanamaker**, *Professor*, University of Tennessee

Members not in attendance:

1. **Walter Bumphus**, *President & CEO*, American Association of Community Colleges
2. **Elizabeth Goettl**, *President & CEO*, Cristo Rey Network
3. **Marillyn Hewson**, *CEO*, Lockheed Martin
4. **Sean McGarvey**, *President*, North America's Building and Trades Unions
5. **Doug McMillon**, *President and CEO*, Walmart
6. **Michael Piwowar**, *Executive Director*, Milken Institute
7. **Scott Sanders**, *Executive Director*, National Association of State Workforce Agencies

Also presenting during the meeting:

Max Wessel, *Chief Innovation Officer*, SAP

I. WELCOME

Remarks by Ms. Ivanka Trump

Ms. Trump welcomed the Board members and thanked Charlotte, North Carolina Mayor Vi Lyles for hosting the Board meeting. She also thanked Ms. Humpton for hosting a tour of Siemens for the Board members. Ms. Trump thanked the Board members for their focus on the mission laid out for the Board by the National Council for the American Worker. She noted the working groups had met multiple times since the last full Board meeting.

Ms. Trump pointed out that the Board's focus was on inclusive growth, noting that at a time when the market is hot, we need to make sure that everyone is able to benefit, has the necessary skills, and can shape the trajectory of their career

Ms. Trump reviewed the following administrative and federal actions taken since the March meeting:

- An Executive Order to update the College Scoreboard to include earnings data by program (Ms. Trump noted work to implement this effort is already underway at the Department of Education (DOE))
- An agreement on major higher-education reforms at DOE, notably accreditation reform that will allow colleges to update their programs faster to better respond to changes in the marketplace, providing students more relevant, demand-driven educations
- An expanded pilot program allowing formerly incarcerated individuals to gain post-secondary education before returning to the community in order to better prepare them for the workplace, including:
 - Discussions of potential expansion of Pell Grant eligibility to include formerly incarcerated individuals who will be returning to the community (Ms. Trump noted such efforts would benefit both the individuals and their families and would reduce the likelihood of recidivism)
 - A Presidential event on education actions, including the goal to reduce the unemployment rate for formerly incarcerated individuals
 - Provision of over \$2 million in fidelity bonds to states to assist formerly incarcerated individuals returning to the community with finding jobs
- A pilot program to reform the Federal Work-Study Program through public-private partnerships, enabling low-income students to get occupational training alongside a broad professional network
- The launch of the online JobKit, a partnership that brings together information and data resources across the federal government to help software developers and community leaders create innovations with the data

Ms. Trump also highlighted the success of the Pledge to America's Workers and noted its upcoming 1-year anniversary. She reported that the Pledge to America's Workers campaign was approaching 10 million commitments from the private sector and trade associations to help train, retrain, and re-skill American workers. She stated that later in the meeting, she would ask the Board members to share their Pledge to America's Workers success stories. Ms. Trump thanked Board member Bill McDermott for SAP America's recently expanded commitment.

Remarks by Secretary Wilbur Ross

Secretary Ross welcomed the Board members and thanked Mayor Lyles for hosting the meeting. He thanked Ms. Humpton for hosting a tour of the Siemens USA facility the previous day. He noted that he was impressed with the facility, Siemens' high rate of return on investment, and high retention rate. He commented that too many people think of training as a cost instead of a profit center, and too many people fear the loss of newly trained workers. He indicated that Siemens has debunked both of those concerns.

Secretary Ross discussed economic and labor market conditions, emphasizing the links to the Board's work. He highlighted the need for skilled workers. Secretary Ross also highlighted the SelectUSA Summit that took place the previous week, noting discussions at the Summit cited the shortage of workers in a wide range of activities as constricting investment plans.

Secretary Ross outlined statistics on America's large number of job openings and the low number of people officially unemployed. He suggested that the key to solving the gap was decreasing the labor force non-participation rate. A small reduction in that rate would eliminate the gap between jobs available and people seeking work. He noted that there are many people on the sidelines who need skills to take advantage of the opportunities.

Secretary Ross then outlined the [agenda](#) and the goals of the meeting. He noted that the Board would hear from the co-chairs of the four working groups launched at the first meeting and this would be followed by a discussion to chart a path to receiving recommendations, and more importantly, implementing them.

Remarks by Mayor Vi Lyles

Ms. Lyles, Mayor of Charlotte, North Carolina, welcomed her fellow Board members to Charlotte. She noted the importance of collaboration between the business community and the public sector. She urged her fellow Board members to focus their energy on Americans who are not in the labor force, noting that she was glad to hear Secretary Ross' comments about focusing on change in the labor force participation rate. She stated that focusing energy to building skills for the future for those not in the workforce helps build a pathway to economic development and opportunity.

Ms. Trump commented that during recent quarters the data indicate that in the current tight labor market, the majority of people getting jobs were re-entering the workforce from the sidelines, not from unemployment.

II. WORKING GROUP UPDATES

Ms. Trump outlined the expectations for the working group updates, indicating that each group's co-chairs would present information on the working group's focus areas, review the work and meetings that have occurred, and preview potential areas of recommendations and timelines. The Working Group presentations were accompanied by [discussion slides](#).

