

Ramona Schindelheim, WorkingNation editor-in-chief:

You're listening to Work in Progress. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Work in Progress explores the rapidly changing workplace through conversations with innovators, educators, and decision-makers, people with solutions to today's workforce challenges. Andy Van Kleunen is the CEO of National Skills Coalition which he founded in 2000 in collaboration with leaders from the workforce development and philanthropic communities. Andy, thank you very much for joining me on the podcast.

Andy Van Kleunen, National Skills Coalition CEO:

Thanks Ramona. Good to be here.

Ramona Schindelheim, WorkingNation editor-in-chief:

So let's just set the stage. What is National Skills Coalition, and what is your mission?

Andy Van Kleunen, National Skills Coalition CEO:

So, National Skills Coalition we're a pretty diverse group. We're a range of business leaders, labor leaders, community colleges, community organizations, industry intermediaries, a range of different folks who over the years have been trying to figure out how to re-skill America's workforce so we can get more folks into the good jobs that are available in a very rapidly changing economy. For the past 20 years those folks who generally have not done a lot of policy work together have recognized that we need to change how Washington for sure, and even some state governments think about a range of working people, particularly, the folks who are not necessarily going to get a four year college degree, but who would definitely benefit from some kind of education, or training past high school.

Andy Van Kleunen, National Skills Coalition CEO:

And recognizing that in reality that's the most of the skilled jobs that we have in our economy. They're not jobs that require a BA. They're jobs that require some of that technical training in specific industries and specific occupations, and getting all those different stakeholders together to change policymakers minds, not to say that we don't want folks to go to college, but we want to open up a lot of other pathways so there's other ways that folks who are currently in the workforce can get new skills, can advance new careers, and can bring greater value to the companies where they're employed.

Ramona Schindelheim, WorkingNation editor-in-chief:

And how are you doing that? Is it one coherent policy that you guys have all come up with? Maybe this is a simplistic question, but how are you getting that message across?

Andy Van Kleunen, National Skills Coalition CEO:

Yeah, well, so there's a lot of different things that we need to solve in part because different working folks have different needs. So if you think about education reform, typical kindergarten through 12th grade all of those young people are pretty much the same age. They go into the same kind of educational setting, but when you're talking about folks who are 20 years and older going up to when they retire, you have people who are working in a range of different industries. Some of them already have some kind of high schooling, or post-secondary training. Other folks haven't even finished high school. Some of them have particular language barriers. Some of them are very experienced workers and are just looking to upgrade their skills within their current industry. Some of them have never held a

skilled job. And so the way it is that we have to think about policies that certainly invest in their education and training in a range of different places that's both off the job and on the job, but it also is other things that they could be using.

Andy Van Kleunen, National Skills Coalition CEO:

Access to college in a way that makes college work for working people, not making people sit through long-term degree programs when an industry approved shorter term program could get them right back into the workforce and can get them an increase in their pay and get them onto a new career. Thinking about things like childcare policy, and transportation policies, other ways that can determine the success, or failure who folks who are trying to change their lives, get into a new occupation, but have to juggle family and work and education at the same time and getting some of those supports available to them.

Andy Van Kleunen, National Skills Coalition CEO:

So there's a range of things that we're trying to change. It's kind of an all of the above strategy. The great thing is because we have experts from across the workforce and education field, they can all bring their expertise to the table for us to figure out what are the right policy group proposals that we're making both in Washington and in a bunch of different states, which also are very diverse in their particular needs and challenges.

Ramona Schindelheim, WorkingNation editor-in-chief:

And as we speak, there are about nine million unemployed Americans and more than nine million jobs that are open. The employers say they can't find the people to fill them. So at least anecdotally, and according to the fed Beige Book we just got out about a week ago some of this mismatch is between the skills, the job that workers have, and those that employers want. So where do you think we're at? Are we solving the skills gap, or is it just growing bigger?

Andy Van Kleunen, National Skills Coalition CEO:

We had problems with open jobs and unemployed folks prior to the pandemic for sure. That's been a structural challenge. We work with folks in manufacturing, in healthcare, in logistics, in various forms of infrastructure whether that's road and bridge construction, or public utilities, broadband expansion, all of them have had challenges in finding folks with the right skills for the jobs that are currently open, but the challenge we face now on top of that is that with this pandemic, with the number of folks who have not just lost their jobs temporarily, but permanently, so of those 9.5 million, or so folks who are on unemployment, we know there's almost four million of them for whom those are permanent job losses. Those jobs are not coming back. And we know that in addition to those nine million people, there's another 6.5 million, or so that have just dropped out of the workforce completely, but still would like to go back to work.

