



## Incumbent Worker Training: The impact on Connecticut's competitive future

The CT Workforce Development Council and the Campaign for a Working Connecticut call on the legislature to restore state funding for Incumbent Worker Training (IWT) to its original amount of \$900,000. Incumbent workers are one of our state's most valuable assets; properly funded IWT programs ensure workers are well prepared to meet the accelerating technological and educational demands of the 21st century.

Connecticut's five regional Investment Workforce Investment Boards (WIBs) which administer IWT funds and programs focus on areas where **employers** have **identified needs**, including advanced manufacturing, healthcare, science, technology, math, and engineering (STEM), and green construction/technology.

In 2011-12 the five state Workforce Investment Boards provided Incumbent Worker Training to 2,011 employees in partnership with 98 employers. The IWT programs are not handouts or free money; it is a public-private partnership that benefits all parties involved. The WIBs allocation from the state a combined total of \$524,421 for the program, which was supplemented by \$1,152,835 in total employer contributions.

### Why we need IWT

- In 2010 New Economy Scores, CT ranked in the 76<sup>th</sup> percentile overall but only the 24<sup>th</sup> percentile in workforce education
- Middle skills jobs, those that require more than a high school diploma but less than a four year degree have replaced labor jobs as the backbone of most industries. Yet recent surveys to employers indicate that they cannot find these workers. IWT allows employers to retain their current employees and upgrade their skills as demands change.
- In 2009 about 47% of all Connecticut jobs were classified as middle-skill, but only 37% of the state's workers likely had the credentials to fill them. Middle-skill jobs is predicted to remain the largest section of the jobs market at least through 2018.
- Skills and knowledge change with increasing speed in our innovative world; half of the job related skills/knowledge of individuals born between 1946-1964 became obsolete 12-15 years after it was received, whereas it took only three years for half the skills/knowledge of those born between 1965 and 1984 to become obsolete.
- Harry Holzer, a former Chief Economist for the U.S. Dept. of Labor, argues that a key advantage of incumbent worker training is that the individual receiving training has already been hired, which reduces the risk of the company finding them unacceptable after training has been completed. Also he notes that studies of incumbent worker training improve not only individual employee earnings but company productivity overall.

#### What an employer has to say

*"I wanted to let you know that we received the reimbursement for our Incumbent Worker Training. FYI, we've added close to two dozen new hires to our workforce during the past months. Your funding certainly is helpful in growing our business. We appreciate it very much."*  
*Tim Chiou, Chief Financial Officer Fiberoptics*

### Benefits of IWT to Connecticut, Employers and Employees

- | <i>Connecticut</i>   | <i>Employers</i>  | <i>Employees</i>  |
|--|---|---|
| <ul style="list-style-type: none"> <li>• Advances economic development &amp; growth</li> <li>• Increases tax revenue</li> <li>• Enhances state status as having a well educated workforce</li> </ul> | <ul style="list-style-type: none"> <li>• Meets accelerating educational &amp; technical demands</li> <li>• Yields productivity gains</li> <li>• Keeps good employees</li> <li>• Opens growth opportunities</li> </ul> | <ul style="list-style-type: none"> <li>• Upgrades skill</li> <li>• Promotes advancement</li> <li>• Pay increases</li> <li>• Increases ability to provide for themselves and their families</li> </ul> |