Report of the Working Group to Develop a Campaign to Promote Multiple Pathways to Career Success

Remarks by Mr. Tim Cook, Working Group Co-Chair

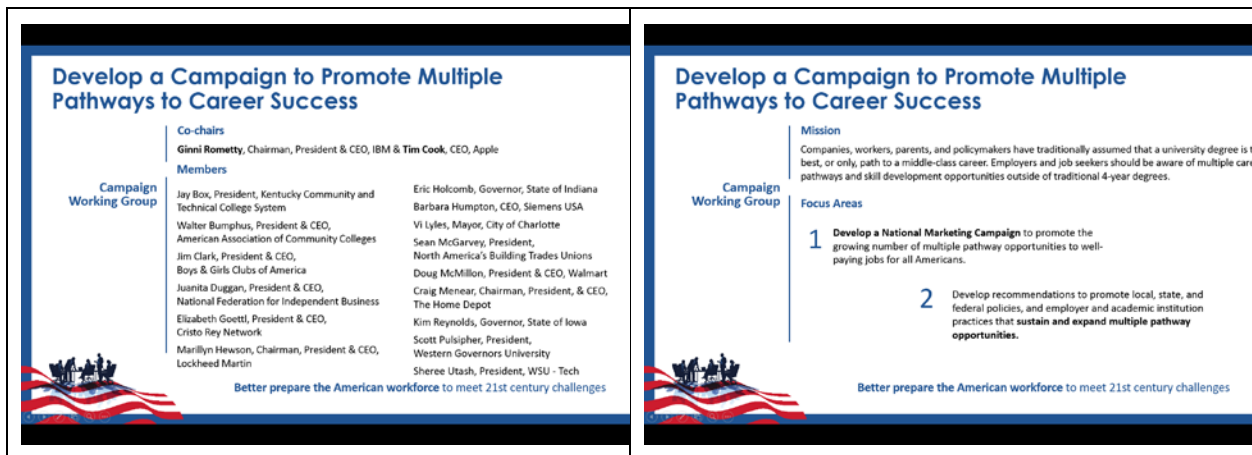
Mr. Cook noted that this working group convened 3 times and has a strong consensus on its goals. He anticipated they would meet 2 to 3 more times and provide recommendations to the full Board by the September Board meeting.

Mr. Cook began his presentation by noting that every American should have access to a well-paying job and career. He remarked that education is the great equalizer, giving everyone an equal chance to learn and create amazing things. He indicated that by expanding access to coding and skills, we can expand the access to opportunity and skills, and include many more people. He described this as enlarging the circle of opportunity.

He stated that today education is taking new forms. They include—but are not limited to—a 4-year degree. He noted that the technology sector clearly sees that a 4-year degree is not necessary to be a successful software developer, app developer, or entrepreneur.

Mr. Cook noted insights from Apple’s efforts, describing the Apple initiative *Everyone Can Code*, which is used in training facilities, schools, and community colleges.

Mr. Cook provided an overview of the goals of the Working Group to Develop a Campaign to Promote Multiple Pathways to Career Success.



In describing the first focus area—developing a national marketing campaign—Mr. Cook described collaborative discussions to work through the target audience, message delivery, and resourcing. He said the working group plans to extend their effort to seek input from outside experts, such as the Ad Council and the Board members’ own marketing groups, to receive the best input. He outlined ideas the working group is exploring, including:

- A media and marketing campaign focused on informing students, parents, high school counselors, employers, and workers about the multiple pathways leading to employment, featuring compelling stories of people who took alternative pathways and are excelling in their careers as a result

- A targeted advocacy campaign aimed at building widespread and sustained support among national business, education, and labor leaders—this buy in, he noted, would perpetuate this goal long after the Board completes its work and
- Mr. Cook anticipated that over the next few months the working group would discuss core messages and delivery platforms, with a target launch date of 2020

In describing the second goal—policy and practice recommendations that sustain and expand multiple pathway opportunities—Mr. Cook recognized that career education and training are changing in the United States. He noted the traditional 4-year degree is now just one educational opportunity among many. He said the working group’s job is to identify the most promising pathways that America has to offer and to think through the policies at all levels (local, state, and federal). Mr. Cook stated the group has discussed the following ideas:

- Providing incentive funding for community, 2-year, and technical trade schools that prioritize high demand fields, such as Advanced Manufacturing, computer programming, cybersecurity, health and wellness, and other fields where the U.S. is a strong global leader
- Offering additional support and funding for dual enrollment programs focused on high-demand fields
- Expanding the Federal Pell Grant Program to support high-quality, short-term training to give high school graduates, low-skilled workers, dislocated workers, and/or mid-career workers a chance to develop long-term employment potential. Mr. Cook noted that a model exists in the Second Chance Pell Pilot Program for incarcerated or recently incarcerated individuals.
- Looking for the states to lead the way, for example, by removing costly and time-consuming barriers that disproportionately affect lower income individuals, such as certain licensing requirements. He highlighted Arizona’s efforts to do away with licensing barriers to out-of-state teachers, nurses, hygienists, social workers, and other professionals.

