Sector Partnerships Fact Sheet

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What are Sector Partnerships?

Sector partnerships organize the stakeholders connected with a specific local or regional industry—multiple firms, labor groups, education and training providers, and workforce and education systems to develop workforce development strategies within the industry. Successful sector partnerships leverage partner resources to address both short- and long-term human capital needs of a particular sector, including by analyzing current labor markets and identifying barriers to employment within the industry; developing cross-firm skill standards, curricula, and training programs; and developing occupational career ladders to ensure workers of all skill levels can advance within the industry.

Where are Sector Partnerships Happening?

Sector partnerships are active in nearly forty states and the District of Columbia.[1] While many sector partnerships are driven at the local level, some states have made sectoral initiatives a central part of their overall workforce development strategies. For example, Pennsylvania has nearly eighty partnerships serving more than six thousand firms across the Commonwealth, and more than 70,000 workers have received training and related services as part of the program. Pennsylvania partnerships have leveraged nearly $40 million in cash and in-kind contributions from participating employers since 2005.[2] Washington State has also adopted sector strategies at the statewide level, and has established more than 50 "industry skill panels" in sixteen key industries since 2000.[3]

The National Governors Association, the Corporation for a Skilled Workforce, and NNSP have partnered on a multiyear project to accelerate state adoption of sector strategies. The project includes a Policy Academy for states looking to create or expand sectoral models, as well as a peer-to-peer Learning Network of six states with significant sectoral experience.[4]

[1] http://www.insightcced.org/index.php?page=nnspmap2
[2] http://www.paworkforce.state.pa.us/about/lib/about/pdf/industry_partnership_booklet_final.pdf
[3] http://www.wtb.wa.gov/IndustrySkillPanel.asp
[4] http://www.nga.org/portal/site/nga/menuitem.1f41d49be2d3d33eacdcbeeb501010a0/?vgnextoid=5a5e912a4824e010VgnVCM1000001a01010aRCRD

How are Sector Partnerships Different from One Stops Career Centers and Workforce Investment Boards under the Workforce Investment Act?

One Stop Career Centers are designed to be universal employment and training resources, meaning that they provide services to all job seekers—and all businesses—within a local workforce area, while Workforce Investment Boards (WIBs) are intended to have broad representation from the business community. Sector partnerships, by contrast, work within a single, specific industry that has been identified as critical to local or regional economic success. As a result, sector partnerships develop a depth of understanding of a specific sector that is neither practical nor desirable for a WIB. Sector partnerships are not meant to replace WIBs—in fact, WIBs are a key partner in many successful sector partnerships—nor are they meant to offer the universal services of One Stop Career Centers. Instead, they are designed to help a local area or region develop depth and capacity within targeted, specific industries in ways that complement broader workforce efforts.

Are Sector Partnerships Effective for Low-Income Workers?

Well-designed sector partnerships can have significant positive impacts on low-income workers. According to a multiyear, random assignment impact study conducted by the public interest research group Public/Private Ventures, participants in sector-based training programs earned an average of 18.3 percent (or about $4,500) more than a control group over the 24-month period of the study. In addition, participants in sector programs were more likely to work in jobs with benefits, including health insurance and paid time off, and were more likely to find consistent work – about 1.3 additional months of employment over the two year period than the control group average.[5]

A 2002 report from the Aspen Institute similarly showed improved labor market outcomes for low-income workers in seven sector programs across the country. Participants saw an average increase in hourly wages of 31 percent over the two years of the study period, and 39 percent of participants had been able to move out of poverty on the basis of their personal income alone.[6]

How Will the SECTORS (S. 777/H.R. 1855) Act Help Sector Partnerships?

Although Congress established a sector grant program as part of the recently reauthorized Trade Adjustment Assistance (TAA) program, this program is only available for communities impacted by foreign trade and it has not yet been funded. WIA does not explicitly support sector partnerships, meaning that there is limited federal support for these initiatives, and

[5] http://www.ppv.org/ppv/publications/assets/294_publication.pdf
[6] http://www.aspenwsi.org/publications/02-010.pdf

coordination between sector programs and other elements of the workforce system can sometimes be limited as a result.

The SECTORS Act would amend WIA to provide designated funding and distinct performance measures for industry or sector partnerships. The bill would establish a series of one-year planning grants and three-year implementation grants to eligible partnerships comprised of employers, labor organizations, local WIBs, postsecondary educational institutions, state workforce agencies or other entities providing state employment services. Partnerships receiving grant funds would be responsible for meeting a range of strategic objectives, including identifying training needs of multiple businesses; helping postsecondary educational institutions and training institutions align curricula and programs to industry demands; developing and strengthening career ladders within and across companies; and improving job quality through improving wages, benefits, and working conditions.