Andy Van Kleunen, National Skills Coalition CEO:

The job market that those folks are going back into is very different than the one they faced back in March, 2020. And I know that WorkingNation has followed these debates about what's going on with the future of work and automation and digitization, and things like that. A couple of years ago it was kind of quaint to talk about within the next 10 years we could have as many as 60% of our labor market significantly transformed with new technology where people are going to have to have new skills just to

work with that technology, but we thought that was a decade out, but we've seen that decade change happen within the space of less than a year.

Andy Van Kleunen, National Skills Coalition CEO:

Industries are making decisions now about never going back to the head count that they once had. They have completely different service delivery models. They have completely different network production models. And they've realized that folks with the right skills can actually sustain those going into the future. So, now, whatever the structural challenges that we had in the past and the ones that we anticipate in the future they're right with us now. So we're very worried about the fact that with all of the great things that Washington has done to bring support and rescue to businesses and local workers who've been really challenged by this pandemic we've done virtually nothing up until now to actually invest in the futures of those millions of workers who are currently out of the labor market, and are going to have a really tough time getting back in unless we invest in them now to get them ready for a very different economy.

Ramona Schindelheim, WorkingNation editor-in-chief:

I love that term invest in the people, invest in the workers. I think a lot of times when we talk about this issue, we talk about what's missing for the employer and we don't always talk about what the worker needs. So how can a skills training policy how can it help people get back to work?

Andy Van Kleunen, National Skills Coalition CEO:

I think for one, in the context of the pandemic, we want to make sure that those who have been most impacted by this pandemic are the ones that we're helping first. And because the challenges that we've seen over the past year and a half have disproportionately impacted workers of color, workers without a bachelor's degree, or even any kind of post-secondary training, low wage workers, women, in many cases. We know that we often say this is a she session, as opposed to what we had back in 2009. So we want to make sure that whatever investments we're making in skills and education, we want to make sure that we're looking at the folks who need the most help to make sure that they are included in whatever strategies that we develop.

Andy Van Kleunen, National Skills Coalition CEO:

And that means that we're going to need a range of different things. Some of them are going need training. Some of them are going to also need some kind of support services like all of those women are going to need some kind of childcare to help them go back to work and go back to school at the same time, or transportation systems, things like that. Some of them will need kind of short-term training to get right back into the workforce. Others would really benefit from a longer-term strategy like a several year apprenticeship. There's a lot of talk about apprenticeship in Washington, and in the states over the past several years. That's a long-term strategy. It really requires having business at the table. That's why, in addition to what we're doing for workers, we want to make sure that we're bringing business leaders to the table as well to help us figure some of this stuff out.

Andy Van Kleunen, National Skills Coalition CEO:

So a key thing that we're a long-time advocate for is investing in the kind of industry partnerships. That's kind of the way that most other advanced economies in the world do this, right? They bring together business and labor and college and community organizations and others to figure out what does manufacturing need in this region now and say for the next five, 10 years? What are the open positions

that were having a hard time filling now? What are the new positions that are coming down the pipe because of new technology that we need to be preparing for whether that's upskilling current workers into those jobs, or preparing new workers for those jobs that takes a lot of work on the ground with folks that are dealing with those issues that we currently just kind of take for granted that the market is just going to solve it all on its own. And the fact that we've had a lot of out of work workers and a lot of unfilled jobs should prove to us that the market is not solving it on its own.

Andy Van Kleunen, National Skills Coalition CEO:

We need to be more proactive when we think about how to bring these different partnerships together, and particularly, for smaller employers. Since the smaller businesses still employ the majority of folks in this country, there's the rare community college just to use an example, who's going to set up a training program for a local employer who's hiring two or three folks a year. Like that's just not going to happen, but if you bring together everybody as an industry and you have all of those smaller employers now you've got you have 20 or 30 of them each of them hiring two or three folks a year. Now you've got some kind of scale that they collectively can go to the college, or can go to the training provider, or even in the case of a unionized sector can go to their larger labor management partnership and talk about, okay, how can we scale these strategies?

