

State Recovery Now

Policy Playbook

Employing Residents in High-Demand Careers: English for Advancement

A guide to helping communities advance workforce development through employment-focused English language instruction

Executive Summary

The economic impacts of the COVID-19 pandemic have hit communities of color, women, and low-income workers the hardest. Within these already-underserved communities, individuals with limited English proficiency face even higher barriers to entering into and advancing within the labor force. Though this population has a wealth of skills that could contribute to economic recovery, it is often underutilized, even when employer demand is high. Because traditional workforce development initiatives have typically overlooked this population, new and targeted approaches are needed to help immigrants and English language learners access the labor market.

As state and local governments consider their options for spending American Rescue Plan (ARP) funds, they should consider investing in an English for Advancement (EfA) program, designed to help individuals with limited English proficiency enter and advance in the labor force. EfA pairs workplace-contextualized English to Speakers of Other Languages (ESOL) classes with personalized career coaching services, helping English language learners gain both necessary English skills and an ability to navigate the U.S. job search and hiring process.

EfA has the potential to transform the way adult education is delivered, funded, and measured to better align with workforce development goals. It is an evidence-based intervention, with proven benefits for employment and earnings outcomes among target populations. This directly meets workforce development needs critical to COVID-19 economic recovery, with a particular emphasis on traditionally underserved communities, making it well-suited for the use of ARP funds.

EfA was created through a Pay for Success funding model, predicated on the intervention producing a positive return on investment. With program costs estimated between \$4,000 and \$5,400 per participant, net benefits from employment and earnings gains are expected to exceed net costs by the third year after enrollment. Policymakers can expect to see a substantial return via increased tax revenue from employment and earnings outcomes. This is in addition to positive impacts from beneficiaries' increased discretionary spending and reduced state spending on social safety net benefits.

Background

Nearly <u>one in ten</u> working-age adults in the U.S. — around 19 million people — have limited English skills. Limited English proficiency is a barrier to economic advancement for both low-skilled and high-skilled workers. Across all education levels, workers with limited English

skills earn less than their English-proficient counterparts. They are more likely to live in poverty, and more likely to work in lower-paying occupations, such as housekeepers, janitors, construction laborers, or drivers. On top of limited English skills, immigrants often lack professional networks and an understanding of the U.S. job search process. Their skills are too often underutilized, even when employer demand for skilled workers is high.

Currently, most ESOL programs' funding is dependent on having students acquire English language skills. In some systems, points are awarded for daily attendance, the number of students who take a pre- and post-instruction exam, and the number of students who make an academic gain (e.g., increase by a Student Performance Level). By encouraging programs to keep students enrolled, this unintentionally disincentivizes programs from helping students gain employment, as they would become more likely to then exit the program and detract from these "success" measures.

Meanwhile, workforce development programs are funded with the goal of increasing employment, but most do not take into account strategies to assist English language learners (ELLs). Strategies to blend these two systems — helping ELLs attain employment and helping job-seekers improve English language skills — will help state and local governments advance workforce development goals by taking greater advantage of the underutilized wealth of knowledge and skills in these communities.

Policy Overview

To overcome challenges associated with workforce development for individuals with limited English proficiency, state and local governments should consider allocating a portion of American Rescue Plan Act (ARP) funds to an English for Advancement (EfA) program. EfA is an evidence-based, ideal blend of the workforce development and adult education systems, transforming the ESOL classroom into a work readiness environment, while increasing English language skills and students' confidence to enter the American workforce.

EfA pairs contextualized ESOL classes with career coaching. The classroom component focuses on the language skills needed to apply for and succeed in the workplace, while also building confidence and camaraderie among students. Career coaches hold the dual role of understanding the local labor market, connecting with employers to understand their hiring requirements, and identifying <u>quality jobs</u>, while also getting to know students and their goals, skills, abilities, and life circumstances that will make them successful in different roles. Career coaches create matches between students and employers, assisting the student with all aspects of the hiring process (i.e., completing an application, scheduling and practicing for interviews,

following up with employers, etc.). This personalized support lasts throughout the full hiring process and continues to support the student as they start their new role.

To implement this program, state and local governments should follow the program design outlined below:

- 1. English language instruction should be paired with career coaching.
- 2. ESOL classes should be contextualized to the workplace (i.e., students should be taught English vocabulary and grammar in the context of workplace skills and environments).
- **3.** Use managed enrollment and open exit design, with an ideal class size between 12 to 15 participants. Programs should not be cohort-based, but rather allow new students to enter classes monthly and exit when they find a job on a timeline right for them. Monthly enrollment, rather than new students entering daily, reduces repetition in the curriculum.
- 4. Implement a screening process for students entering EfA. All students must be eligible to work in the U.S., and must desire a new or better job within the next year. Programs should also assess any barriers students may face to joining the workforce, such as access to childcare, transportation, or housing. Awareness of each student's individual circumstances at the onset will help programs determine any wraparound services (e.g., childcare support, providing bus passes, etc.) they can provide to ensure students are able to succeed.
- **5.** Career coaches must be both employer- and student-facing. Knowing the local labor market is equally important as knowing the students and their strengths and barriers.
- **6.** Measure success by the number of students attaining new or better jobs, or starting a job training or higher education program.