Remarks by Ms. Ginni Rometty, Working Group Co-Chair

Ms. Rometty stated that she would provide a few points of accentuation and detail to the information presented by Mr. Cook.

She noted that with respect to multiple pathways, only one-third of Americans have a college degree and that many others have started work toward a degree, but not finished it. She said that the Department of Labor released a study saying almost 130 million people will need retraining. She noted that the issues the group is talking about target almost everybody.

Ms. Rometty described the success of a similar campaign approach, *She Can STEM*, which was done in collaboration with the Ad Council. The *She Can STEM* effort is targeted at 11 to 15-year-old girls with the goal of improving awareness of the meaning of STEM, awareness of role models in STEM, that is, women using the technology, and women in STEM careers. After 6 months, they saw measurable improvements in recall of both topics by the target group. Ms. Rometty indicated that this working group will ask the Board members for success stories.

Ms. Rometty commented that mid-career people may be the hardest to reach.

Ms. Rometty noted that the idea behind the policy goal was to make sustainable policy change. She indicated the Working Group would ask for help from the co-chairs. She noted a near-term opportunity

associated with the Higher Education Authorization package. She described three ideas that are linked in the Higher Education Authorization package relevant to the work of the Board.

- Federal funding for an experimental pilot program to enable work-study students to work in private industry. Ms. Rometty noted that 99 percent of work-study students are employed within the university. If they worked in industry, they would more likely be prepared to work when they got out of school. The pilot program lifts this limitation. She said the goal is to enshrine it permanently and get employers to hire these kids.
- Expansion of eligibility rules for Pell Grants. Ms. Rometty described the “short version” of the issues as, “you have to be a full-time student.” She noted that this doesn’t do much for mid-career workers who have to keep working and go back to school. She indicated another issue was that Pell Grant eligibility also requires taking 600 hours of classes. Ms. Rometty gave the example of someone who is working and wants to become an EMT in California. This program only requires 170 hours. Such a person would not qualify for a Pell Grant. Ms. Rometty indicated the goal should be to expand eligibility, so it doesn’t require full-time status and allows participants to attend less than 600 hours of instruction. She noted, however, the issues of program quality and the need to make sure not to dilute the goal of serving the under-privileged.
- Expansion of the usage of loans for apprenticeships.

Ms. Rometty welcomed other ideas for the working group. She gave the example of a tax advantaged education fund that follows a person throughout his/her lifetime.

Ms. Trump commented that the Administration was working hard to shepherd the concepts through pilots. She also emphasized the request for success stories from outside the working group.

Report of the Working Group to Increase Data Transparency to Better Match American Workers with American Jobs

Remarks by Governor Eric Holcomb, Working Group Co-Chair

Governor Holcomb outlined the working group’s focus on the concept of developing an inventory of skill sets that individuals have acquired, their needs in terms of skills training, and the development of a simple, but robust, system for sharing that data.

Increase Data Transparency to Better Match American Workers to American Jobs

Co-chairs
Eric Holcomb, Governor of Indiana, and Bill McDermott, CEO, SAP

Members
Jay Box, President, Kentucky Community and Technical College System
Tom Donohue, CEO, U.S. Chamber of Commerce
Juanita Duggan, President & CEO, National Federation for Independent Business
Doug McMillon, President & CEO, Walmart
Michael Piowar, Executive Director, Milken Institute
Scott Pultipher, President, Western Governors University
Scott Sanders, Executive Director, National Association of State Workforce Agencies
Jay Timmons, President & CEO, National Association of Manufacturers
Marianne Wanamaker, Professor, University of Tennessee

Data Transparency Working Group

Better prepare the American workforce to meet 21st century challenges

Increase Data Transparency to Better Match American Workers to American Jobs

Mission
High-quality, transparent, and timely data can significantly improve the ability of employers, students, job seekers, education providers, and policymakers to make informed choices about education and employment—especially for matching education and training programs to in-demand jobs and the skill needed to fill them.

Focus Areas

- 1 Break down data-sharing barriers to create a robust, real-time data foundation to spur innovation
- 2 Build on existing efforts to create an interoperable digital learning record that includes education attainment, non-traditional learning pathways, experience, professional affiliations, and other certifications to help job seekers attain high wage jobs
- 3 Improve skills-based ontologies so diverse assets can speak a machine-readable language that helps us understand skills needed today, anticipate the skills of the future

Data Transparency Working Group

Better prepare the American workforce to meet 21st century challenges

Governor Holcomb indicated that the working group focused on the following concepts.

- Breaking down barriers to sharing data. Governor Holcomb noted that accessing data needs to be easier across the system of federal and state programs.
- The development of portable, individual records of skills sets, and skills training/use history. Governor Holcomb indicated that barriers exist, but there is value to individuals.
- A skills ontology so there is a shared language on skills. Governor Holcomb indicated there are lots of examples for building skills ontologies but there is not yet a shared language across skills that employers need, skill sets workers have, and education and training needed to bridge the gap. He noted that without that shared language we risk disjointed out-of-date efforts to define needs and build curriculums, as just one example.

Governor Holcomb described an initiative in Indiana where an employment hub was created to share data from agency to agency, taking into consideration privacy considerations and turf. He also commented that we have to be able to communicate amongst ourselves if we are going to connect people to the opportunities that are out there waiting for them.

