

## Workforce Development Initiatives Address Current Demands but Miss Long-term Solutions

Rhode Island was among the hardest hit states during the Great Recession, and one of the last to experience the benefits of an improving economy. The recession highlighted some fundamental shortfalls and weaknesses in our economy, as well as significant global shifts that have slowed our recovery. One of these shifts is the ever-widening knowledge gap of our children.

### Rhode Island's Economic Drivers

According to analysis by the Brookings Institution commissioned by the state in 2015, Rhode Island lacks sizable high-value growth engines, and has failed to nurture new advanced industries. The report highlighted several economic drivers poised for expansion including biomedical innovation; data analytics; design and consumer products, including food manufacturing; and tourism. These sectors are all projected to grow the number of jobs at a rate of approximately 2%.

While Rhode Island's economy is improving and the state's unemployment rate has declined since the Great Recession, our workforce is not keeping up with the needs of the changing business environment. According to the 2016 Rhode Island Department of Labor and Training's Labor Market Information report, 55,500 adults were either unemployed or underemployed and looking for work. The jobs were available, but employers were stretched to find candidates with the skills and necessary work experience



required to fill those positions.

Rhode Island's skills gap could resolve as state-level workforce development strategies are implemented, but it may take some time. The Governor's Workforce Board's 2018/19 Biennial Plan for the next fiscal year references a 2014 study by Georgetown University that projects that 70% of jobs in Rhode Island will require some education beyond high school by 2020. Currently, there are not enough workers who meet the criteria, with even fewer who are qualified for jobs requiring skills in projected growth sectors.

Since Governor Raimondo took office in 2015, policy has shifted to fund initiatives designed to develop a workforce prepared with the knowledge and skills necessary to meet employers' current needs. The Biennial Plan outlines the state's strategies to train workers for jobs in the projected high growth and middle-high wage industries identified in the Brookings report, and has included the creation and expansion of apprenticeships, contextualized education, and collaborations aligned with the Workforce Innovation and Opportunity Act. An understanding is evolving about the importance of giving youth opportunities to begin career exploration while in high school, accomplishing this through classwork, exposure to employers and worksites, career pathway planning, and opportunities to co-enroll in college courses. Similar to the understanding about what may help youth to succeed, the need for educational and supportive services for adults is being addressed through state workforce initiatives like Real Pathways, Real Jobs RI, and SNAP Employment and Training. For adults seeking employment and career advancement, basic education, training and a broad



range of supports may be needed to develop skills that meet the specific requirements of employers.

As Rhode Island works to build a workforce that is responsive to employer needs and acts as an attraction for additional business development, a significant body of research points to an underlying and under-addressed issue.

## The Lifelong Impact of the Earliest Years

A growing body of scientific research has established that a solid foundation constructed in the first years of life is crucial to everything that follows. Extraordinary development occurs from birth to age five, forming the bedrock for lifelong health, intellectual ability, emotional well-being, and social functioning. In just the first 1,000 days after birth, a child grows from a helpless infant to a running, jumping, climbing preschooler. And their early cognitive, social, and emotional development is equally rapid, mirroring this dramatic physical growth.

Research shows that a child's earliest experiences affect brain development, that brain development is cumulative, and that the formation of the brain in these earliest years directly correlates to the advancement of language, and cognitive, social, and emotional capacity. A broad set of socially and economically valuable skills start developing in a child's very first months of life; they build over time and are critical determinants of academic and economic success.

Further research shows that investments in the earliest years of a child's learning provide immediate benefits

that continue throughout their life. Low-income children who have had access to high-quality child care are less likely to be retained in grades, less likely to be referred to special education, less likely to be incarcerated, and are more likely to graduate high school and attend college. Studies show that they develop into more intellectually astute, motivated adults who are able to make productive contributions to the workforce.

At this time, there is a shortage of openings for children in the state's licensed child care facilities. In Rhode Island, between 2011 and 2015, 73% of children under age six had both parents in the workforce, higher than the U.S. rate of 65%. According to the 2017 State Child Care Aware Facts, there are more than 47,000 children under the age of six in Rhode Island who are potentially in need of child care, but only 33,000 spots in licensed facilities. Compounding this challenge is the fact that child care is expensive in Rhode Island. It takes a significant percentage of a working family's income to cover child care costs. According to the Economic Progress Institute's 2016 Standard of Need report, a single parent, working family raising a toddler and a school-aged child could spend more than a third of their income on child care. Child care subsidies are available through the state, but income thresholds can place these benefits out of reach if a family's income level is even slightly above the eligibility threshold. The lack of supply and affordability of quality child care is putting tremendous pressure on working families and their resources.