This evidence-based policy intervention has been adapted from a pilot program, first launched in Massachusetts, showing a promising impact on employment and earnings outcomes among immigrant communities.

Outcomes

Investing in an EfA program will help state and local governments achieve employment and economic advancement goals by tapping into an often-underutilized labor market. Policymakers can expect to see increases in employment rates in target communities, wage gains, and higher rates of under-employed individuals advancing into positions with higher wage opportunities.

At the same time, EfA programs have great potential to advance equity by making labor

market and education opportunities more accessible to ELLs through improved language skills, career coaching, and increased social capital.

Associated Costs

While specific program costs will vary depending on location and labor market conditions, the cost per student will typically range between \$4,000 and \$5,400. This figure would cover necessary staffing levels for successful language acquisition and job attainment; the structures that must be in place to support them; physical space and supplies; advertising; and other administrative program expenses.

The original pilot program, launched in Massachusetts by Jewish Vocational Service in Boston, had costs of \$5,400 per student. This cost is on the higher end of the estimated range for other cities due to being located in a region with high rents and higher salary ranges, in addition to being run by a large organization that allocates true costs. This program had a student to coach ratio of 1:45, however an ideal ratio is closer to 35 to 40 students per coach.

To further advance equity, policymakers may want to consider incorporating a stipend to pay students for their participation. This would reduce obstacles to participation, considering that individuals most in need of EfA support may be unable to forgo work hours to attend the program. The cost associated with stipends would be an additional expense, not factored into the estimate above.

Assessing the Return on Investment

EfA was created and launched in Massachusetts through a Pay for Success project, a partnership between government, private investors, and service providers that addresses critical social issues using an innovative funding model, predicated on the intervention producing a return on investment. The program leads to more residents entering the workforce, as well as more residents advancing into higher paying jobs, leading to an increase in tax revenue collected by the state.

A randomized control trial evaluating the impact of EfA in Massachusetts found a net earnings

benefit two years after enrollment of \$3,580 (in 2019 dollars). With a net cost per participant of \$4,940, sustained earnings benefits are expected to exceed net costs by the third year after enrollment.

<u>Studies</u> have shown that when lower-income individuals increase their incomes, their discretionary spending increases in response, helping to stimulate the local economy. Additionally, EfA programs have been observed to lead to decreased state spending for enrollees on support programs like Medicaid, food support, and housing subsidies.

Evidence of Action

English for Advancement was first created and implemented in five Massachusetts cities, each with high concentrations of immigrants, by the organization Jewish Vocational Service in Boston (JVS). The program uses an innovative "Pay for Success" funding model, in which private sector investors provide capital up front to scale promising programs, while the government reimburses the investors only if the program achieves predetermined outcomes.

Under this funding model, the EfA intervention was subject to a randomized control trial, conducted by an independent evaluator, the Economic Mobility Corporation, to analyze its impact on employment and earnings. The study followed a cohort of nearly 800 participants

between September 2016 and December 2017, with a two-year follow-up period ending December 2019.

EfA was found to have a substantial, statistically significant impact on annual earnings — with an average difference of \$2,621 in annual earnings after two years, relative to the control group. Participants who were initially unemployed when the enrolled saw earnings gains of over \$7,100 after two years, compared to members of the control group. EfA significantly increased employment rates, starting in the third quarter after enrollment and continuing through the eight quarter. Compared to the control group, EfA participants' earnings continued to grow at a faster rate during the second year after enrollment.

How is this a compelling use of one-time funding that can drive long term-impact and avoid unsustainable funding?

EfA programming is well-suited for ARP funds because it can help more people enter or advance in the workforce, with a particular focus on historically underserved communities, including immigrants, refugees, and communities of color. One-time investments in EfA programs could lead to both short-term economic gains, as ELL populations join a constrained and competitive job market, and long-term gains, as EfA graduates become more likely to access better, higher-paying jobs over time. In the long run, well-implemented EfA programs should be fiscally sustainable.

ARP state and local funds present a generational opportunity for policymakers to experiment with new interventions designed to overcome challenges associated with economic development and systemic inequity. By investing ARP funds in an EfA pilot program, state and local governments can monitor and measure program effectiveness in moving immigrants and ELL populations into the labor force. Collecting further evidence of impact will help begin a conversation about transitioning some existing state and local spending (e.g., adult education funds) to this type of long-term model in the future.

Authority for ARP Spending: This policy falls under several acceptable uses of ARP funding — most directly, it meets the approved use of addressing negative economic impacts caused by the COVID-19 public health emergency, including economic harms to workers, households, small businesses, impacted industries, and the public sector.

Implementation

State and local governments already have experience managing funding for adult education programs. Policymakers at all levels, however, are encouraged to reflect on whether they have the capacity necessary to implement this new program design successfully, and how to best ensure that community needs are met equitably through implementation.