Governor Holcomb noted excitement about efforts underway at the state level and in companies to not just use a degree as a filter—or as the only filter—on skills competencies.

He discussed the importance of breaking down information barriers among state and federal programs so that individuals can find the opportunities. Governor Holcomb noted that sharing data across federal programs and at the state-level has never been easy, but they are encouraged that the Evidence-Based Policy Act is a step in the right direction. He noted the value of finding better ways to understand those specific services being provided to individuals, removing the barriers that currently exist for those individuals, and finding ways to literally braid together the funding streams so they are getting to the exact person who needs them.

Governor Holcomb indicated that a team strategy was needed, including participation by states, the federal government, and employers. He noted that companies need to identify skills.

Governor Holcomb reported that the working group conducted a survey, saying that the effort must be data driven.

Remarks by Mr. Bill McDermott, Working Group Co-Chair

Mr. McDermott discussed the importance of getting the basics right and efforts to:

- Develop a simple, but robust system for sharing workforce data to break down barriers and provide solutions for the American worker
- Create a flexible skill-based ecosystem, that is, those people who need skills can get them, those who have the skills know where the jobs are, and those employers who want people with specific skills can find them and

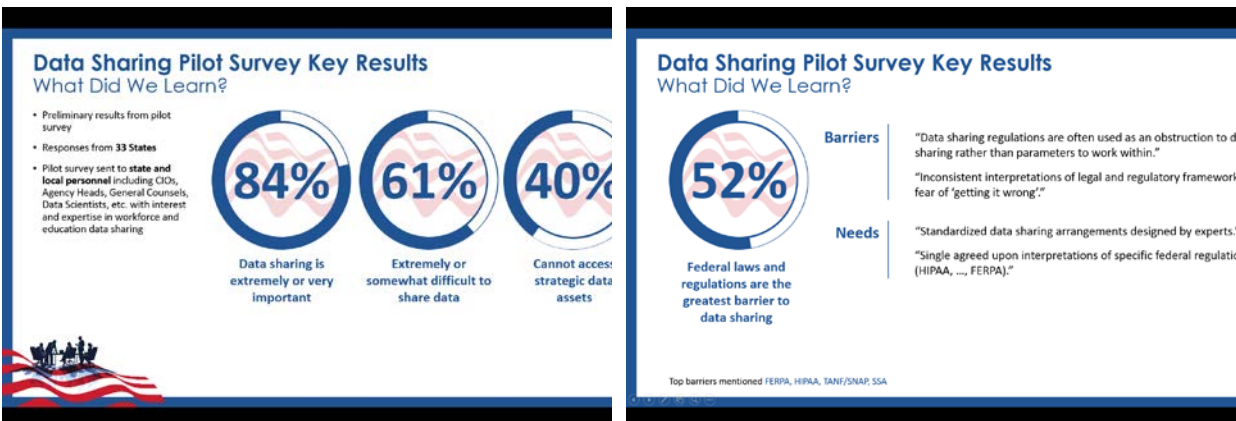
- Implement a portable interoperable record of a person’s learning history, noting its value in terms of providing clarity for job seekers, such as, this is who I am, this is what I know, put me in the game

He noted that there are willing job seekers and millions of unfilled jobs, with too many obstacles in the way. He said there is a viable solution, and we basically know what is going on. He said it is, however, important that we understand why it’s going on.

Mr. McDermott offered an example from SAP, which examined the experience economy to solve the experience gap. SAP research showed that there is a \$1.6 trillion gap between what training providers say they are giving you and the way you receive what they say they gave you. Firms are good at measuring dollars spent and not good at measuring results; that is, whether people on the receiving end of training find it useful.

Mr. McDermott described the survey conducted by SAP for the working group. The survey used a SAP-owned platform called Qualtrics. They surveyed government CIOs, CTOs, and chief information security officers to understand the workforce data sharing problem, in order to gain insights into what was happening and why it was happening, in the customer’s voice.

Mr. McDermott then introduced Mr. Max Wessel, Chief Innovation Officer of SAP, to provide insights into the survey results.



Mr. Wessel presented details about a survey undertaken by the working group. Mr. Wessel indicated that they surveyed more than 300 executives across state and local governments about data sharing barriers.

Mr. Wessel noted that the variety of workforce data is vast. He commented on the following data types:

- Hiring data—tells us about demand
- Education data—tells us about skills and
- Demographic data—is critical because it is important to understand the individual

Mr. Wessel reported the following key findings:

- All of that data is in different places
- Respondents believe these data are critical
- Respondents reported that it was difficult to obtain specific data assets
- Over half of respondents reported that federal laws and regulations are the problem; however, additional context indicated that there were not necessarily explicit barriers. Often the issue was the shadow that regulation cast on the decision to open up data from one agency to another. Even if leaders believed the data could be shared, fear of getting the decision wrong kept data owners from approving data sharing requests.
- Positive stories tended to be one-off and ad hoc solutions

Mr. Wessel commented that the private sector has lots of jobs and job titles, and the employers know what skills map to those jobs; however, there is a long feedback loop to getting that information into government's hands to help make informed decisions. He remarked that the working group was focused on figuring out how to close that gap in the next few months.