Of critical importance is the varying quality of Rhode Island's child care facilities. Based on the standards set by Rhode Island's tiered child care rating system, less than 13%

## Development of the Human Brain



Birth



1 Month



9 Months



2 Years



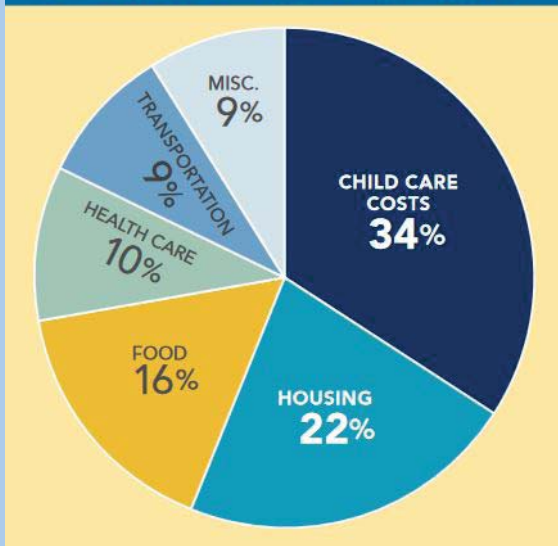
Adult

Between the ages of birth and three, connections in the brain are made at a faster rate than at any other time in life, forming up to twice as many synapses as it will have in adulthood.

Source: Adapted from Conel, JL, *The Postnatal Development of the Human Cerebral Cortex* (Cambridge, MA: Harvard University Press, 1975).

## Household Expenses for Single Parent Working Family

HOUSING AND CHILD CARE ACCOUNT FOR MORE THAN HALF OF EXPENSES FOR A SINGLE PARENT WORKING FAMILY



Source: *The 2016 Rhode Island Standard of Need* (Providence, RI: Economic Progress Institute, 2016).

***It is recommended that families spend no more than 7% of their income on child care.***

of these programs are considered high quality.<sup>1</sup> Research shows that the impact of the quality of child care – whether high or low – is long lasting. Fiscal constraints on child care centers have forced many programs to defer important facilities maintenance, investments in upgrades, and program enhancements that have resulted in substandard learning environments. There also is a significant shortage of openings for infants and toddlers throughout the state. These factors are negatively impacting the quality of care for Rhode Island’s children, and in certain cases, creating potentially serious health and safety issues for some of our most vulnerable population. In 2014, the Rhode Island Department of Education commissioned LISC to undertake a comprehensive evaluation of the state’s child care facilities. The assessment, entitled *The Rhode Island Early Learning Facility Needs Assessment*, found that a very significant number of the state’s child care facilities needed substantial and often costly upgrades. The evaluation was designed to identify facility-related issues that were creating impediments to licensed child care and early learning centers complying with state licensing standards and/or moving up the state’s tiered quality ladder.

<sup>1</sup> Data collected from EXCEED.ri.gov and includes all licensed program types: center-based, family home, and school-based child care that participate in the BrightStars Quality Rating and Improvement System.



Recommendations were made to address the many challenges identified in the report, and to help close the achievement gap for Rhode Island’s children.

## Rhode Island’s Investments

While Rhode Island grapples with finding effective ways to address the skills gap and thereby fuel economic growth, it is not sufficient to look at short-term solutions. Workforce development also needs to include investment in child care programs and facilities that provide healthy and stimulating environments for children who will be part of the next generation’s workforce.

Rhode Island is investing in its workforce. The state has invested \$3.65 million in enhanced manufacturing programs at tech high schools and \$2.1 million in the state’s Pathways in Technology Early College High School initiative. Rhode Island is the first state to offer computer science to every child in public school, has become one of the first states with two years of free tuition at the state’s community college, and has put incentives in place to keep graduates working in Rhode Island. Investments in adult learners include Real Jobs RI, Real Pathways and Incumbent Worker Training. Yet, there are 63,000 working-age adults in Rhode Island who do not have a high school diploma. Roughly two-thirds of students entering community college need remedial classes to begin college credits, and 49% of college students enrolling in public colleges in Rhode Island leave school by their third semester. Adults seeking to improve their employability by enrolling in workforce



Economic  
Development

Income &  
Wealth

Housing

Child Care &  
Early Learning

Community  
Safety

Health  
Equity

Creative  
Placemaking

training programs sometimes discover that they must first improve their reading, writing and math skills before they can enroll in skills training leading to industry-recognized credentials. As the contracted manager of the state's employment and training program for recipients of SNAP (SNAP E&T) benefits, LISC knows this first hand. During 2016, of the 1,000 people who received SNAP E&T services, nearly half (48%) were enrolled in basic education classes as their first step into the workforce. The state is presently committed to investing in employer driven workforce development initiatives targeting school-aged youth, and unemployed or under-employed adults. If investments in quality facilities and programming for children in early childhood are not prioritized in the same way, will these investments in education and workforce development be undermined?