Andy Van Kleunen, National Skills Coalition CEO:

That means that we all as companies have to agree this is what we're looking for from our entry-level welders. This is what we're looking for from our nursing assistants. This is what we're looking for from the other skilled jobs that we are having a hard time filling, but once they agree on that, then we can scale strategies and invest at scale that's going to help not just get them folks that they need today, but building a pipeline for the future so that industry can grow and can really do so with local folks getting into the good jobs that it can provide.

Ramona Schindelheim, WorkingNation editor-in-chief:

How does federal policy work into that because when you talk about solutions and we talk about this a lot, those solutions are local as you've said, what does that local business need? How can the federal government and federal policy influence and help this?

Andy Van Kleunen, National Skills Coalition CEO:

Well, I would agree, Ramona, that labor markets are local things, are regional things, right? And so what we think we can do at the federal level is to make sure that we are giving the resources and capacity necessary to bring the necessary partners together to figure out what those challenges are collectively, and then to come up with solutions. Solutions that local high schools, local colleges, local other training providers are part of figuring out what that is. And they're all training and educating to the same specs that have been set by industry.

Andy Van Kleunen, National Skills Coalition CEO:

So we don't want Washington to pick winners. We don't want Washington to establish national skill standards. We don't want to do any of those kinds of things. That is what other countries have done. And there's a logic to that, but that isn't what has worked here in the U.S. so at the very least we want to make sure that Washington is saying, if we're going to spend money on training folks, we want to make sure that there's a partnership on the ground in the industries where we're making that investment, that we know that every dollar we're spending there's a group of employers who have

agreed to hire folks, or at least interview the people who have been trained to the spec that the industry has set.

Andy Van Kleunen, National Skills Coalition CEO:

And that's going to require some investment just in the creation of that partnership that's a little bit different than the actual providing of the education services, and the childcare, and things like that. So it's an additional investment. Thankfully, over the years, Washington has heard that. If you look at some of the funding that the Obama administration put out during the last recession, a lot of it was premised on this idea of partnerships with different stakeholders working with each other including a lot of their investments in community colleges that expected that business and workforce and others would be at the table figuring these things out with them.

Andy Van Kleunen, National Skills Coalition CEO:

And I do think the American Jobs Plan that the Biden administration has proposed as part of its infrastructure strategy is very explicit about wanting to have those kinds of partnerships there to figure out both employment strategies for new workers that are coming into skilled work, but also how we're thinking about our unemployment policies and how it is that we're trying to transition workers if it's not back into the industry from which they left into new industries locally. And so I think that that partnership idea has really taken hold.

Andy Van Kleunen, National Skills Coalition CEO:

What we need to do now is we need to make sure that we actually pass the dollars that will allow us to do that. So there's been \$100 billion of proposed investment as part of a much larger several trillion dollar package. We want to make sure that that is kept whole so that we can build those partnerships and then invest in both those workers and the local businesses. And we do feel that businesses are going to need some assistance as well to make sure that both of them are being served in a way that's going to move this forward into the future.

Ramona Schindelheim, WorkingNation editor-in-chief:

I saw a stat recently that the majority of the long-term unemployed, the folks who are unemployed for more than six months are 40 plus, 45 plus. How do you include those unemployed people, those job seekers who really must work, how do you get them prepared for the skills that they need? I don't see too many programs out there that really address that.

Andy Van Kleunen, National Skills Coalition CEO:

Yeah, that is a great question. Actually, I've been in communication with folks over at AARP. Obviously, they have a real concern about this because their membership are those folks over 45. It used to be that Washington thought that if you'd lost your job in your late 40s, early 50s, there was no reason to invest in your retraining. We figured you were already done learning anything new. And so the best we could do would be try to get you back into your old job, or to provide some other kind of income support. Sometimes we talked about providing things like wage insurance. So if the new job you got wasn't as good as the one you had maybe we'd try to split the difference a little bit, but I think the reality is that we recognize that folks in their 40s are going to be working at least another 20, 25 years in some cases, maybe even longer.