Mr. Wessel noted that the Evidence Based Policy Act provides guidance about how data could be shared at the federal level. Similar data at the state and local level would be valuable.

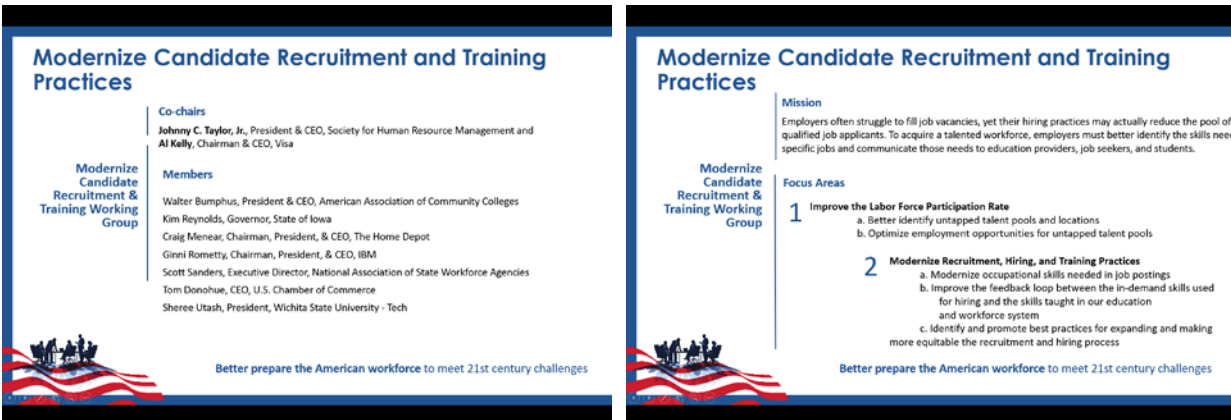
With respect to the interoperable learning record, Mr. Wessel noted that for sharing data across institutions, we want institutions to steward personal data. The interoperable learning record would empower individuals and give them a secure way to control their own records and move them around. He remarked that the working group would focus on how such a standard record can emerge.

Board Discussion

1. Secretary Ross offered two suggestions to answer some of the questions about trying to get records from other federal agencies and states. Come with your draft of an agreement that limits usage, he said, and ask them "if you want this modified, modify it." In this way, they can't hide behind the perceptions of rules because we've given them the pen and their own choice. On access, agree to encrypted data. He offered an example from the Census Bureau, indicating the policy was to encrypt data any time it is in transit or at rest, to have a lifetime oath not to use it for any other purpose, and to agree to put noise in published aggregate statistics so that they cannot be reverse engineered. Secretary Ross offered to share information about those models.
2. Mr. McDermott noted these are solvable problems.
3. Ms. Trump noted the progress made in enabling data interoperability in health industry programs through programs rolled out last year. She suggested it could be a useful blueprint.

Report of the Working Group to Modernize Candidate Recruitment and Training Practices

Remarks by Mr. Johnny C. Taylor, Jr., Working Group Co-Chair



Mr. Taylor thanked the co-chairs and the hosts of the meeting. He said the working group met three times and was working on two goals.

- To improve the labor force participation rate. Mr. Taylor described the importance of understanding the specific meaning of the terminology and using common language.
- To modernize candidate recruitment and training practices. Mr. Taylor indicated that there is often a lag in the HR profession. He provided the example of requests for resumés, which are often not used anymore.

Mr. Taylor described a key insight, which is that employers are often going after the same people; they are hiring the employees of other companies. He remarked that lifting the labor force participation rate improves the quality of life across the country. He indicated we need to better identify the untapped pools.

Mr. Taylor discussed how geographically aggregated statistics can mask significant unemployment and underemployment. He noted that too many people rely on the aggregates. He gave the example of Washington D.C., which has 3 percent unemployment; however, unemployment levels depend on the zip code. For example, the D.C. neighborhood Anacostia could have 20 percent unemployment. He discussed locating and optimizing opportunities for these people.

Mr. Taylor describe the second meeting of the working group at which there was a presentation by staff from the Bureau of Labor Statistics (BLS). He said the BLS staff provided insights into the definitions of workforce concepts measured in the official statistics. He noted that there are misperceptions in the common place usage of workforce measurement terms. He used statistics about the “unemployed” as an example. He noted there are six different unemployment concepts measured by the BLS. He highlighted the fact that the most commonly used unemployment measure includes only people who are actively looking for work. Those not actively looking for work are categorized as out of the labor force.

Mr. Taylor illustrated how the lack of a shared understanding of the terminology could lead to miscommunication that can make it appear that policy makers are out of touch. He described how

someone could refer to the unemployment rate in a given area and the listener could respond that the number is incorrect because he/she knows lots of people who don't have jobs.

Mr. Taylor said that with the lack of a common understanding of the terminology, we may have convinced ourselves that we have talent deficits where we don't really have them. He stated the working group spent a lot of time on this topic.

Mr. Taylor provided detail about the idea of focusing more on underutilized talent pools. He highlighted the importance of focusing on people outside the workforce (not the unemployed). He indicated that there was a need to know more about these people. Where do they come from? What are the barriers to be dealt with to get everyone participating in the workforce?

