

EXECUTIVE SUMMARY

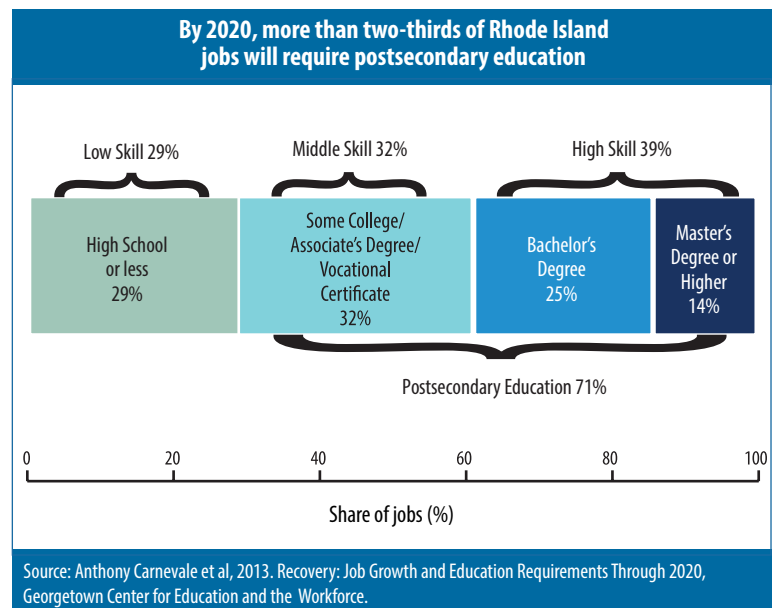
In the face of a rapidly evolving economy, Rhode Island's education and workforce systems need to keep pace, to meet the dual needs of workers (who need to remain employable), and employers (who need skilled workers to produce the goods and provide the services demanded by consumers). As we invest in the Rhode Island workforce, we need to ensure that the existing workforce, especially those currently lacking English language and other foundational skills or higher levels of education, are able to fully engage in the economy, by providing them with the opportunity to "skill up" to shape a more prosperous future for their families, and for Rhode Island.

This report focuses on the role that both education and training play in helping workers thrive, drawing on research at the national and state level to better understand the strategies that work to improve adult education, especially for those currently working in low-wage, lower skilled jobs. While formal postsecondary education – in the form of an Associate's degree, a Bachelor's degree, or higher – may be the right path for many, others can benefit from attaining occupational credentials, via apprenticeship programs or college-based certificate programs. Because there will remain many low-skilled jobs, we need to adopt policies that raise the floor for those workers – so that full-time work offers both dignity of work and a livable wage. And we need to be intentional about addressing disparities based on race and ethnicity – such as persist in educational attainment, unemployment rates, and median wages.

Rhode Island's changing occupational mix

Rhode Island's mix of jobs has shifted since the beginning of the Great Recession, away from traditional blue-collar jobs such as manufacturing and construction, towards service sector jobs in occupations such as leisure and hospitality, education and health services, and professional and business services. Even with recent modest gains in manufacturing, the general trend of blue-collar job decline and offsetting service sector employment growth remains.

As the distribution of available jobs shifts from traditional blue-collar jobs in service sector employment, the education/skill mix required to fill those jobs also shifts. One study estimates that by 2020, 71 percent of Rhode Island jobs will require postsecondary education. While more than a third of those jobs—39 percent—will be "high skill" jobs, requiring a Bachelor's degree or higher, about a third (32 percent) will be middle skill jobs, requiring some college, an Associate's degree, or a vocational certificate. The study found that comparing the 2010 education/skill level of workers with the projected 2020 need, Rhode Island has the largest gap to fill (as measured in percentage points) compared with other states. We need to close the gap between 60 percent of workers with postsecondary education in 2010 and the 2020 estimate of 71 percent of jobs requiring postsecondary education, an eleven-point gap.



Good jobs without a BA

It is still the case that a large number of good jobs in today's economy are held by people who do not have a Bachelor's degree (BA). While good jobs in traditional blue collar industries have declined in recent decades, there has been a largely offsetting growth in employment in skilled services good jobs. The study *Good Jobs that Pay without a BA* notes that nearly half (48 percent) of Rhode Island's good jobs are held by workers without a Bachelor's degree. Nearly three-quarters (72 percent) of all jobs held by those with a BA qualify as good jobs. More than half (55 percent) of the jobs held by those with an Associate's degree qualify as good jobs,

compared with 43 percent of those with some college, 39 percent for those with a high school diploma, and 25 percent – one in four jobs – for those with less than a high school diploma.

