

CATAPULT FORWARD



ACCELERATING A NEXT-GENERATION WORKFORCE
ECOSYSTEM IN GREATER BOSTON

Monitor Institute
by **Deloitte**.

 **SkillWorks**

The Boston
Foundation 

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The Boston Foundation, Greater Boston's community foundation, brings people and resources together to solve Boston's big problems. Established in 1915, it is one of the largest community foundations in the nation—with net assets of \$1.3 billion. The Foundation works in close partnership with its donors, with more than 1,000 separate charitable funds established for the general benefit of the community or for special purposes. It also serves as a major civic leader, think tank and advocacy organization, commissioning research into the most critical issues of our time and helping to shape public policy designed to advance opportunity for everyone in Greater Boston.

ABOUT SKILLWORKS

Established in 2003, SkillWorks is a nationally recognized funder collaborative that has impacted the lives of thousands of low-income jobseekers and low-wage workers and has created a pipeline of talent for the region's highest demand businesses and industries. These include more than 100 employers seeking qualified employees for jobs in healthcare, biotech, construction, financial services, hospitality, green jobs, and most recently, IT/technology. Hosted by the Boston Foundation, SkillWorks acts as a workforce intermediary that pools funding from public, private, and corporate philanthropy to create a flexible set of resources that can be steered towards innovative solutions across community-based organizations, vocational training, community colleges, and employers.

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Monitor Institute by Deloitte is a group within Deloitte LLP that works with social impact-focused organizations and their leaders, helping them to make the hard choices and take the required actions to advance progress on pressing societal challenges. Since the early 2000s, Monitor Institute has worked with more than 200 social sector organizations, including six of the seven largest U.S. foundations and many groundbreaking social innovators, bringing new approaches and impact strategies to clients and contributing to the public debate on prominent issues through renowned thought leadership.

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Preface

As the Greater Boston regional economy continues to grow and the labor market tightens, we're seeing a rapidly expanding gap between the demand for qualified talent and the lack of workers ready to fill in-demand roles. Closing this gap is a complicated matter.

Employers need workers, but not just any worker. Employers need people who can fill specific roles, often with specialized skills. And in their ever-evolving industries, they especially need people who can adapt to change.

Workers need jobs—but not just any job. It has to pay the bills (which not all jobs do), but most people, at all levels, are looking for more than that. They care about benefits, flexibility, career advancement opportunities, a sense of purpose, and enjoying work/life balance.

At the center of Greater Boston's labor market, addressing these entwined challenges, are organizations that the Boston Foundation calls Next-Generation Workforce Providers—market-driven training and education organizations seeking to expand opportunity for lower-income individuals and create competitive advantages for businesses in need of workers. This is a report about them. It is an analysis of the critical competencies these types of providers need to succeed, offering specific examples of leading practices within these competencies, drawn from the work of Next-Generation Workforce Providers across the region. It's also an acknowledgement of the challenges still at hand and ahead, and a call to action for the many players—across the public, private, and social sectors—who have a role in strengthening Greater Boston's workforce development ecosystem.

This report comes out of Project Catapult, a new initiative launched in early 2019 by the Boston Foundation and SkillWorks to invest in Next-Generation Workforce Providers and partner with forward-thinking businesses to leverage the region's potential for sustaining talent via the workforce system. Following the launch of this effort, we collaborated with Monitor Institute by Deloitte, a team within Deloitte LLP that works with social impact-focused organizations, to help us create this report, describing ways that organizations can work toward closing the skills gap and improving outcomes for workers and employers alike.

We hope this report is just a start in tracking how we change Greater Boston's workforce system for the better.



Paul S. Grogan
President and CEO
The Boston Foundation

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Executive Summary

Background

Today's tight labor market, anticipated Baby Boomer retirements in the coming years, and growth of high demand and skilled jobs are contributing to a never-before-seen tension between the demand to fill jobs and the lack of supply ready to fill those jobs.