With respect to barriers, Mr. Taylor indicated that some are as simple as transportation. Some are policy. He offered the example of people who want to go back to school but are not eligible for Pell Grants.

Mr. Taylor was asked, "What is the pool that is available to work?" He responded that the working group was developing an answer to that question. He indicated the answer is complicated by many variables.

- He gave an example of the pool of workers who were formerly incarcerated. They may be technically available to work, but they may have limitations on the hours that they are allowed to leave home. He indicated that barriers can include factors such as: What are the transportation barriers? What are the housing barriers? Can this person get a driver's license?
- He also noted that the definition of "adult" could be a factor.

Ms. Trump urged the working group to think about how to improve and modernize the collection of data as it proceeds. How do we collect the most relevant data for the needs that the working group is targeting?

Mr. Taylor closed with an illustration of how some well-intended policies are not working the way they are supposed to work. He described how the Workforce Opportunity Tax Credit (WOTC) provides employers tax credits for hiring people from underutilized communities. However, for formerly incarcerated workers—one of the groups targeted by the tax credit—if you "ban the box"¹ then employers don't know they are hiring a formerly incarcerated worker and the firm is eligible for the credit. Workers in that category would have to self-identify to their employers for the employer to get the WOTC credit. He indicated that people are realizing that there are billions of dollars for employers to take advantage of hiring these people, but they require people to self-identify.

Remarks by Mr. Al Kelly, Working Group Co-Chair

Mr. Kelly discussed the second focus area of the working group on modernizing recruitment and training. He indicated that if we are going to take the time to identify underutilized talent pools, we are going to have to take the time to figure out how to match them to employers. He described the work on modernizing recruitment and training practices as encompassing:

- New approaches to outreach

¹ Reference to a campaign to change practices to reduce discrimination based on arrest or conviction records. See <http://bantheboxcampaign.org>.

- Revamping job descriptions to emphasize the skills required as opposed to the educational credentials earned
- More flexibility in how and when employers conduct interviews
- Clear articulation of the skills needed for jobs that employers will develop in the near- and medium-term
- Development of an accelerated and continual feedback loop between hiring managers with those providing skills training so there is an understanding of the skills that people are going to need to qualify for jobs

Mr. Kelly described working group discussions on interviewing flexibilities. He noted that IBM and Home Depot enabled job candidates to interview at times that are convenient for the candidate. Restricting interview hours to 9 a.m. to 5 p.m. can get in the way of progress.

He noted that progress didn't necessarily require sexy, high-tech solutions. Simple, low-tech solutions can work. Some solutions are just smart and break with the way things are traditionally done.

Mr. Kelly also commented that he had asked VISA University and VISA's diversity recruiting teams to collaborate in looking for alternative talent pools. He noted the activities VISA had taken, including working with high schools and community colleges from underserved communities, holding coding boot camps for San Francisco Bay Area high schools, and working with the National Academies Foundation to help high-risk high school students pursue careers in STEM. He commented that there was more to do and that there was a need to turn rocks over to make progress.

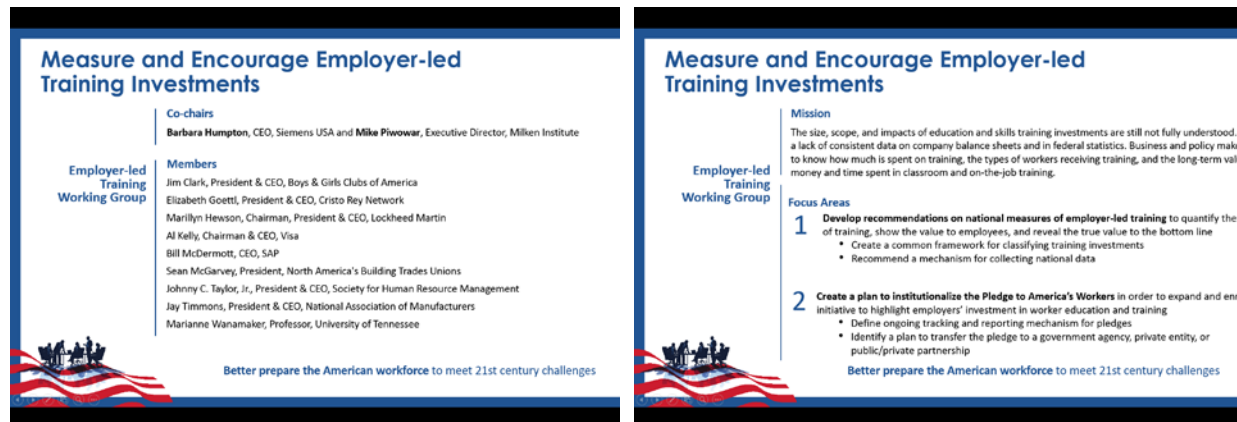
Mr. Kelly discussed a U.S. Chamber of Commerce presentation at the second working group meeting, in which the U.S. Chamber described its Talent Management Pipeline initiative. He described this initiative as bringing industry groups together to identify pain points and gaps, then working with educational institutions to develop customizable curriculum. Mr. Kelly remarked that more of this kind of work—building customizable curriculum to build the skills and match them to the jobs of the future—is needed. Mr. Kelly also highlighted the need for:

- A more common language among employers to better match jobs to candidates' skill sets and
- Matching employers to underutilized talent pools; he noted that artificial intelligence (AI) should be evaluated to help streamline the matching process

Mr. Kelly noted that the working group expects to have final recommendations for both focus areas by the end of the year.