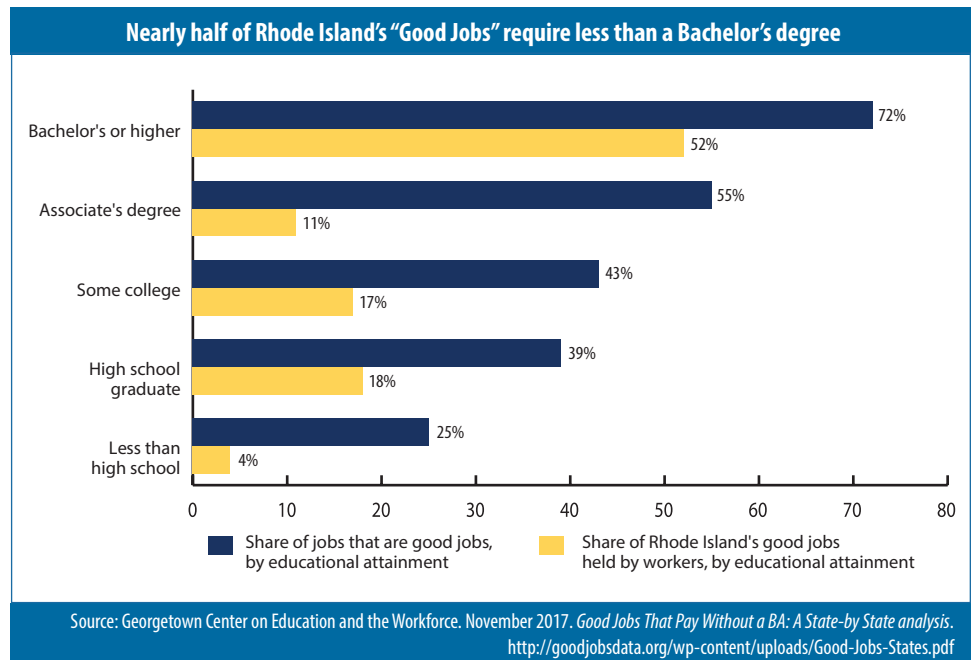
The ongoing importance of good jobs not requiring a Bachelor's degree results from the growth of relatively skilled service sector jobs. Between 1991 and 2015, Rhode Island lost 28,000 non-BA good jobs in blue-collar occupations including manufacturing, while seeing growth of 15,000 jobs in skilled service sector jobs such as health care and education services. The balance between non-BA good jobs is currently evenly split between blue-collar occupations (48 percent) and skilled service sector jobs (52 percent).

Good jobs for all workers

Recognizing that not all workers will seek higher education, and that low- and middle-skill jobs will continue to comprise a substantial share of Rhode Island's labor market for the foreseeable future, there are several steps that could be taken to improve the economic well-being of the workforce. Some of these – such as earned paid sick leave, and paid family leave – have already been adopted in Rhode Island. Income stability– whether workers are getting adequate (and predictable) hours over time, whether the job itself is stable, and whether income is consistent–is also important in determining whether workers have good jobs.

Strengthening existing measures, such as increasing unemployment insurance compensation, raising the minimum wage to more closely reflect what it costs to make ends meet in Rhode Island, and expanding the number of Rhode Island workers eligible for overtime pay by increasing the salary level at which workers become exempt from overtime protections, will ensure Rhode Islanders who work for a living are able to fully contribute to a thriving economy.