Andy Van Kleunen, National Skills Coalition CEO:

And that if we as a country took seriously this idea, we often talk about lifelong learning it sounds like a nice aspiration, but the reality is that that doesn't happen unless we make a commitment to invest in people. Most of our labor training policies in this country it's really about getting people their first skilled job, or getting them off unemployment and back into the labor market, but it's not like once they're working. We want to continue to work with you and your employer and your industry to continue to invest in you over time because folks in their 30s and 40s are going to need that just to keep the jobs that they currently have. And so we want to make sure that as part of how federal policy is looking at this moving forward, we just don't talk the talk about lifelong learning. We actually make a commitment to invest in people's skills all throughout their working careers.

Andy Van Kleunen, National Skills Coalition CEO:

That's going to require employers and industry to be part of that solution. So having a real hardwired, public private partnership where we are looking at retraining every year tens of millions of workers in our workforce, we have about 155 million folks who currently work in the U.S. economy. There needs to be a significant amount of those who are retraining every year to help those businesses stay current. And that, again, stay ahead of that technological curve that we know is just going to continue to accelerate over time. So that's a long answer to say is it's not just giving the person who's in his or her 40s some additional money to keep them whole until they retire. It really is recognizing that we should be investing in them in the same way that we would invest in an 18 or a 20-year-old that's just starting out in their working career.

Ramona Schindelheim, WorkingNation editor-in-chief:

I agree with you fully. I think it's an important issue that we haven't surfaced enough and that maybe it's just now getting a little bit more attention, but it's something that we've looked at a lot at WorkingNation. And it's good to hear that you guys are focusing on that as well. One issue that has gotten a lot of attention is how the pandemic has made it very clear that there's a digital divide in this country and being so dependent on technology many companies being dependent on remote working, and also the learning part, obtaining those skills. What do you think the policy should be behind closing that gap?

Andy Van Kleunen, National Skills Coalition CEO:

Yeah, there always was a digital divide in this country, but, boy, it became very apparent last year. It became apparent in terms of who could work at home versus who could not, who could learn from home effectively versus who could not. And so a lot of the initial attention I think has always been on kind of the tangible parts of the digital divide, like, access to broadband. We know that that's stratified based on race and geography and things like that, and access to decent equipment, right? So folks can't do everything on their phones. We have a lot of folks who have phones, but we don't have nearly as many people who have a tablet, or a laptop, or some other kind of device.

Andy Van Kleunen, National Skills Coalition CEO:

And so broadband and devices has always been part of the digital divide discussion. I think what we have been trying to bring into it in addition to that is digital literacy is the third leg of the digital divide that we can not ignore because there are a lot of folks for whom we would give free broadband and free laptops who would not be able to make effective use of that to work, to learn, to search for a job, for any of a number of different things. And that's just on how it is that they're using technology at home,

let alone when you get into their workplace. So we feel that we need kind of a digital literacy strategy that's clearly part of how we think about digital equity in this country.

Andy Van Kleunen, National Skills Coalition CEO:

Thankfully, Patty Murray, who is the chair of the Senate Health Education Labor and Pensions Committee in Washington State, she had written a Digital Equity Act sometime ago that now digital literacy is part of the proposal. And how it is that she thinks we need to address broadband equipment and literacy. If we get the American Jobs Plan passed, there's going to be an expansion of broadband. The American Rescue Plan has already been helping folks with equipment. So we've needed that digital literacy, that third piece, and we're hoping that that's going to be part of the digital equity part of the reconciliation package that Congress is going to be looking at later this year, but a key, and additional element of that is it is not just young people at home. It is workers on the job.

Andy Van Kleunen, National Skills Coalition CEO:

I want to give props to leaders in the tech space that I think have traditionally kind of focused on the digital literacy of young people who now recognize that current workers need to be part of their constituency as well. So, recently, Microsoft, who has been a leader on digital access for young folks they just did an event recently, specifically around the challenges faced by current, or incumbent workers, and how it is that the technology sphere needs to be working with industry not just for their high-level workers, but even for their entry level, and mid-level workers for whom this technology is going to be the biggest challenge for them, particularly, if they're limited in their digital literacy and digital skills.

Andy Van Kleunen, National Skills Coalition CEO:

And so let's assess our local workers, let's work with local companies, even smaller companies to help them assess what's the digital skills of workers they currently have. What's the technology that I'm going to need in order to be able to stay competitive in this new environment? And then what can I do working with public policies and me as an employer to kind of close that gap so I can hang on to these people? They can be more productive, and they can be working with me for years ahead. I don't have to think about finding new folks who have different skills than what they currently have.