Since 2009, Rhode Island has been able to ramp up its Pre-K expansion program and open 60 free, high-quality pre-kindergarten classrooms due to an additional \$6 million in federal funding. While Pre-K is an important component of a child's early education and expanding access is a positive step, Rhode Island has simultaneously reduced funding for the state's Child Care Assistance Program (CCAP), which subsidizes child care for low-income families in the workforce or training programs.

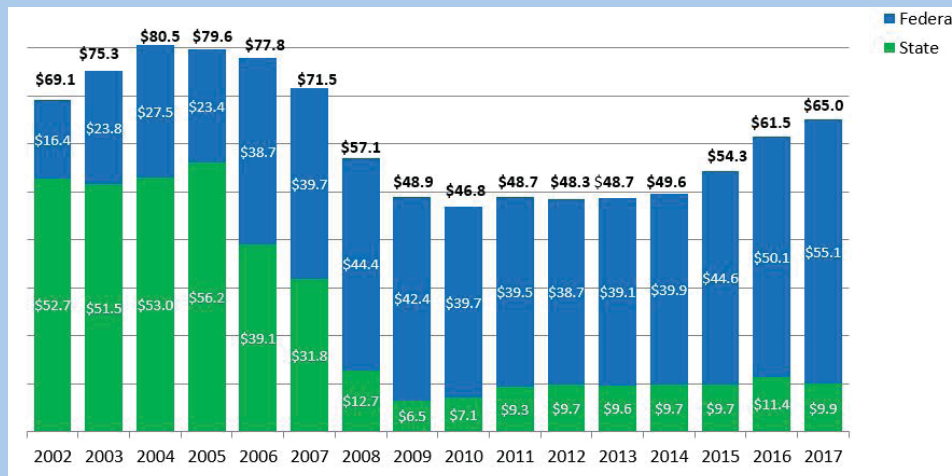
Rhode Island's CCAP program, with one of the lowest eligibility limits and reimbursement rates in New England, is critical to working families. According to RI Kids Count, current CCAP reimbursement rates are the lowest in New England and well below recommended levels to ensure equal access to high-quality child care.

Research tells us that the lack of investment in programs where children are spending significant amounts of time during their foundational and most rapid period of development is a tremendous missed opportunity. The state's minimal investment in affordable, high-quality child-care programs and facilities will diminish the productivity and achievement of the workforce of tomorrow.

## Conclusion

There is a robust body of scientific knowledge that clearly points to targeted policy directions. In addition to Rhode Island's efforts to support solutions to current workforce shortfalls, we also need to find new ways to provide a robust workforce in the future. We need to promote and leverage the growing state commitment to early childhood, to incentivize state innovation, and to highlight strategies and activities of currently leading states – particularly around supporting lower-income families – by improving access to high-quality child care.

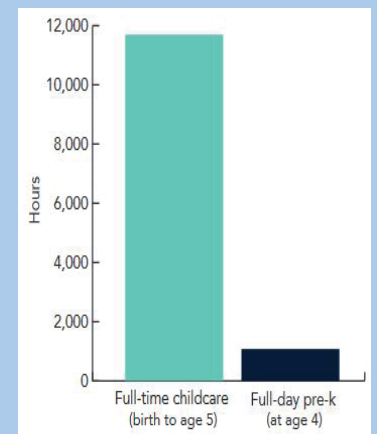
## Financing by State Fiscal Year



Rhode Island spends **18% less** overall and **82% less** in state funding on the Child Care Assistance Program than we did in 2005.

Sources: Rhode Island House Fiscal Rhode Island Enacted Budgets. Note: FY 2002-2015 are final expenditures. FY2017 is from November 2016 Caseload Estimating Conference Prepared by Rhode Island KIDS COUNT, 2017.

## Hours in Child Care vs. Pre-k by Age 5



Source: Stevens, K. *Workforce of Today, Workforce of Tomorrow: The Business Case for High-Quality Child Care* (The Chamber of Commerce Foundation, 2017).