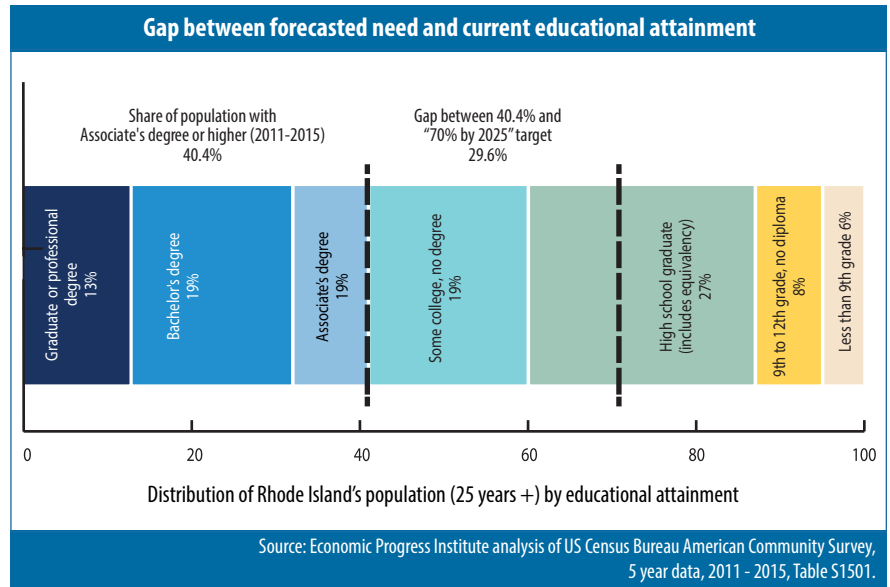
For workers whose jobs fall short of being good jobs, public supports such as Medicaid, the Supplemental Nutrition Assistance Program, child care assistance, the earned income tax credit (both federal and state) and the federal child tax credit, continue to play a critical role helping working families make ends meet.



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Closing the gap between forecasted need and current educational attainment

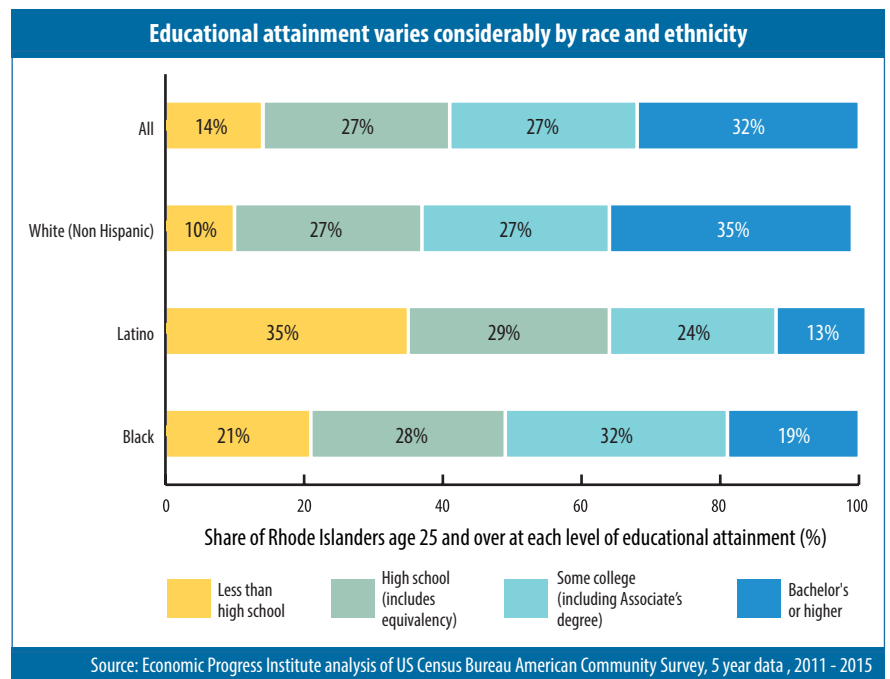
To close the gap between the current education/skill level of Rhode Island workers and the projected need of employers, Governor Raimondo announced in September 2016 a target of 70 percent postsecondary attainment by 2025. Rhode Island's Office of Postsecondary Commissioner (OPSC) notes that "the Ocean State will only be able to reach its attainment goals if institutions expand their overall program capacity and offer stronger supports for traditionally underserved students, including students of color and adult learners." To achieve the goal of "70 percent by 2025" Rhode Island must not only ensure that more graduating high school students go on to higher education or occupational training, but that students at the public colleges complete their degrees and that adults who have not completed higher education are encouraged to engage in post-secondary school or training.



Racial disparities in educational attainment

Educational attainment is critical to the well-being of Rhode Island workers, and the Ocean State economy. Disparities in educational attainment based on race and ethnicity amplify the importance of improving attainment for all Rhode Islanders.