Unemployment in Massachusetts is at a historic low of 2.9% (lower than the national unemployment rate of 3.7%).¹ In fact, Boston's economy has been booming for a number of years, indicating consistently strong demand for labor despite broader economic fluctuations. In the current labor market, the need for workers has only gotten stronger, making it especially difficult for many employers in the region to meet their needs.

But with great challenge often comes great opportunity. In the words of Boston Foundation President and CEO Paul Grogan, "A tight labor market is a terrible thing to waste."² Together with SkillWorks, the Boston Foundation launched Project Catapult to seize this moment of opportunity for both today and tomorrow—to invest in sustainable workforce solutions that can fill Greater Boston's labor market needs, address growing income inequality, and fuel regional growth for the long term.

Critical to this are organizations that the Boston Foundation calls "**Next-Generation Workforce Providers**"—a type of workforce organization that seeks to expand job and career opportunities for lower-income individuals while also being responsive to employers' talent needs. Not only does investing in "Next-Gen" Workforce Providers today accelerate the number of new participants in the labor force in the short term (a significant opportunity for the region

considering how tight labor market is); it also establishes structures designed to serve the region's workers and employers in the long term, including in times of higher unemployment.

Objectives and Approach

This report examines the role of Next-Gen Workforce Providers in the Greater Boston workforce ecosystem by looking at the work of specific organizations

identified by the Boston Foundation. It identifies leading practices to help Next-Gen Workforce Providers and other organizations learn from each other; catalogues who's doing what to support greater

coordination and collaboration; and highlights where gaps remain in the overall workforce and employment ecosystem.

Our findings are predominantly based on primary research: Over the course of three months, Monitor Institute by Deloitte worked with the Next-Gen Workforce Providers identified by the Boston Foundation as well as seven employers and 13 jobseekers to articulate leading practices in Greater Boston's workforce development landscape and understand critical gaps and opportunities. The specific workforce providers were highlighted for demonstrating the core competencies of a Next-Gen approach, as defined by Project Catapult: **being market responsive, focusing on "good jobs"** (i.e., those that provide living wages, benefits, growth opportunities, etc.), **lifting untapped talent** (i.e., helping non-traditional talent pools access job opportunities), and **investing in organizational capacity**. Examples and quotes mentioned herein come from interviews, and we did not conduct a

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thorough analysis of other data sources. Given the focused scope of our research, we welcome and invite others to build on this work. *More information about the organizations and people involved in our research can be found in the Appendix.*

What We Learned

Next-Gen Workforce Providers play a critical role in the Greater Boston ecosystem. Jobseekers turn to them for training, support, and community, and employers rely on them to help find and train qualified candidates and upskill incumbent workers.

Today, many Next-Gen Workforce Providers are primarily trying to “**build the supply**” of talent, serving many distinct populations in Greater Boston through targeted approaches, focusing on increasing the quality and quantity of available workers. The “untapped” workforce is oftentimes unemployed or underemployed because its members face barriers to employment such as low education levels, limited English language abilities, or criminal records, so tailored programming and wraparound supports that empower specific populations have become even more critical. And while there may be many organizations competing for similar public or philanthropic funding, there is plenty of room for them all to do their work as the need among jobseekers is large and organizations are serving different people in distinct ways. Still, there’s ample opportunity for greater coordination, cross-learning, and outcomes-sharing across workforce providers.

To maximize impact, Next-Gen Workforce Providers in Greater Boston can also increase their focus on “**building demand**,” or adopting an employer-centered lens in their work and working to shift employer mindsets, particularly around how they source, retain, and advance talent. Beyond working with employers to place jobseekers, workforce providers can engage employers more proactively to understand their needs and design training around these needs, as well as help employers evaluate and evolve their hiring, advancement, and retention practices (particularly for untapped talent). At the same time, employers can take a more active position

as partners and co-investors in the workforce development ecosystem, recognizing it as a business imperative rather than a charitable contribution.

The good news is that many Next-Gen Workforce Providers are already adopting these new ways of working in partnership with jobseekers and the region’s leading businesses. In **Table 1** on the next page we briefly summarize the **leading “next-gen” practices** (as they relate to the Boston Foundation’s four-competency framework) that we observed across the workforce providers we worked with; more detailed descriptions and examples can be found in the full report.