Essential Partners for Successful Implementation

In addition to core leadership commitment, jurisdictions should explore partnering with relevant agencies, organizations, community partners, and state or local government counterparts for successful program implementation. For EfA programming, this includes the following critical stakeholders:

- Executive Office of Labor and Workforce Development: This office, or the state or local equivalent, should be the lead agency responsible for driving program design and implementation.
- Adult education agency: The state or local agency responsible for adult education and existing ESOL programs is an essential partner that must be brought on board to design and implement an effective program.

Engaging Stakeholders and Beneficiaries

Transparency in decision-making is essential to effectively reach underserved communities. All affected stakeholders should have an opportunity to provide input to inform program design and ensure services are targeted to reach residents most in need. Stakeholder buy-in is needed from the following groups:

- Adult education programs and existing ESOL programs are essential to delivering the
 EfA model. They must be brought on board from the onset, to ensure they see this work
 as building upon the services they provide, rather than a threat to their current operating
 model. This includes community college programs, many of which have paid ESOL
 programs that generate revenue for them.
- Employers will benefit from this program by having more people eligible for their jobs. To
 ensure a cooperative partnership, they must commit to interviewing and hiring program
 participants from the onset. Employers should commit to offering quality jobs, including
 raising wages, providing benefits, offering flexible schedules, creating career
 advancement ladders, and fostering a supportive work environment.
- Local chambers of commerce, workforce development boards, American Job Centers, and similar organizations should all be informed about program design, goals, and why EfA is the right intervention for the immigrant community.
- Local community based organizations have important access to potential program participants. They will be essential partners in outreach and education efforts to recruit participants, as well as in providing crucial support services that will reduce barriers to participation. These services, including housing, childcare, and transportation, must be funded at appropriate levels to remove systemic barriers to the workplace, many of which were exacerbated by the COVID-19 pandemic.

Risk Mitigation

What could go wrong? How can we mitigate the biggest risks?

- **Systemic barriers to labor force participation** include a lack of public transportation or insufficient hours; a lack of affordable and available childcare; limited affordable housing; and insufficient high-speed, affordable broadband; among others. Dedicating additional ARP funds to reduce these barriers will mitigate their impact on residents' ability to participate in an EfA program and to access job opportunities.
- Some employers may be unwilling or hesitant to hire immigrants or ELLs. To ensure a cooperative partnership with potential employers, effort should be made to bring them on board early and often. Program administrators can tout the benefits of diversifying the workforce and offer examples of how companies have successfully worked with individuals with limited English proficiency in the past (e.g., hiring Spanish-speaking managers, offering translation services, dividing job tasks by skill and English language level, hiring a workforce development agency for specialized training for certain roles, etc.).
- Participants may not want jobs available to them. In most cases, this occurs when the level or quality of the jobs available does not match the participant's expectation. Pushing employers to increase their job quality (higher wages, access to benefits, flexible schedules, identifiable and valid career ladders, and supportive work environments can all be pursued to make jobs at the bottom of the labor market better jobs. In addition, ensuring that career coaches are both employer- and student-facing can help bridge the divide, creating pathways to jobs better suited for participants' needs.

Data and Learning Strategy

Baseline Systems: Necessary inputs to implement the policy effectively

The main goal of the EfA program is to help those with limited English proficiency enter and advance in the labor force. To begin, jurisdictions should establish baseline metrics, in order to accurately measure the impact of the intervention. These metrics should include:

¹ To learn more about methods to identify quality jobs, visit JVS Boston's <u>Job Quality Benchmarking Index</u>.

- Number of individuals with limited English proficiency in a community
- Labor force participation rate
- Number of open jobs at various skill levels
- Assessment of available support systems (e.g., affordable housing, childcare, and transportation)
- Number of ESOL programs and their enrollment numbers

Measuring Progress: How can progress toward the desired outcomes be measured — both to assess progress and inform improvement along the way?

To measure progress of the overall service program, state and local governments can track performance metrics across the following categories:

- EfA program enrollment numbers
- Placement of participants in new jobs, skills training, or higher education programs
- Wage gains
- Job retention rates

Under the EfA model, it is not recommended to use English language gains as a measure of program effectiveness. Programs that currently use this metric as a measure of success are unintentionally disincentivized to keep students in the program (so that their English skills continue to improve), rather than help them leave to find employment. To better align ESOL programs with workforce development needs, jurisdictions are encouraged to instead consider employment and wage gains as a measure of what makes a program successful. This inherently speaks for the quality of the ESOL training program and teacher effectiveness (as students need to remain in the program and improve their English skills to become job-ready), while encouraging programs to shift their models to focus on employment as an end goal.

Additional Resources

<u>Pathways to Economic Advancement</u>, Massachusetts Executive Office for Administration and Finance

Innovation at JVS: Pay for Success, Jewish Vocational Service of Boston

Massachusetts Pathways to Economic Advancement, Social Finance

<u>Pay for Success in Action: Massachusetts Pathways to Economic Advancement,</u> Mission Investors Exchange

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