Report of the Working Group to Measure and Encourage Employer-led Training Investments

Remarks by Ms. Barbara Humpton, Working Group Co-Chair



Ms. Humpton noted the working group met three times and conveyed regrets from her co-chair, Mr. Piwowar, for missing the meeting. She noted that his organization hosted an in-person meeting of the working group at the Milken Institute's Global Conference. She also highlighted that Secretary Ross and Ms. Trump featured workforce issues in their respective remarks at the Global Conference.

Ms. Humpton stated the group was focused on developing national measures of employer-led workforce training, specifically:

- Creating a common framework for classifying training investments based on how companies are currently tracking training
- Identifying measures of return on investment. Ms. Humpton noted that there is going to be a return on investment to the company in terms of retaining workforce and being productive, but also a return to the individual. She emphasized the importance of looking at the return on investment from different perspectives, with a focus on:
 - Not creating a burdensome reporting requirement
 - Enhancing visibility,
 - Telling the story and
 - Making sure employers know about the power of the investments they are making in training

She noted that this working group started by creating a common framework for classifying training investments and collecting data. She drew attention to the theme identified across all the working groups—developing a common vernacular.

Ms. Humpton highlighted that one of the things the Board needs to be aware of is the representation of large companies. She noted that small and medium enterprises are driving half of the workforce and half of the growth opportunity. She said that coming up with recommendations that are practical for small and medium enterprises is key.

Ms. Humpton noted that the working group wants to recommend ways to collect data—from the federal government, trade association surveys, corporate reporting, or even financial statements—that

address the question: What is the return on investment in employer-led training? The working group discussed how its members each classify and measure training, and the development of a framework for measuring that learning investment. She indicated this exercise made it pretty clear that there is a lot of variation, although there are “some big buckets.”

Ms. Humpton emphasized the importance of encouraging lifelong learning, noting that the Board’s efforts need to encompass those of us who thought we were at the end of our career and discovered—no, this is the new middle.

Ms. Humpton noted that SHRM used their resources to conduct a study to understand how learning is measured and classified, which Mr. Taylor would present later in the meeting.

Ms. Humpton stated that the working group had a lot of discussion about using the Pledge to America’s workers as a foundation and an ongoing platform for helping encourage employee-led investment in training. She noted the success of both U.S. and international company commitments to the Pledge. She recognized the challenge of knowing whether the Pledge was successful, noting that while tracking and reporting is a tempting thing, none of us want to add new burdensome requirements. She suggested the idea of creating a platform for telling the stories, noting that telling the stories will capture both the individual return on investment and the business return on investment.

Ms. Humpton raised the idea of having the Pledge sustain itself after any specific administrative action, asking, what is the best future step? Should it have a home within the Administration? Should it be supported by external associations? Could it be led by a private foundation?

Ms. Trump reiterated that July was the one-year anniversary of the Pledge to America’s Workers. She said the administration will celebrate the companies that have signed the Pledge, focusing on getting out of DC and into communities. She requested that the Board Members share stories and think about how to galvanize interest in signing up. She noted that Board members should contact her staff if they wanted to host an event to raise awareness that this is being done by the private sector and is a smart investment.

Ms. Trump noted that this is an investment that is often cut when the economy is not strong. She stated that we think we can prove that this is a really smart investment and it should not be the first thing to be cut, it should be the last. We know we can anecdotally.

Ms. Rometty noted that employers need to redo their recruiting requirements top to bottom to take in a different group of people and posed the question of whether there could be an HR aspect of the Pledge. She noted that if you don’t enable this, the demand side won’t be able to take in different people.

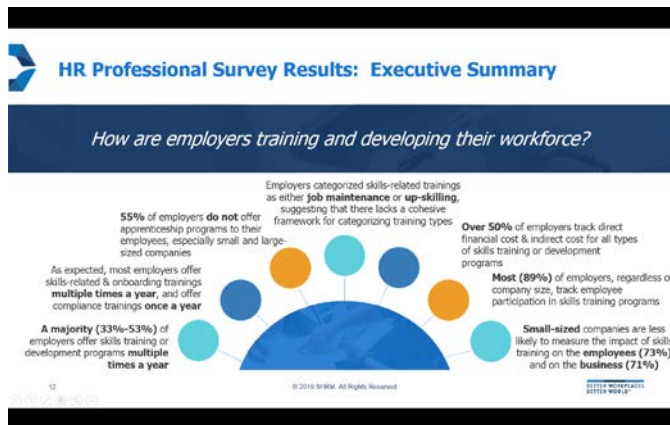
Ms. Rometty also posed the question of whether this discussion should be framed in terms of skills as opposed to training defined as classes. It may be through classes, but it may also be job experience. In response to these comments, the Board members discussed:

- The idea that training comes in many forms
- The issues with developing competing frameworks for education/learning and employer-led training. If the idea is to develop stackable skills sets, it needs to incorporate those gained through employer-led training. To attach credit to workplace learning that is directly transferable to programs or credentials recognizes that learning is taking place in so many places today and supports lifelong learning. It’s not a one-and-done model because the shelf-life of skills is shortening, and workers are continually having to go back. A need exists for a more universal skills taxonomy.