While workforce providers are key players in the Greater Boston workforce development ecosystem, **many other parties have a role to play** to increase the effectiveness and cohesion of the system. In fact, several of our interviewees observed that workforce development in Greater Boston is so fragmented that there is no singular ecosystem. Employers, public sector actors, and education institutions, in particular, can benefit from greater coordination with one another and with workforce providers to better serve jobseekers’ needs and fill talent gaps for employers. As Next-Gen Workforce Provider Year Up put it, “We need to close the opportunity divide, but that doesn’t mean [a single workforce provider] has to do all the work. There are things we can’t do if we try to do it all alone.” (See: *Gaps and Opportunities in Greater Boston’s Workforce Development Ecosystem*, page 29, for more detail on the roles other parties can play.)

We hope that all players in Greater Boston’s workforce development system can learn from these leading practices and from other observations outlined in this report to work as individual organizations and a collective system to better serve the needs of jobseekers and employers, help reduce economic inequality in our region, and boost economic growth.

TABLE 1

Summary of Leading Practices

LEADING PRACTICE	DESCRIPTION
Competency: Being Market Responsive	
A. Fostering Deep and Strategic Partnerships with Employers and/or Industries	Shift from purely transactional interactions to deep and strategic partnerships with employer and/or industries to help them fill business needs; includes creating employer consortia, hiring dedicated employer liaisons, and presenting high-quality job candidates.
B. Being Nimble in Response to Regional and Economic Changes	Conduct sensing activities regularly to understand how the market is changing and adjust programming and partnerships to fill these demands.
C. Creating Talent Supplier Agreements, Possibly Including Customized Employer Training	Develop internship and/or full-time talent supplier agreements with employers, such that employers commit to dedicating a number of openings for the workforce provider's program participants, and work with employers to develop customized fee-for-service trainings.
Competency: Focusing on Good Jobs	
D. Defining and Identifying Good Jobs	Define "good jobs" based on the needs of the target population and tailor programming to help workers find jobs that meet these needs.
E. Leveraging Trusted Employer Relationships to Support Untapped Talent in the Long Term	Consult with employer partners to help ensure their hiring, retention, and advancement practices support program participants and other untapped talent to be successful in their roles, while enhancing employers' operational efficiencies and overall talent strategy.
F. Providing Training and Pathways for Advancement and Retention (Not Just Placement)	Support workers in their career progression by providing opportunities for upskilling (e.g., incumbent worker training), paid for by employers in order to help them retain and advance their talent.
Competency: Lifting Untapped Talent	
G. Offering Tailored Programming to Target Population	Design trainings with tailored content, appropriate pedagogical approaches, language instruction (as needed), and other supports that address potential barriers to employment and to help make jobseekers ready for work.
H. Providing Holistic, Wraparound Supports	Recognize the holistic needs of program participants and offer wraparound supports (e.g., training stipends, transportation assistance, coaching) as needed.
I. Offering Laddered Work Experience via Social Enterprise Model	Offer supported work experience by running a business or social enterprise in-house, serving as an employer while providing a structured training environment.
J. Supporting and Leveraging Alumni	Actively offer ways for program alumni to stay connected with, represent, and enhance the program; maintain alumni networks to support the ongoing professional development and advancement of graduates.
Competency: Investing in Organizational Capacity	
K. Cultivating Intentional Partnerships with Other Providers	Build structured, collaborative partnerships to deliver a broader range of services to better serve the holistic needs of jobseekers and employers.
L. Encouraging Organizational Learning and Continuous Improvement	Maintain a mindset of and invest in constantly aspiring to do better, being willing to evolve, integrating participant feedback, and building the internal capabilities to support continuous learning and adaptation.
M. Leveraging Technology and Data Strategically	Use technology and data to support innovative program delivery and indicate program quality to jobseekers and employers.
N. Exploring Innovative Funding Models	Consider opportunities to earn revenue (e.g., running social enterprises, providing paid services to employers) or tap into unconventional funding sources to boost financial sustainability.