Ten percent of non-Hispanic Whites lack a high school diploma, compared to 35 percent of Rhode Islanders who are Latino and 21 percent of Rhode Islanders who are Black. Conversely, 35 percent of Rhode Islanders who are Non-Hispanic White have a Bachelor's degree or higher, compared with 13 percent of Rhode Islanders who are Latino, and 19 percent of Rhode Islanders who are Black.



Language Matters

The lack of adequate English language skills is a significant impediment to academic achievement and economic success. Statewide, 4.8 percent of the working age adult population (18-64 years) speak English either "not very well" or "not at all". At local levels, this rate is much higher – e.g., 5.5 percent in Woonsocket, 8.8 percent in

Woonsocket, 8.8 percent in Pawtucket, 13.7 percent in Providence, and 33.1 percent in Central Falls. The growing immigrant population in Rhode Island accounts for 80 percent of Rhode Islanders speaking English “less than very well”. Three-quarters of those speaking English either “not well” or “not at all” are Spanish language speakers, a population that has grown considerably in recent decades.

Occupational Training: Apprenticeships and Certificate Programs

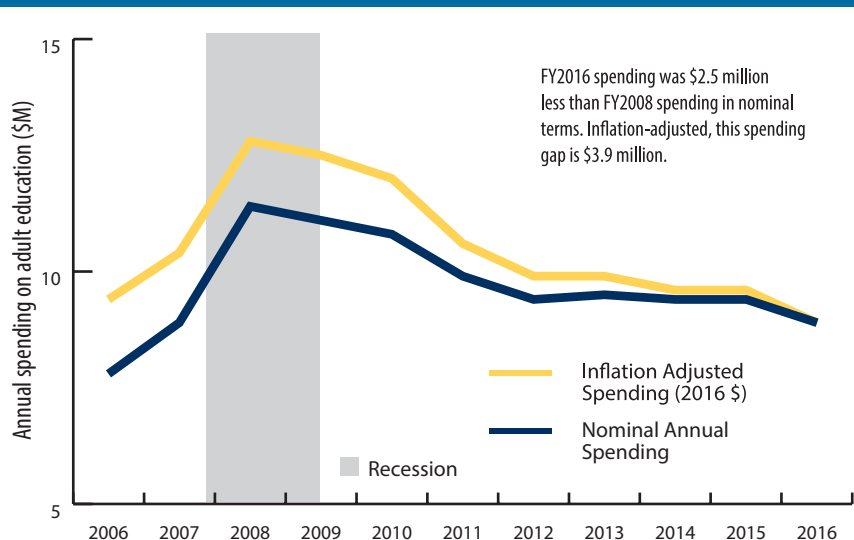
Apprenticeships offer the opportunity for adults to “learn as they earn”, providing a pathway to well-paying jobs. Rhode Island has made great strides in recent years in expanding apprenticeships to sectors beyond traditional construction including health care, IT, manufacturing and marine trades. The state has also seen significant growth in certificate awards, especially in 2009/2010, although it remains among the states with the smallest share of certificates awarded by public institutions.

Investing in Foundational Skills

The Adult Education system, administered by the RI Department of Elementary and Secondary Education is the primary agency responsible for programs and investments to address the needs of the thousands of Rhode Island adults who need foundational skills to advance in the workforce and to meet employer needs. In each of the past five years, there has been a waiting list of around 1,300 individuals, most waiting to access English language services. In 2016, funds for adult education totaled around \$8.9M, down considerably from peak funding of \$12.8 million (in 2016 dollars) in FY2008.

In 2017, the Governor’s Workforce Board awarded fourteen “Real Pathways RI” grants, totaling \$1.5 million to partnerships serving populations with barriers to employment (homeless, long-run unemployed, formerly incarcerated) or regions of the state with above average concentration of poverty or unemployment. This new investment holds promise for reaching lower-skilled adults in innovative ways to increase their earnings ability and meet the needs of employers. The Board also awarded \$428,000 to address the wait list.

Since peaking in 2008, investments for foundational skills for Rhode Island’s workforce have been in decline



Source: Economic Progress Institute analysis of state budget data 2006 - 2016.

For the full *State of Working Rhode Island 2017: Paving the Way to Good Jobs* report and policy recommendations visit:
www.economicprogressri.org/stateofworkingri2017

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