- The notion of a pipeline pledge that recognizes that even in bad times, there will be a need in the future for skilled workers and
- The idea that small business owners measure training commitment in terms of the workers' time and that measurement efforts need to capture that component

Remarks by Mr. Johnny C. Taylor, Jr., Working Group Member

Mr. Taylor, a member of the working group, presented the results of a survey conducted by the Society for Human Resource Management



The survey explored three types of training: onboarding training, compliance training; and employment development and skills training. The survey results including the following:

- Company size was an important factor in frequency and types of training offered
- Most employers understand and undertake onboarding and compliance training. The third category—skills training and development—is less well defined. Mr. Taylor indicated that in each of these categories, it was important to differentiate between job maintenance training—training related to performance in an employee’s current job—and upskilling, that is, training the employees to do future jobs.
- The majority of employers can track what training costs them. Employers also track participation. Activities are tracked, but results are not. Medium sized companies are more likely to track indirect costs (the costs of sending an employee to train in terms of both direct costs and opportunity costs—business not chased, customers not served).
- Less than half of all firms offer apprenticeships
- A frequently reported concern is that training will make employees more marketable and they will leave for another employer

Ms. Trump commented that the Council of Economic Advisers is examining the issue of training and worker retention and is finding that training is associated with worker retention and a sense of commitment.

III. BOARD DISCUSSION OF WORKING GROUP PROGRESS AND GOALS

Ms. Trump moderated a discussion of the full Board on the progress, goals, and intersections of the four working groups. The following concepts were discussed:

- The importance of ongoing employer-employee conversations for employee retention
- The value of not cutting training budgets to meet financial targets. The idea of members setting an example, such as pledging to maintain training budgets
- The importance of recommendations being scalable and sustainable
- The value of the community college system as an asset, particularly in scaling up and sustaining skills training, because they are nimble and reach a lot of students
- The value of the Board thinking of people/institutions to partner with, so the effort is sustainable
- The value of employers getting involved in curriculum development to share information about skills that businesses need
- The value of initiatives that communicate the value of education and skills building. Examples include:
 - The *Kentucky Manufacturing Going Pro Signing Day*: An event where graduates of Kentucky Community and Technical Colleges and manufacturing employers signed contracts highlighting the relationship between education and careers
 - GED Plus: A program allowing Kentucky adults to earn a GED and college credentials in the community and technical college system at the same time
 - The “A Better life for a better Kentucky” marketing campaign which focused on the stories of people who advanced their education through community college and improved their lives and their families’ lives
- The importance of increasing the labor force participation rate to the small business community
- The importance of all the working groups using consistent baselines and a common vernacular, such as the categories or workers (e.g. total “not in the labor force” vs. youth pipeline vs. upskilling pipeline)
- The need for different approaches to address different populations (e.g., youth, people on the sidelines who need skills (upskilling), military veterans entering the civilian workforce, mid-career workers, late career workers, etc.).
- The importance of understanding certain population pools, such as how a given set of skill requirements aligns with skills attained in a job setting. For example, understanding how military occupational specialties (MOS) align with skills requirements.
- The importance of the Board addressing known barriers to qualified workers in the categories, such as:
 - Benefits cliffs: Such as the immediate and total loss of a child-care subsidy if the recipient of that benefit gets a job; there are currently no graduated payments or mechanisms to bridge the transition period until the worker makes enough to afford child care.

- Transportation
- Occupational licensing that impedes worker’s geographic mobility
- The importance of identifying successful pathways for the people in the various groups
- The idea of treating worker training as an investment in the accounting standards and allowing it to be amortized it over several years
- The value of large companies setting an example with respect to training and working to influence the behavior of sub-contractors

IV. NEXT STEPS

Secretary Ross called for the working groups to provide at least one specific, immediately actionable recommendation for the full Board to consider before the September meeting. Additional recommendations were welcomed.

The meeting adjourned at 1:15 P.M. (EDT)

V. MATERIALS PROVIDED TO THE BOARD MEMBERS

The following materials were provided to the Board members at the meeting:

- A. [Agenda](#)
- B. [Discussion Slides](#)
- C. Appendix 1a: [Data Transparency working group slides](#)
- D. Appendix 1b: [SAP Learning Record Concept](#)
- E. Appendix 2: [SHRM HR Professional Survey slides](#)
- F. [Member Biographies](#) (updated)
- G. [Charter for the Advisory Board \(Amended 5/3/2019\)](#)

Following the meeting

- A. AWPAB Public Comments received prior to the June 12, 2019, 5:00 p.m. (EDT) deadline

I hereby certify that, to the best of my knowledge, the foregoing minutes are accurate and complete.

Sabrina L. Montes, Designated Federal Official
 Office of the Director
 Bureau of Economic Analysis
 U.S. Department of Commerce

Date