Ramona Schindelheim, WorkingNation editor-in-chief:

So as we wrap up, what is the result if we don't address this now? We knew there was a problem before it's exponentially more of a problem. What happens if we don't do something?

Andy Van Kleunen, National Skills Coalition CEO:

Let's go back to the millions of folks that you talked about earlier. Currently, today, we have 9.5 million folks on unemployment, and another 6.5 are out of the workforce. And if we believe the research up to 60%, so it's almost 90 million people who are going to be impacted by these technological changes within the next couple of years. If we don't do that for one, that's not good for the U.S. economy. Basically, we're operating an inefficient economy. We are not going to be able to be competitive with the rest of the world.

Andy Van Kleunen, National Skills Coalition CEO:

Other countries that make these kinds of investments in their current workers is just a part of their labor market policies. If you look at where the U.S. ranks in what they call active labor market policies relative to the rest of the world, or about the 22 biggest economies in the country, we rank about 21st in terms of what we spend per worker in active labor market interventions. So we're already losing that battle relative to our economic competitors. And that will only continue if we don't change that. So it's not good for the U.S. economy. It's not good for local businesses.

Andy Van Kleunen, National Skills Coalition CEO:

Years ago, we thought to keep local small manufacturers competitive internationally we needed to kind of give them access to the same technology that the international manufacturing companies had so we created this thing called the Manufacturing Extension Partnership. It was kind of like the agricultural, or the farm partnership cooperatives that we used to set up years ago. It was basically helping those local manufacturers get access to that new technology and then helping them train people to use it. We should be doing that for every small business in this country across a range of different sectors because they are going to need that assistance as well. If we don't do it, they will close down.

Andy Van Kleunen, National Skills Coalition CEO:

Small business of disproportion closed down this pandemic. If we do not bring them some assistance to help them bring on this new technology and the workers that are required to harness it they will eventually go out of business themselves. So it's not good for the economy. It's not good for local businesses. And, obviously, it's not good for the working people in this country. We have 15 million folks whose future is very uncertain unless we make an investment in many of them to get them back into not just a job, but a better job than they had prior to March, 2020, a career where they can be bringing value to a local industry, and to a local community in a different way than they might have had an opportunity to do before the pandemic. So there's a range of different ways where we're going to lose unless we decide to prioritize these investments in our people moving forward coming out of this pandemic.

Ramona Schindelheim, WorkingNation editor-in-chief:

So, Andy, what do you think the future looks like this year and next when it comes to closing these obvious skills gaps?

Andy Van Kleunen, National Skills Coalition CEO:

Here's the good news. If there's any good news to come out of Washington, is that investing in people, investing in training for workers is a bi-partisan issue. It resonates with Republican and Democratic and Independent voters. We did a recent poll, 89% of U.S. voters want to see workforce training be part of any infrastructure job creation package coming out of Congress this year. They see that as an essential part. And we have lots of Republicans and Democrats who have been working together for years on these initiatives in terms of legislation. We just need to kind of raise the profile of it a little bit.

Andy Van Kleunen, National Skills Coalition CEO:

So I'm hoping that the tragedy of this recession and the pandemic is going to give some of those political partners a chance to kind of step up their game a little bit and kind of make it more apparent that this is something that we need to do moving into the future. And I'm also encouraged by the fact that the kind of partners that we're bringing together, who, again, don't typically work together on policy, business leaders, both large and small, labor unions, colleges, and community organization, they've done a great

job of coming together to work on this stuff. And so I think that that's where, likewise, we've got a great opportunity to move this conversation forward, not just with what we do here in 2021, but in some years to follow.

Ramona Schindelheim, WorkingNation editor-in-chief:

So on that note, Andy, thank you very much for joining the Work in Progress podcast. Really enjoyed talking to you.

Andy Van Kleunen, National Skills Coalition CEO:

Thanks Ramona. It's been a great conversation and thanks for all the work that you and WorkingNation are doing to raise the profile of these issues.

Ramona Schindelheim, WorkingNation editor-in-chief:

We've been speaking with Andy Van Kleunen the CEO of the National Skills Coalition. I'm Ramona Schindelheim, editor-in-chief of WorkingNation. Thank you for listening.